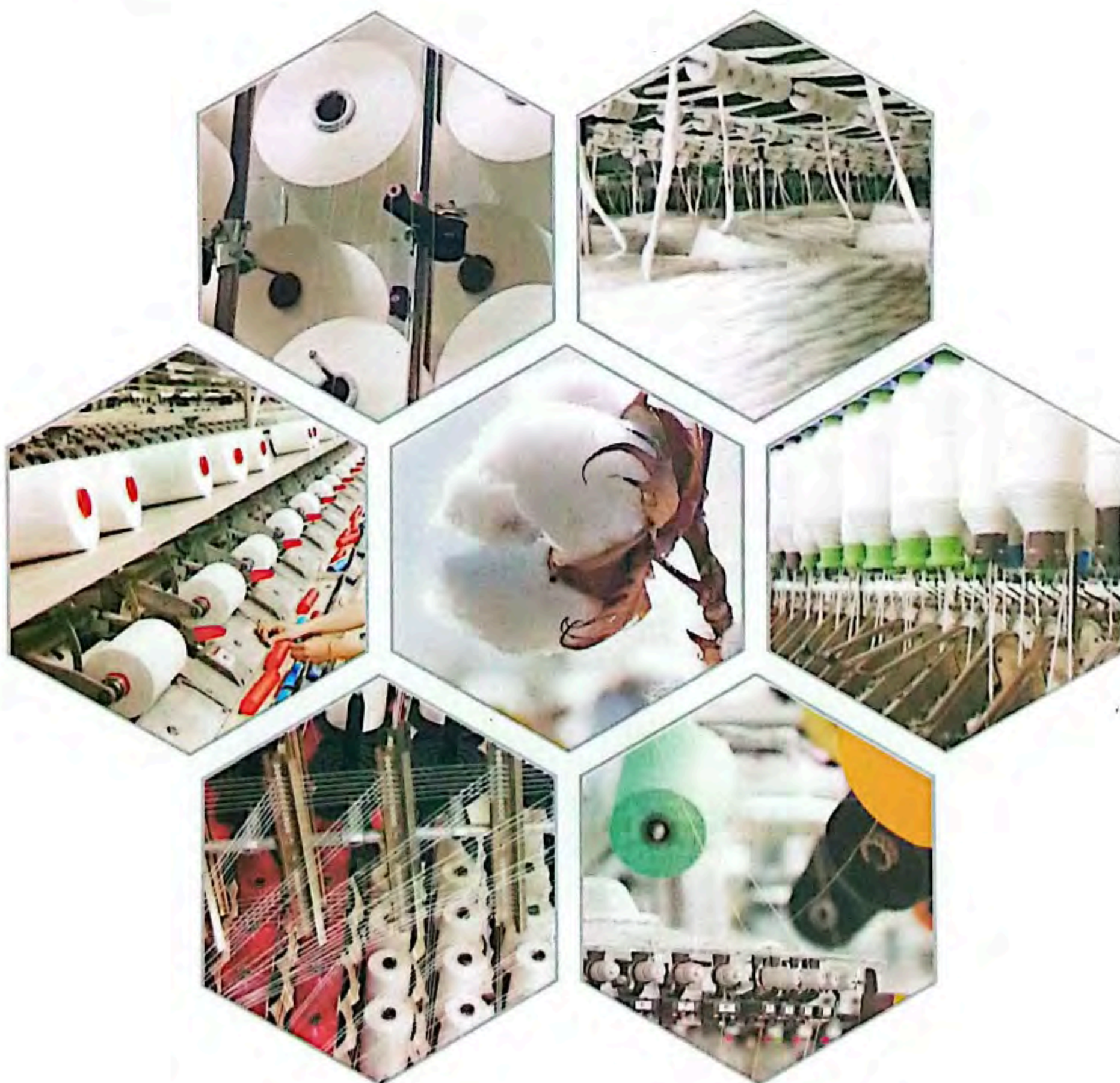


ANNUAL REPORT
2026



DEWAN FAROOQUE SPINNING MILLS LIMITED



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.

