



Half Yearly Report
December 31, 2025



DEWAN FAROOQUE SPINNING MILLS LIMITED



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DEWAN FAROOQUE SPINNING MILLS LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors	: Syed Maqbool Ali Chief Executive Officer & Director
Non-Executive Director	: Mehmood-ul-Hassan Asghar - Chairman, Board of Directors Mr. Ghazanfar Baber Siddiqi Mr. Abdul Basit Mr. Muhammad Hanif German Mrs. Nida Jamil
Independent Director	: Mr. Aziz -ul-Haque
Audit Committee	: Mr. Aziz -ul-Haque (Chairman) Mr. Abdul Basit (Member) Mr. Ghazanfar Baber Siddiqi (Member)
Human Resources & Remuneration Committee	: Mr. Aziz -ul-Haque (Chairman) Mr. Mehmood-ul-Hassan Asghar (Member) Syed Maqbool Ali (Member)
Auditors	: Feroze Sharif Tariq & Company Chartered Accountants 4/N/4 Block-6, P.E.C.H.S. Karachi
Company Secretary	: Mr. Muhammad Hanif German
Chief Financial Officer	: Mr. Muhammad Irfan Ali
Tax Advisor	: Abbas & Atif Law Associates
Legal Advisor	: Sharif & Co. Advocates
Bankers	: United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited 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	: www.yousufdewan.com

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

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

Dear Shareholder(s),

Assalam-o-Alykum!

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the half year ended December 31, 2025 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan (SECP).

Economic & Industrial Overview

Pakistan's economy showed uneven performance in the first half of FY2026, with subdued activity due to a challenging macroeconomic environment. Key sectors showed moderate growth, but overall momentum remained cautious due to weaker export performance and unresponsive investment activity. The textile sector, contributing 60% to exports and employing 40% of the labor force, faces significant hurdles including increased yarn imports leading to reduced demand and lower prices of local yarn. Additionally, rising power costs driven by higher energy tariffs and increased levies, continue to pose a significant challenge to the business.

Operating results and performance

Company's net revenue for half year remained to Rs. 112.070 million as compared to net revenue of Rs. 76.335 million of the corresponding period of last year. Company has suffered gross loss of Rs. 155.625 million as compared to the gross loss of Rs. 162.452 million of comparable period, whereas operating expenses of the company have decreased by Rs.1.910 million. Further, due to working capital constraints, the company continued the production of yarn on conversion basis to keep the company operational.

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

Company has approached its lenders for further restructuring of its liabilities without markup, which is in process. Management is hopeful that such revision will be finalized soon. Moreover, the markup outstanding up to the date of restructuring is Rs.208.531 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, hence no provision of the same has been made in these financial statements. Further, sponsors also provide the support as and when required to meet the working capital requirements of the company and accordingly, the preparation of these financial statements using going concern assumption is justified.

Future Outlook

Pakistan's economy is expected to remain cautiously stable, driven by gradual agricultural recovery, reconstruction activity, and moderate services sector growth. Inflation is likely to ease, allowing for accommodative monetary policy, but risks are anticipated due to a widening trade deficit and slowing export growth. The economy is projected to stabilize with easing inflation, improved forex reserves, and a stable policy environment, though challenges like high energy costs, currency volatility, and tight liquidity are expected to persist.

Conclusion

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

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

By and under Authority of the Board of Directors



Syed Maqbool Ali
Chief Executive Officer & Director



Mehmood-ul-Hassan Asghar
Chairman - Board of Directors

Dated: February 26, 2026

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

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Farooque Spinning Mills Limited ("the company") as at December 31, 2025 and the related Condensed interim statement of profit or loss, Condensed interim statement of comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Basis of Qualified Opinion

