

DEWAN FAROOQUE SPINNING MILLS LIMITED

September 28, 2026

FORM-3

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Building, Stock Exchange Road
Karachi, Pakistan.

Subject: **Financial Results for the year ended June 30, 2026**

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on September 28, 2026 at 05:30 pm at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan, recommended the following:

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

The financial results of the Company for the year ended June 30, 2026 are as follows:

	2026	2025
	------(Rupees)-----	
Sales / Revenue - Net	275,146,289	219,248,591
Cost of sales / revenue	(516,431,846)	(458,929,085)
Gross (loss)	(241,285,557)	(239,680,494)
Operating expenses		
Administrative expenses	(24,501,419)	(24,390,981)
Selling and distribution expenses	(9,758,122)	(10,068,553)
	(34,259,541)	(34,459,534)
Operating (loss)	(275,545,098)	(274,140,028)
Other income	12,384,472	38,353,825
	(263,160,626)	(235,786,203)
Bank charges	(111,217)	(134,372)
(Loss) before taxation	(263,271,843)	(235,920,575)
Levies	(3,439,329)	(2,740,607)
Loss before income tax	(266,711,172)	(238,661,182)
Taxation - Net	56,029,841	25,359,606
(Loss) after taxation	(210,681,331)	(213,301,576)
(Loss) per share - basic and diluted	(2.16)	(2.18)



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DEWAN FAROOQUE SPINNING MILLS LIMITED

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

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DEWAN FAROOQUE SPINNING MILLS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2026

	June 30, 2026	June 30, 2025
	------(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 losses	(2,208,857,496)	(2,136,334,737)
Capital reserve - revaluation surplus on property, plant and equipment	10,752,756,870	10,889,933,378
	9,521,406,634	9,731,105,901
NON-CURRENT LIABILITIES		
Long term loan	-	2,656,250
Deferred taxation	542,204,161	598,234,002
Deferred liability for staff gratuity	25,924,970	21,976,991
CURRENT LIABILITIES		
Trade and other payables	555,831,553	550,535,583
Accrued mark-up	390,303,597	390,303,597
Short term borrowings	467,864,219	412,864,219
Current & overdue portion of long term liabilities	432,165,925	445,994,050
Provision for taxation	-	-
	1,846,165,294	1,799,697,449
CONTINGENCIES AND COMMITMENTS		
	-	-
	11,935,701,059	12,153,670,593
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	11,754,191,763	11,975,049,448
Long term deposits	52,587,272	48,270,516
CURRENT ASSETS		
Stores & spares	23,939,916	24,861,938
Stock in trade	15,516,540	15,516,540
Trade debts- unsecured, considered good	627,934	889,251
Loans and advances - unsecured, considered good	7,060,894	5,904,428
Trade deposits and other receivables - considered good	32,100,170	36,529,801
Taxes recoverable	46,444,887	41,658,296
Cash and bank balances	3,231,683	4,990,375
	128,922,024	130,350,629
	11,935,701,059	12,153,670,593


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DEWAN FAROOQUE SPINNING MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2026

	Issued, subscribed and paid-up capital	Revenue reserve	Capital reserve	Total
		Accumulated losses	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 year				
(Loss) for the year	--	(213,301,576)	--	(213,301,576)
Other comprehensive income	--	9,232,401	8,788,448,030	8,797,680,431
	--	(204,069,175)	8,788,448,030	8,584,378,855
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	62,651,031	(62,651,031)	--
Balance as at June 30, 2025	977,507,260	(2,136,334,737)	10,889,933,378	9,731,105,901
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 year				
(Loss) for the year	--	(210,681,331)	--	(210,681,331)
Other comprehensive income	--	982,064	--	982,064
	--	(209,699,267)	--	(209,699,267)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	137,176,508	(137,176,508)	--
Balance as at June 30, 2026	977,507,260	(2,208,857,496)	10,752,756,870	9,521,406,634



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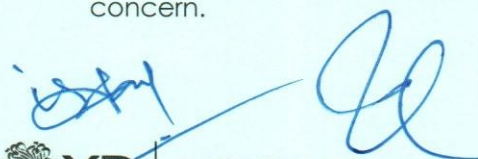
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DEWAN FAROOQUE SPINNING MILLS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2026