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

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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
Legal Advisor	:	Abbas & Atif Law Associates
Bankers	:	United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Askari Bank Limited Allied Bank Limited Bank Makramah Limited Meezan Bank 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



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that 23rd Annual General Meeting of **Dewan Farooque Spinning Mills Limited** will be held at Dewan Cement Limited Factory Site, at Deh Gahgar Dhabeji, District Malir, Karachi, Pakistan on **Monday, October 26, 2026 at 3:00 p.m.** to transact the following businesses;

1. To confirm the minutes of the preceding Extra Ordinary General Meeting of the Company held on Monday, January 26, 2026;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2026, 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, 2027, 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 28, 2026

NOTES:

- a. The share transfer books of the company will remain closed from October 19, 2026 to October 26, 2026 (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/Dfsm1/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 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 24, 2026.
- (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, 2026, 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 28, 2026

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, 2026 together with the Auditors' Report thereon.

Economic Overview

In 2025-26, global economy stabilized on easing inflation and improved supply chains, but high energy costs and trade tensions weighed on manufacturing. The Middle East conflict in Feb 2026 disrupted energy and shipping via Strait of Hormuz, spiking oil and freight costs. Growth in 2026 is expected to remain moderate with persistent inflation, contingent on de-escalation and regional stability.

Pakistan's economy recorded a real GDP growth of 3.7% during the year under review, supported by easing inflation, relatively stable exchange rate and improved external account, underpinned by the ongoing IMF program. However, inflationary pressures re-emerged in latter part of the year following surge in international energy prices. For FY 2026-27, the Government has targeted GDP growth of 4.0% and average inflation of 8.2%, contingent upon fiscal discipline, continuity of structural reforms under the IMF program and stability in global energy prices. While macroeconomic indicators have improved, dependence on imported energy, external financing needs and regional security situation continue to pose downside risks to the outlook.

Industrial Overview

The operating environment for domestic manufacturing remained challenging. Subdued domestic demand, weak consumer spending and slow industrial recovery constrained volume growth during the year. Tariff rationalization under National Tariff Policy 2025-30 led to influx of low-cost imports, intensifying competition and hurting capacity utilization and margins.

For the textile sector in particular, structural issues including high energy tariffs relative to regional competitors, elevated interest rates, high tax incidence, high operating costs, and geopolitical uncertainties continued to erode competitiveness in both local and export markets.

Operating results and performance:

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

	2026	2025
	------(Rupees)-----	
REVENUE	275,146,289	219,248,591
COST OF REVENUE	(516,431,846)	(458,929,085)
GROSS LOSS	(241,285,557)	(239,680,494)
OPERATING EXPENSES	(34,259,541)	(34,459,534)
OPERATING LOSS	(275,545,098)	(274,140,028)
OTHER INCOME	12,384,472	38,353,825
BANK CHARGES	(111,217)	(134,372)
LEVIES	(3,439,329)	(2,740,607)
LOSS BEFORE TAXATION	(266,711,172)	(238,661,182)
TAXATION - NET	56,029,841	25,359,606
LOSS AFTER TAXATION	(210,681,331)	(213,301,576)



During the year ended 30th June 2026, Company's net revenue has increased to Rs.275.146 million from Rs.219.249 million of last year. Company has suffered gross loss of Rs. 241.286 million, against Rs. 239.680 million of last year, whereas operating expenses of the company marked at Rs. 34.260 million as compared to Rs. 34.460 million of corresponding year. 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.

Management has approached its lenders for further restructuring of its obligations without markup, which is in advance stage and expected to be finalized soon. Moreover, the markup outstanding up to the date of restructuring is Rs.208.531 million, for which the company would have been liable to pay in the event of default of terms of compromise agreement, the management is confident that upon finalization of revised restructuring this amount will remain eligible for waiver, accordingly the Company has not made any provision for markup as the markup will not be payable in accordance with the terms of proposed 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

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. Going forward, while policy support for export-led growth is expected to continue, the sustainability and revival of textile manufacturing will depend on a level playing field, competitive energy pricing, rationalization of taxes, and supportive measures to counter unfair import competition.