- a) The company defaulted in repayment of instalments of restructured liabilities of Financial institutions, hence as per clause 10.2 of the Compromise Agreement of the company, the entire outstanding restructured liabilities of Rs.393.602 (June 30, 2025: Rs.393.602) million along with markup of Rs. 208.513 June 30, (2025:Rs.208.513) million (eligible for waiver outstanding as of date of restructuring) become immediately payable, therefore provision for markup should be made in these financial statements. The Company has defaulted in restructured liabilities as per compromise agreement, the lenders filed suits for execution of consent decrees therefore, and the Balance Confirmations from Financial Institutions have not been received. Further, the short term finance facilities have expired and not been renewed by banks amounting to Rs. 267.10 (June 30, 2025:Rs. 267.10) million. The company is facing litigations from its lenders; the aggregate suit amount is Rs. 37.405 (June 30, 2025: 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 and markup thereon of Rs.208.513 million (eligible for waiver outstanding as of date of Restructuring).
- b) Had the provisions for the mark up, as discussed in preceding paragraph (a), and along with markup not booked in these financial statements as per note 9 to the financial Statements, the loss after taxation would have been higher by Rs. 553.334 (June 30, 2025: Rs 523.021) million and markup payable would have been higher and shareholders' equity would have been lower by Rs.553.334 (June 30, 2025: Rs.523.021).

Qualified Conclusion

Based on our review, except for the matter discussed in the preceding paragraph (a) and (b) and its effects, nothing has come to our attention that causes us to believe that these accompanying interim financial statements as of and for the six months period ended December 31, 2025 are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

Material Uncertainty Relating to Going Concern

Without further qualifying our opinion, we draw attention of the members to note 2 to the interim financial Statements which indicates that as of December 31, 2025 the company incurred a loss after taxation of Rs. 136.091 (December 31, 2024 Rs.153.296) million and as of that date it has accumulated losses amounting to Rs. 2.204 (June 30, 2025 Rs. 2.136) billion and its current liabilities exceeded its current assets by Rs. 1.730 (June 30, 2025: Rs. 1.669) billion without providing mark up of Restructured and other liabilities and as refer in above para (a) and (b). Furthermore, the company defaulted in repayments of instalments of restructured liabilities and short term finance facilities which has been expired and not renewed by banks amounting to Rs. 267.10 million as discussed in Para (a) above. The Company is in litigation with its lenders and the lenders filed suits for execution of consent decrees. Following Course, the company has started manufacturing of yarn on Contract basis due to working Capital constraints note 1 in the financial statements. These conditions, along with other matters as set forth in note 2 indicate the existence of material uncertainty which may cast significant doubt about Company's ability to Continue as going concern therefore the company may be unable to realize its assets and discharge its liabilities in normal Course of Business. The amounts of the current liabilities and Loss reported in said note do not include the effect of matters discussed in Basis for Qualified opinion. Our opinion is not modified in respect of this matter..

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income and the notes forming part thereof for the quarters ended December 31, 2025 and December 31, 2024 have not been reviewed and we do not express a conclusion on them, we are required to review only the cumulative figures for the Six month ended December 31, 2025.

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

Place: Karachi:
Dated: February 27, 2026
UDIN: RR2025101612P8fdctNu



(Muhammad Ghalib)