	2026	2025
	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(263,271,843)	(235,920,575)
<i>Adjustments for non cash and other items:</i>		
Gain on sale of fixed assets	(1,921,344)	(21,045,672)
Depreciation	232,806,555	131,206,456
Financial charges	111,217	134,372
(Reversal) / Provision for doubtful debts	(10,463,125)	(17,308,143)
Provision for gratuity	7,843,390	13,225,394
Cash flow before working capital changes	(34,895,150)	(129,708,168)
<i>Working Capital changes</i>		
<i>(Increase) / Decrease in current assets:</i>		
Stores & spares	922,022	466,218
Trade debts	10,724,442	49,529,997
Loans & advances	(1,156,466)	(529,525)
Trade deposits & other receivables	4,429,631	13,017,876
<i>Increase / (Decrease) in current liabilities:</i>		
Trade and other payables	5,295,970	2,833,343
Cash generated from / (used in) operations	(14,679,551)	(64,390,259)
Payments for:		
Taxes paid	(8,225,920)	(4,966,602)
Gratuity paid	(2,913,347)	(11,734,555)
Financial charges paid	(111,218)	(134,372)
	(25,930,036)	(81,225,788)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(12,077,525)	(3,951,900)
Sale proceeds on disposal of fixed assets	2,050,000	89,297,500
Long term deposits	(4,316,756)	(9,483,000)
Net cash outflow from investing activities	(14,344,281)	75,862,600
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan	(16,484,375)	(5,312,636)
Short term borrowings	55,000,000	-
Net cash inflow / (out flow) from financing activities	38,515,625	(5,312,636)
Net increase / (decrease) in cash and cash equivalents	(1,758,692)	(10,675,824)
Cash and Cash equivalents at the beginning of the year	4,990,375	15,666,199
Cash and Cash equivalents at the end of the year	3,231,683	4,990,375

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


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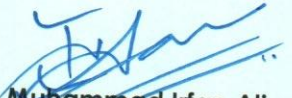
DEWAN FAROOQUE SPINNING MILLS LIMITED

The Annual General Meetings of the Company will be held on Monday, October 26, 2026 at Karachi, Pakistan.

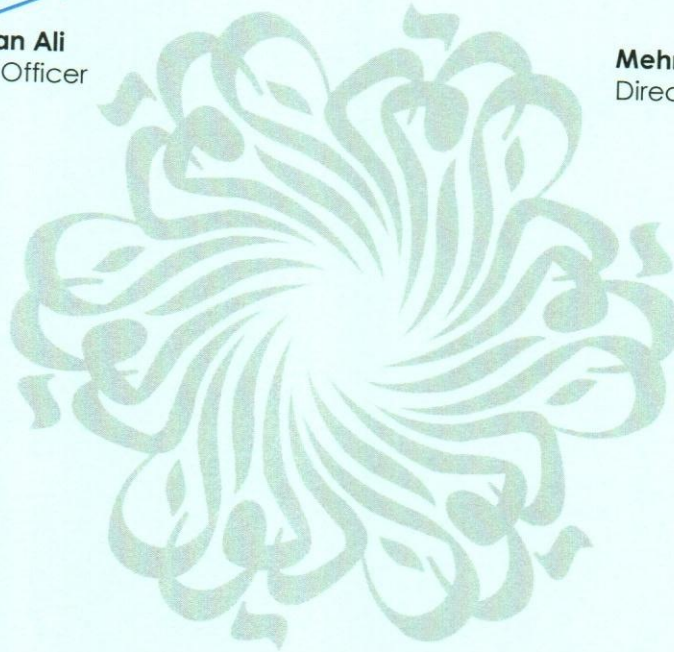
The Share Transfer Books of the Company will be closed from October 19, 2026 to October 26, 2026 (both days inclusive).

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

Yours faithfully,


Muhammad Irfan Ali
Chief Financial Officer


Mehmood-ul-Hassan Asghar
Director



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