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.

Sustainability & Development

Sustainability remains an integral part of the Company's long-term business strategy and corporate ethos. The Management recognizes its responsibility to minimize environmental impact, support the communities in which the Company operates and promote responsible and ethical business practices. The Company seeks to integrate sustainability considerations into its operations and decision-making processes, with a focus on environmental, stewardship, responsible resource utilization, employee welfare, community development and sound corporate governance. Through these initiatives, the Company aims to create long-term value for its stakeholders while contributing positively to the environment and the communities in which it operates.

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, 2026, 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. The attendance of directors was as follows:

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 (2.16) [2025: Rs. (2.18)]

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 28, 2026

Place: Karachi

**FINANCIAL HIGHLIGHTS**

	2021	2022	2023	2024	2025	2026
	(Rupees in Thousands)					
Sales (Net)	602,428	694,230	488,343	446,380	219,249	275,146
Gross (Loss)	(24,786)	(117,103)	(227,976)	(441,078)	(239,680)	(241,286)
(Loss) Before Tax	(119,029)	(216,900)	(308,476)	(402,992)	(235,786)	(263,161)
(Loss) After Tax	(112,601)	(192,991)	(286,601)	(383,059)	(213,302)	(210,681)
Current Assets	252,910	202,744	125,618	184,207	130,351	128,922
Shareholder's Equity	2,001,994	1,808,851	1,524,319	1,146,727	9,731,106	9,521,407
Current Liabilities	1,274,972	1,305,462	1,394,018	1,796,864	1,799,697	1,846,165
(Loss) per Share	(1.15)	(1.97)	(2.93)	(3.92)	(2.18)	(2.16)
Breakup value per share (Rs.)	20.48	18.50	15.59	11.73	99.55	97.40
current ratio (Times)	0.20	0.16	0.09	0.10	0.07	0.07
Gross (Loss)/ Profit %	(4.11%)	(16.87%)	(46.68%)	(98.81%)	(109.32%)	(87.69%)
Net (Loss)/ profit%	(0.19)	(0.28)	(0.59)	(0.86)	(0.97)	(0.78)
Debt equity ratio (Times)	0.44	0.48	0.57	0.76	0.09	0.09

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

For the Year Ended June 30, 2026

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:



- 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, 2026
b) HR and Remuneration Committee : 1 annual meeting held during the financial year ended June 30, 2026
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.
2	Nomination Committee	29	The Board has not constituted a separate Nomination Committee, as the constitution of such committee is not mandatory under the Regulations. The functions and responsibilities relating to nomination and appointment of directors are being considered and dealt with by the Board, as and when required, in accordance with the applicable regulatory requirements.

3	Risk Management Committee	30	The Board has not constituted a separate Risk Management Committee, as the constitution of such committee is not mandatory under the Regulations. The Board oversees and reviews the Company's risk management matters and procedures, as and when required, and considers such matters in the overall interest of the Company.
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Syed Maqbool Ali
Chief Executive Officer & Director

Date : September 28, 2026
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.,
KARACHI 75400

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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, 2026 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, 2026.

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, 2026 as required by the Code all the directors are required to acquire Prescribed Certification.