CHARTERED ACCOUNTANTS

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2025

	Un-Audited December 31, 2025	Audited June 30, 2025
Notes	------(Rupees)-----	
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Authorized share capital 100,000,000 (2025: 100,000,000) Ordinary shares of Rs.10/- each	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	977,507,260	977,507,260
Revenue reserve - accumulated loss	(2,203,837,412)	(2,136,334,737)
Capital reserve - revaluation surplus on property, plant and equipment	10,821,345,124	10,889,933,378
	9,595,014,972	9,731,105,901
NON-CURRENT LIABILITIES		
Long term loan	-	2,656,250
Deferred taxation	570,219,082	598,234,002
Deferred liability for staff gratuity	24,503,718	21,976,991
CURRENT LIABILITIES		
Trade and other payables	595,428,703	550,535,583
Accrued mark-up	390,303,597	390,303,597
Short term borrowings	457,864,219	412,864,219
Current & overdue portion of long term liabilities	433,494,050	445,994,050
Provision for taxation	-	-
	1,877,090,569	1,799,697,449
CONTINGENCIES AND COMMITMENTS	6	-
	12,066,828,341	12,153,670,593
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	7	11,870,384,303
Long term deposits	49,479,716	48,270,516
CURRENT ASSETS		
Stores & spares	23,059,956	24,861,938
Stock in trade	15,516,540	15,516,540
Trade debts- unsecured, considered good	717,936	889,251
Loans and advances - unsecured, considered good	7,843,600	5,904,428
Trade deposits and other receivables - considered good	43,771,074	36,529,801
Taxes recoverable	47,607,518	41,658,296
Cash and bank balances	8	8,447,698
	146,964,322	130,350,629
	12,066,828,341	12,153,670,593

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

Syed Maqbool Ali
Chief Executive Officer & Director

Muhammad Irfan Ali
Chief Financial Officer

Mehmood-ul-Hassan Asghar
Chairman Board of Directors

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER 2025

	Half Year Ended		Quarter Ended	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
	------(Rupees)-----			
Sales / Revenue - Net	112,070,221	76,335,050	41,530,071	5,756,000
Cost of sales / revenue	(267,694,838)	(238,786,860)	(132,850,377)	(83,453,986)
Gross (loss)	(155,624,617)	(162,451,810)	(91,320,306)	(77,697,986)
Operating expenses				
Administrative expenses	(12,113,252)	(13,350,880)	(6,964,500)	(5,880,216)
Selling and distribution expenses	(6,233,276)	(6,905,579)	(3,310,987)	(3,522,591)
Reversal of provision for doubtful debts	10,463,125	17,308,143	10,463,125	17,308,143
	(7,883,403)	(2,948,316)	187,638	7,905,336
Operating (loss)	(163,508,020)	(165,400,126)	(91,132,668)	(69,792,650)
Other income	835,292	1,757,989	-	-
	(162,672,728)	(163,642,137)	(91,132,668)	(69,792,650)
Bank charges	(32,244)	(60,715)	(20,155)	(15,189)
(Loss) before taxation	(162,704,972)	(163,702,852)	(91,152,823)	(69,807,839)
Levies	(1,400,878)	(954,188)	(519,126)	(71,850)
Loss before income tax	(164,105,850)	(164,657,040)	(91,671,949)	(69,879,689)
Taxation - Net	28,014,921	11,360,780	14,007,461	5,680,390
(Loss) after taxation	(136,090,929)	(153,296,260)	(77,664,488)	(64,199,299)
(Loss) per share - basic and diluted	10 (1.39)	(1.57)	(0.79)	(0.66)

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



Syed Maqbool Ali
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

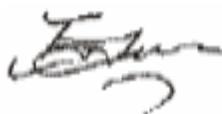
**DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER 2025**

	Half Year Ended		Quarter Ended	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
	------(Rupees)-----			
(Loss) after taxation	(136,090,929)	(153,296,260)	(77,664,488)	(64,199,399)
Items that will not be subsequently reclassified to profit or loss:				
Other Comprehensive Income				
Total comprehensive income / (loss) for the period	(136,090,929)	(153,296,260)	(77,664,488)	(64,199,399)