Dated: September 30, 2026

UDIN: CR202610161rTCbAUNKh

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, 2026, 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, 2026 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. 428.182 (June 30, 2025: 440.682) million as disclosed in note 8.1, 13.1 & 13.2 and Rs. 75 million as disclosed in note 12.1 and 12.2 to the financial statements, along with markup of Rs. 208.531 (2025: Rs. 208.531) million (eligible for waiver outstanding as of date of restructuring) become immediately payable therefore provision for markup should be made in these financial statements. The Company has defaulted in restructured liabilities as per compromise agreement, the lenders filed suits for execution of consent decrees therefore, 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, 2025: Rs. 267.10) million. The company is also facing litigation from its lenders; 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. 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. 583.535 (2025: Rs 523.021) million and markup payable would have been higher and shareholders' equity would have been lower by Rs.583.535 (2025: Rs 523.021) 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, 2026 which indicates loss after taxation of Rs. 210.681 (2025: Rs. 213.302) million and as of that date it has accumulated losses of Rs. 2,208.858 (2025: Rs. 2,136.335) million and its current liabilities exceeded its current assets by Rs. 1,717.243 (2025: Rs. 1,669.347) 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.	Contingencies	
	The Company is subject to material litigations involving different courts pertaining to GID Cess and Recovery of Loans by Financial Institutions, which requires management to make assessment and judgments with respect to likelihood and impact of such litigations. Management have engaged independent legal counsel on these matters. The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgments required to determine the level of certainty on these matters. The details of contingencies along with management's assessment and the related provisions are disclosed in note 15 to the financial statements. There is an inherent risk that legal exposures are not identified and considered for financial reporting 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.	In response to this matter, our audit procedures included: Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances. Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations. We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets. The disclosures of legal exposures and provisions were assessed for completeness and accuracy In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases.

		Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible. As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.
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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, 2026
UDIN: AR202610161RU4muYWtX
Place: Karachi

CHARTERED ACCOUNTANTS

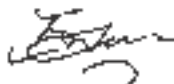
STATEMENT OF FINANCIAL POSITION**As at 30th June, 2026****EQUITY AND LIABILITIES****SHARE CAPITAL AND RESERVES**

	Notes	June 30, 2026	June 30, 2025
		(Rupees)	
Authorized share capital			
100,000,000 (2025: 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 losses		(2,208,857,496)	(2,136,334,737)
Capital reserve - revaluation surplus on property, plant and equipment	7	10,752,756,870	10,889,933,378
		9,521,406,634	9,731,105,901
NON-CURRENT LIABILITIES			
Long term loan	8	-	2,656,250
Deferred taxation	9	542,204,161	598,234,002
Deferred liability for staff gratuity	10	25,924,970	21,976,991
CURRENT LIABILITIES			
Trade and other payables	11	555,831,553	550,535,583
Accrued mark-up		390,303,597	390,303,597
Short term borrowings	12	467,864,219	412,864,219
Current & overdue portion of long term liabilities	13	432,165,925	445,994,050
Provision for taxation	14	-	-
		1,846,165,294	1,799,697,449
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		11,935,701,059	12,153,670,593
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	16	11,754,191,763	11,975,049,448
Long term deposits	17	52,587,272	48,270,516
CURRENT ASSETS			
Stores & spares	18	23,939,916	24,861,938
Stock in trade	19	15,516,540	15,516,540
Trade debts- unsecured, considered good	20	627,934	889,251
Loans and advances - unsecured, considered good	21	7,060,894	5,904,428
Trade deposits and other receivables - considered good	22	32,100,170	36,529,801
Taxes recoverable		46,444,887	41,658,296
Cash and bank balances	23	3,231,683	4,990,375
		128,922,024	130,350,629
		11,935,701,059	12,153,670,593

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 2026

	Notes	2026	2025
		(Rupees)	
Sales / Revenue - Net	24	275,146,289	219,248,591
Cost of sales / revenue	25	(516,431,846)	(458,929,085)
Gross (loss)		(241,285,557)	(239,680,494)
Operating expenses			
Administrative expenses	26	(24,501,419)	(24,390,981)
Selling and distribution expenses	27	(9,758,122)	(10,068,553)
		(34,259,541)	(34,459,534)
Operating (loss)		(275,545,098)	(274,140,028)
Other income	28	12,384,472	38,353,825
		(263,160,626)	(235,786,203)
Bank charges	29	(111,217)	(134,372)
(Loss) before taxation		(263,271,843)	(235,920,575)
Levies	30	(3,439,329)	(2,740,607)
Loss before income tax		(266,711,172)	(238,661,182)
Taxation - Net	31	56,029,841	25,359,606
(Loss) after taxation		(210,681,331)	(213,301,576)
(Loss) per share - basic and diluted	32	(2.16)	(2.18)

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

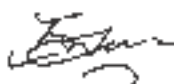
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2026

	2026	2025
	(Rupees)	
(Loss) after taxation	(210,681,331)	(213,301,576)
Items that will not be subsequently reclassified to profit or loss:		
Other Comprehensive Income		
Revaluation during the year	-	9,179,354,971
Related deferred tax	-	(390,906,942)
	-	8,788,448,030
Remeasurement of defined benefit liability	982,064	9,232,401
Total comprehensive income / (loss) for the year	(209,699,267)	8,584,378,855

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 2026

	Note	2026 (Rupees)	2025
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	33	3,231,683	4,990,375

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 2026

	Issued subscribed and paid-up capital	Revenue reserve Accumulated loss	Capital reserve Revaluation surplus on property, plant & equipment	Total
(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

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, 2026

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, 2026 reflect that company sustained net loss after taxation of Rs. 210.681 million (2025: Rs. 213.302 million) and as of that date its negative reserves of Rs. 2,208.857 (2025: Rs. 2,136.335) million and its current liabilities exceeded its current assets by Rs. 1,717.243 million (2025: 1,669.347). 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, (as the management is taking measures for reduction of its cost of production) 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, improvements and amendments applicable to financial statements

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

3.3.1 Amendments to approved accounting and reporting standards that became effective during the year

There were certain amendments to approved accounting and reporting standards that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have therefore not been disclosed in these financial statements.

3.3.2 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

There are certain new standards and amendments to accounting and reporting standards that will be applicable to the Company's accounting period beginning on or after July 1, 2026. However, these are not considered to be relevant or do not have any material effect on the Company's financial statements except for:

The new standard - IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) with applicability date of January 1, 2027. IFRS 18 shall impact the presentation of 'Statement of Profit or Loss' with certain additional disclosures in the financial statements; and

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' clarify the timing of recognition and derecognition of certain financial instruments including settlement of liabilities through banking instruments and channels including electronic transfers. These amendments are effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the accounting and presentation of the financial instruments.

The management is in the process of assessing the impacts of the above new standards and amendments on the financial statements of the Company.

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.

3.4 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 assess 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.

**3.5.3 Income tax**

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

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 out come 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 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.

	2026	2025
	Rupees	
5 AUTHORIZED SHARE CAPITAL		
100,000,000 (2025: 100,000,000) Ordinary shares of Rs.10/- each	<u><u>1,000,000,000</u></u>	<u><u>1,000,000,000</u></u>
6 ISSUED, SUBSCRIBED AND PAID UP-CAPITAL		
97,750,726 (2025: 97,750,726) Ordinary shares of Rs.10/- each fully paid in cash	<u><u>977,507,260</u></u>	<u><u>977,507,260</u></u>

- 6.1** 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.
- 6.2** Dewan Motors (Private) Limited, an associated company held 37,750,726 ordinary shares of Rs.10 each.
- 6.3** 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.
- 6.4** As of the reporting date 37,750,726 & 3,000 (2025: 37,750,726) & 3,000 ordinary shares of Rs. 10 each were held by associated companies and directors of the Company respectively.

7 REVALUATION SURPLUS ON PROPERTY PLANT AND EQUIPMENT

Opening Balance	10,889,933,377	2,164,136,379
Surplus arising on revaluation during the year	-	9,179,354,971
Related deferred tax liability	-	(390,906,942)
Transferred to accumulated loss in respect of incremental depreciation for the year	(137,176,508)	(62,651,031)
	<u>10,752,756,869</u>	<u>10,889,933,377</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.



		2026	2025
	Notes	Rupees	
8 LONG TERM LOANS			
Syndicated long term loans - Secured	8.1	-	-
Restructured long term loan - Secured	8.2	-	2,656,250
		-	2,656,250
8.1 SYNDICATED LONG TERM LOANS - SECURED			
Syndicated Long Term Loan - Secured	8.1.1 & 2	393,601,550	393,601,550
Less: Paid during the year		-	-
		393,601,550	393,601,550
Less: Transferred to overdue portion	13	393,601,550	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 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.