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



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



**Muhammad Irfan Ali
Chief Financial Officer**



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

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER 2025

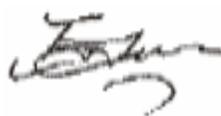
	December 31, 2025	December 31, 2024
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(162,704,972)	(163,702,852)
Adjustments for non cash and other items:		
Gain on sale of fixed assets	(835,292)	(1,757,989)
Depreciation	116,127,463	61,751,829
Financial charges	32,244	60,715
(Reversal) / Provision for doubtful debts	(10,463,125)	(17,308,143)
Provision for gratuity	3,742,990	6,626,128
Cash flow before working capital changes	<u>(54,100,692)</u>	<u>(114,330,312)</u>
Working Capital changes		
<i>(Increase) / Decrease in current assets:</i>		
Stores & spares	1,801,982	283,380
Trade debts	10,634,440	40,024,099
Stock in trade	-	-
Loans & advances	(1,939,172)	(328,517)
Trade deposits & other receivables	(7,241,273)	10,126,518
<i>Increase / (Decrease) in current liabilities:</i>		
Trade and other payables	44,893,120	76,282,883
Cash generated from / (used in) operations	(5,951,595)	12,058,051
Payments for:		
Taxes paid	(7,350,100)	(1,227,618)
Gratuity paid	(1,216,263)	(10,943,643)
Financial charges paid	(32,244)	(60,715)
	<u>(14,550,202)</u>	<u>(173,925)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(11,477,025)	(3,442,600)
Sale proceeds on disposal of fixed assets	850,000	5,760,000
Long term deposits	(1,209,200)	(9,483,000)
Net cash outflow from investing activities	<u>(11,836,225)</u>	<u>(7,165,600)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan	(15,156,250)	(2,656,250)
Short term borrowings	45,000,000	-
Net cash inflow / (out flow) from financing activities	<u>29,843,750</u>	<u>(2,656,250)</u>
Net increase / (decrease) in cash and cash equivalents	3,457,323	(9,995,775)
Cash and Cash equivalents at the beginning of the period	4,990,375	15,666,199
Cash and Cash equivalents at the end of the period	8,447,698	5,670,424

8

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



Syed Maqbool Ali
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER 2025

	Issued, subscribed and Paid-up Capital	Revenue Reserve	Capital Reserve	Total
		Accumulated loss	Revaluation surplus on property, plant & equipment	
(Rupees)				
Balance as at July 01, 2024	977,507,260	(1,994,916,593)	2,164,136,379	1,146,727,046
Total comprehensive loss for the period				
(Loss) for the period	--	(153,296,260)	--	(153,296,260)
Other comprehensive income	--	--	--	--
	--	(153,296,260)	--	(153,296,260)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	27,814,321	(27,814,321)	--
Balance as at December 31, 2024	977,507,260	(2,120,398,532)	2,136,322,058	993,430,786
Balance as at July 01, 2025	977,507,260	(2,136,334,737)	10,889,933,378	9,731,105,901
Total comprehensive loss for the period				
(Loss) for the period	--	(136,090,929)	--	(136,090,929)
Other comprehensive income	--	--	--	--
	--	(136,090,929)	--	(136,090,929)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	68,588,254	(68,588,254)	--
Balance as at December 31, 2025	977,507,260	(2,203,837,412)	10,821,345,124	9,595,014,972

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



Syed Maqbool Ali
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

DEWAN FAROOQUE SPINNING MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31ST DECEMBER 2025

1 THE COMPANY AND ITS OPERATIONS

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

2 GOING CONCERN ASSUMPTION

The condensed interim financial statements for the half year ended December 31, 2025 reflect that company sustained net loss after taxation of Rs. 136.091 million (2025: Rs. 213.301 million) and as of that date it has negative reserves of Rs. 2,203.837 million and its current liabilities exceeded its current assets by Rs. 1,730.126 million (2025: 1,669.347 million). Furthermore, the short term facilities of the company have expired and not been renewed by banks and it had defaulted in repayment of restructured liabilities. Following course, the company is facing litigations with its lenders. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

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

3 BASIS OF PREPARATION

3.1 These condensed interim financial statements of the Company for the half year ended 31, December 2025 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2025.

4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

4.1 The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2025.

4.2 Application of new and revised International Financial Reporting Standards

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

There are certain new standards, amendments to existing standards and new interpretations on approved accounting standards that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2025 but are considered not to be relevant or not to have any material effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

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

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

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

5.2 Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2025.