		2026	2025
		Rupees	
8.2 RESTRUCTURED LONG TERM LOAN - SECURED			
Restructured long term loan - Secured	8.2.1	7,968,750	13,281,250
Less: Paid during the year		(3,984,375)	(5,312,500)
		3,984,375	7,968,750
Less: Transferred to Current Maturity	13	(3,984,375)	(5,312,500)
		-	2,656,250

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.

9 DEFERRED TAXATION

	Notes	2026 Rupees	2025
Credit balance arising due to:			
- accelerated tax depreciation		50,457,819	44,070,478
- revaluation - Net of related depreciation		542,204,161	598,234,002
Debit balance arising due to			
- finance lease transactions		(1,411,624)	(615,338)
- staff gratuity		(7,518,241)	(6,373,327)
- provision and others		-	-
- carried over losses		(584,961,998)	(408,856,857)
		(1,229,883)	226,458,958
Deferred tax asset not recognized		543,434,044	371,775,044
		<u>542,204,161</u>	<u>598,234,002</u>

9.1 Movement of deferred tax liabilities

Balance as at beginning of the year		598,234,002	232,916,919
Tax charge recognized in statement of profit or loss		(56,029,841)	(25,589,859)
Tax charge recognized in other comprehensive income		-	390,906,942
Balance as at end of the year		<u>542,204,161</u>	<u>598,234,002</u>

10 DEFERRED LIABILITY FOR STAFF GRATUITY

Opening balance		21,976,991	29,718,553
Provision for the year	10.1	7,843,390	13,225,394
Payments during the year		(2,913,347)	(11,734,555)
Actuarial gain		(982,064)	(9,232,401)
	10.2	<u>25,924,970</u>	<u>21,976,991</u>

10.1 Provision for the year

Current service cost		6,028,149	10,574,853
Past service cost (credit)		96,637	-
Interest cost on defined benefit obligation		1,718,604	2,650,541
		<u>7,843,390</u>	<u>13,225,394</u>

10.2 Balance sheet liability

Present value of defined benefit obligation		<u>25,924,970</u>	<u>21,976,991</u>
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10.3 Changes in Net Liability

Balance sheet liability/(Asset)		21,976,991	29,718,553
Expense chargeable to P&L		7,843,390	13,225,394
Remeasurements chargeable in other comprehensive income		(982,064)	(9,232,401)
Benefits paid		(2,913,347)	(11,734,555)
		<u>25,924,970</u>	<u>21,976,991</u>



		2026	2025
10.4 Significant Actuarial Assumptions	Notes		Rupees
Discount rate used for interest cost in P&L charge		11.75%	14.75%
Discount rate used for year end obligation		11.75%	11.75%
Salary increase FY2026		N/A	10.75%
Salary increase FY2027		10.75%	10.75%
Salary increase FY2028		10.75%	10.75%
Salary increase FY2029		10.75%	10.75%
Salary increase FY2030		10.75%	10.75%
Salary increase FY2031		10.75%	10.75%
Salary increase FY2032 onward		10.75%	10.75%
Next salary is increased at		01-Jul-2026	01-Jul-2025
Mortality Rates		SLIC 2001 - 2005	SLIC 2001 - 2005
		Setback 1 Year	Setback 1 Year
Withdrawal Rates		Age based	Age based
Retirement Assumption Age		60 Years	60 Years
10.5 Year End Sensitivity Analysis on Defined Benefit Obligation			
Discount Rate + 100 bps		19,163,739	16,250,273
Discount Rate - 100 bps		19,940,578	16,907,411
Salary Increase + 100 bps		20,021,564	16,975,962
Salary Increase - 100 bps		19,078,616	16,178,239
11 TRADE AND OTHER PAYABLES			
Creditors		230,511,696	224,524,808
Accrued expenses		255,591,197	256,977,786
Advance from customers		68,428,220	68,428,220
Employees provident fund	11.1	239,126	148,238
Sales tax payable		1,061,314	456,531
		555,831,553	550,535,583
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.		
12 SHORT TERM BORROWING			
Short term finances from banks	12.1 & 12.2	75,000,000	75,000,000
Sponsors loan	12.3	-	-
From related party (associated company) - Unsecured	12.4	392,864,219	337,864,219
		467,864,219	412,864,219
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%.		

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		2026	2025
	Notes		Rupees
12.3 SPONSORS LOAN			
Opening Balance		-	337,864,355
Less: Paid during the year		-	337,864,355
		-	-
12.4 From related party (associated company) - Unsecured			
Non interest bearing	12.4.1	337,864,219	337,864,219
Add: received during the period		55,000,000	-
		392,864,219	337,864,219
12.4.1	This is an unsecured and interest free finance from an associated company and is repayable on demand.		
13 OVERDUE PORTION OF LONG TERM LIABILITIES			
Liabilities against assets subject to finance lease	13.1	29,580,000	29,580,000
Redeemable capital - PPTFCs	13.2	5,000,000	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	3,984,375	5,312,500
		432,165,925	445,994,050
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 4,000 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 two of the banks.		
14 PROVISION FOR TAXATION			
Balance at the beginning of the year		2,740,607	5,279,752
Provision made during the year		3,439,329	2,740,607
		6,179,936	8,020,359
Payment / Adjustment during the year		(2,740,607)	(5,279,752)
Adjusted with advance tax		(3,439,329)	(2,740,607)
		-	-

Income tax returns of the company have been filed up to tax year 2025 which are deemed to be assessed u/s 120 of the Income Tax Ordinance 2001.



	Notes	2026 Rupees	2025
14.1 Relationship between income tax expense and accounting profit			
Accounting (loss) as per profit and loss account		(263,271,843)	(235,920,575)
Applicable tax rate		29%	29%
Tax on accounting (loss)		(76,348,834)	(68,416,967)
Tax effect of timing difference on depreciation		59,585,031	30,211,471
Tax effect of expenses / provisions that are not deductible in determining taxable loss charged to profit and loss account		1,429,712	432,343
Effect of Loss carried / (brought) forward		15,334,091	37,773,153
		-	-
Minimum tax payable under Income Tax Ordinance, 2001		3,439,329	2,740,607

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 as disclosed in note 15.4 Stay has been taken in this regard.
- 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.

	Notes	2026 Rupees	2025
16 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	16.1	11,754,191,763	11,975,049,448
Capital work in progress		-	-
		11,754,191,763	11,975,049,448

16.1 Operating Fixed Assets

The following is a statement of operating fixed assets:

	2026										Total	
	Owned									Right of Assets use		Intangible Assets
	Freehold Land	Factory Building	Non Factory Building	Plant & Machinery	Electric Installation	Furniture & Fixtures	Vehicles	Computer Equipment	Office Equipment	Plant and Machinery (Leased)		Software Development
Cost / Revalued Amount												
Cost As at 01 July 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	13,976,188,375
Addition/ Transfer from CWIP	-	-	-	1,765,500	-	-	9,964,920	301,605	45,500	-	-	12,077,525
Transfers/ Deletion	-	-	-	-	-	-	(2,308,000)	-	-	-	-	(2,308,000)
Surplus on Revaluation	-	-	-	-	-	-	-	-	-	-	-	-
As at June 30, 2026	9,513,400,000	992,861,164	394,070,944	2,761,346,111	65,076,005	8,795,459	38,777,487	6,924,011	1,257,444	200,449,275	3,000,000	13,985,957,900
Accumulated Depreciation												
As at 01 July 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
Charge for the year	-	73,774,738	15,704,289	137,596,945	492,499	114,755	2,140,348	211,016	26,150	2,745,815	-	232,806,555
Adjustments	-	-	-	-	-	-	(2,179,344)	-	-	-	-	(2,179,344)
As at June 30, 2026	-	328,888,518	95,689,444	1,522,368,116	62,285,178	7,762,667	28,666,890	6,380,408	987,971	175,736,945	3,000,000	2,231,766,137
Net book value												
As at June 30, 2026	9,513,400,000	663,972,646	298,381,500	1,238,977,995	2,790,827	1,032,792	10,110,597	543,603	269,473	24,712,330	-	11,754,191,763
Depreciation rate % per annum	-	10	5	10	15	10	20	30	10	10	25	
	2025										Total	
	Owned									Right of Assets use		Intangible Assets
	Freehold Land	Factory Building	Non Factory Building	Plant & Machinery	Electric Installation	Furniture & Fixtures	Vehicles	Computer Equipment	Office Equipment	Plant and Machinery (Leased)		Software Development
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	