5.3 The Company's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Company for the year ended June 30, 2025.

<u>Un-Audited</u>	<u>Audited</u>
<u>Dec. 31,</u>	<u>Jun 30,</u>
<u>2025</u>	<u>2025</u>

Rupees

6 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2025.

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	7.1	11,870,384,303	11,975,049,448
Capital work in progress		-	-
		<u>11,870,384,303</u>	<u>11,975,049,448</u>

7.1 Operating fixed assets

Opening written down value		11,975,049,448	2,920,320,860
Additions during the period / year	7.2	11,477,025	74,831,900
Disposals during the period - net book value (Plant & Machinery)		-	(68,251,827)
Disposals during the period - net book value (Vehicles)		(14,707)	-
Depreciation during the period / year		(116,127,463)	(131,206,456)
Surplus on revaluation during the period / year		-	9,179,354,971
Closing balance		<u>11,870,384,303</u>	<u>11,975,049,448</u>

7.2 Additions during the period / year

Plant & Machinery		1,210,500	74,543,900
Vehicles		9,964,920	-
Computer Equipment		301,605	288,000
		<u>11,477,025</u>	<u>74,831,900</u>

<u>Un-Audited</u>	<u>Un-Audited</u>
<u>Dec. 31,</u>	<u>Dec. 31,</u>
<u>2025</u>	<u>2024</u>

8 CASH AND CASH EQUIVALENTS

Cash and bank balances		8,447,698	5,670,824
		<u>8,447,698</u>	<u>5,670,824</u>

Rupees

9 FINANCE COST

The Company has not made the provision of markup for the period amounting to Rs. 30.313 million (up to June 30, 2025: Rs.314.490 million) in respect of bank borrowings. The management has approached its lenders for restructuring of its debts and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / banks. Had the provision been made the loss for the period would have been higher by Rs. 30.313 million and accrued markup would have been higher and shareholders' equity would have been lower by Rs. 344.803 million.

<u>Un-Audited</u> <u>Dec. 31,</u> <u>2025</u>	<u>Un-Audited</u> <u>Dec. 31,</u> <u>2024</u>
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Rupees

10 BASIC EARNINGS PER SHARE

Loss after taxation	136,090,929	153,296,260
Weighted average number of ordinary shares	97,750,726	97,750,726
Basic loss per share	(1.39)	(1.57)

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

11 RELATED PARTY TRANSACTIONS

Provident Fund	1,186,450	924,554
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12 CORRESPONDING FIGURES

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

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been authorized for issue on February 26, 2026 by the Board of Directors of the company.



Syed Maqbool Ali
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

کمپنی نے اپنے قرض دہندگان سے بغیر مارک اپ کے واجبات کی مزید تشکیل نو کے لیے رابطہ کیا ہے، جو اس وقت زیر عمل ہے۔ انتظامیہ پر امید ہے کہ یہ نظر ثانی جلد حتمی شکل اختیار کر لے گی۔ مزید برآں، تشکیل نو کی تاریخ تک بقایا مارک اپ 208.531 ملین روپے ہے، جس کی ادائیگی کمپنی پر معاہدے کی شرائط کی خلاف ورزی کی صورت میں لازم ہوگی۔ تاہم، انتظامیہ کو یقین ہے کہ تشکیل نو کی نظر ثانی مکمل ہونے کے بعد یہ رقم معافی کے لیے اہل رہے گی، لہذا ان مالیاتی گوشواروں میں اس کی کوئی گنجائش شامل نہیں کی گئی۔ مزید یہ کہ، اسپانسرز بھی کمپنی کی ورکنگ کیپٹل ضروریات کو پورا کرنے کے لیے حسب ضرورت معاونت فراہم کرتے ہیں، اسی لیے ان مالیاتی گوشواروں کی تیاری "جاری ادارہ" کے مفروضے کے تحت کرنا درست ہے۔

مستقبل کا نظریہ:

توقع ہے کہ پاکستان کی معیشت محتاط استحکام کی جانب گامزن رہے گی، جس کی بنیاد زرعی شعبے میں بتدریج بحالی، تعمیر نو کی سرگرمیوں اور خدمات کے شعبے میں معتدل نمو پر ہوگی۔ افراط زر میں کمی کا امکان ہے جس سے نرم مالیاتی پالیسی کی گنجائش پیدا ہو سکتی ہے، تاہم تجارتی خسارے میں اضافے اور برآمدات کی سست رفتار نمو جیسے خطرات بھی موجود رہیں گے۔ مجموعی طور پر معیشت کے استحکام کی توقع ہے، جس میں افراط زر میں کمی، زرمبادلہ کے ذخائر میں بہتری اور پالیسی ماحول میں استحکام معاون ثابت ہو سکتے ہیں۔ اس کے باوجود بلند توانائی لاگت، کرنسی میں اتار چڑھاؤ اور محدود لیکویڈیٹی جیسے چیلنجز برقرار رہنے کا امکان ہے۔

نتیجہ:

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

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

بورڈ آف ڈائریکٹرز کی جانب سے



محمود الحسن اصغر

چیئر مین، بورڈ آف ڈائریکٹرز



سید مقبول علی

چیف ایگزیکٹو آفیسر بورڈ آف ڈائریکٹرز

مورخہ: 26 فروری 2026ء

دیوان فاروق اسپیننگ ملز لمیٹڈ

ڈائریکٹرز رپورٹ

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

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 31 دسمبر 2025ء کو ختم ہونے والی ششماہی کیلئے کمپنیز ایکٹ 2017ء کے سیکشن 237 اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے غیر میعادى عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔

معاشی و صنعتی جائزہ:

مالی سال 2026 کے پہلے نصف میں پاکستان کی معاشی کارکردگی غیر ہموار رہی اور مشکل معاشی حالات کے باعث مجموعی سرگرمیاں دباؤ کا شکار رہیں۔ اہم شعبوں میں معتدل نمود کیھنے میں آئی، تاہم کمزور برآمدی کارکردگی اور سرمایہ کاری کی سست رفتار کے سبب مجموعی رفتار محتاط رہی۔ ٹیکسٹائل شعبہ، جو برآمدات میں تقریباً 60 فیصد حصہ ڈالتا ہے اور 40 فیصد افرادی قوت کو روزگار فراہم کرتا ہے، کو سنگین مشکلات کا سامنا ہے۔ دھاگے کی درآمدات میں اضافے سے مقامی دھاگے کی طلب اور قیمتوں میں کمی واقع ہوئی ہے۔ مزید برآں، توانائی کے نرخوں میں اضافے اور مختلف لیویز کے باعث بجلی کی لاگت میں اضافہ کا روبرو ہونے کے لیے ایک بڑا مسئلہ بنا ہوا ہے۔

عملی نتائج اور کارکردگی:

دوران ششماہی کمپنی کی خالص آمدن 112.070 ملین روپے رہی، جبکہ گزشتہ سال اسی مدت میں خالص آمدن 76.335 ملین روپے تھی۔ کمپنی کو 155.625 ملین روپے کا مجموعی خسارہ ہوا، جو کہ گزشتہ سال کی اسی مدت کے مجموعی خسارے 162.452 ملین روپے کے مقابلے میں کچھ کم ہے۔ اس دوران کمپنی کے عملی اخراجات میں 1.910 ملین روپے کی کمی واقع ہوئی۔ مزید برآں، ورکنگ کیپٹل کی کمی کے باعث کمپنی نے اپنے آپریشنز جاری رکھنے کے لیے دھاگے کی پیداوار کنورژن بنیادوں پر جاری رکھی۔

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