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	2026	2025
		Rupees	
Free hold land		88,108,490	88,108,490
Factory building on free hold land		61,636,195	68,484,661
Non factory building		49,837,985	52,461,036
Plant and machinery		220,188,440	242,821,046
		419,771,110	451,875,233

16.3 Allocation of Depreciation

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

Cost of goods manufactured	230,714,143	130,027,203
Administrative expenses	2,092,412	1,179,253
	232,806,555	131,206,456



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	2026	2025
		Rupees	
16.5 Capital Work in progress- Plant and Machinery		-	-
Capital Work in progress - movement		-	-
Opening		-	70,880,000
Additions during the year		-	3,663,900
Less: Capitalized during the year		-	(74,543,900)
		-	-
17 LONG TERM DEPOSITS			
Sui Northern Gas Pipelines limited		49,557,272	45,540,516
Lahore Electric Supply Corporation		2,730,000	2,730,000
Pakistan State Oil		300,000	-
		52,587,272	48,270,516
18 STORES & SPARES			
Packing material		1,552,982	2,697,771
Stores & spares		22,386,934	22,164,167
		23,939,916	24,861,938
19 STOCK IN TRADE			
Raw material		15,516,540	15,516,540
Work-in-process		-	-
Yarn		-	-
		15,516,540	15,516,540
20 TRADE DEBTORS - UNSECURED			
Trade debts - local			
- considered good		627,934	889,251
- considered doubtful		3,040,218	13,503,343
		3,668,152	14,392,594
Provision for doubtful debts	20.1	(3,040,218)	(13,503,343)
		627,934	889,251
20.1 Provision for doubtful debts			
Opening balance		13,503,343	30,811,486
Provision during the year		-	-
Doubtful debts recovered during the year		(10,463,125)	(17,308,143)
		3,040,218	13,503,343
20.2 The aging of debtors at the reporting date:			
Up to one month		-	-
1 to 6 months		627,934	889,251
More than 6 months		-	-
		627,934	889,251

DEWAN FAROOQUE SPINNING MILLS LIMITED

	Notes	2026 Rupees	2025
21 LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD			
Advances to suppliers of goods & services		5,379,556	7,379,556
Advances to employees	21.1	6,719,463	3,562,997
Others		192,655	192,655
Provision for doubtful advances		(5,230,780)	(5,230,780)
		<u>7,060,894</u>	<u>5,904,428</u>
21.1	Advance to employees includes Rs. 5.900 million (2025: Rs. 2.900) due from the executive of the company.		
22 TRADE DEPOSITS AND OTHER RECEIVABLES - CONSIDERED GOOD			
Trade deposits / prepayments		-	-
Sales tax receivable		32,100,170	36,529,801
		<u>32,100,170</u>	<u>36,529,801</u>
23 CASH AND BANK BALANCES			
In hand - Cash		116,200	1,778,440
At banks - Current accounts		1,663,589	1,760,043
At banks - Saving account		1,451,894	1,451,892
		<u>3,231,683</u>	<u>4,990,375</u>
24 SALES / REVENUE - NET			
Spinning charges		324,672,621	258,713,337
Sales Tax		(49,526,332)	(39,464,746)
		<u>275,146,289</u>	<u>219,248,591</u>
25 COST OF SALES / REVENUE			
Opening stock of finished goods		-	-
Cost of goods manufactured	25.1	516,431,846	458,929,085
		<u>516,431,846</u>	<u>458,929,085</u>
Less: closing stock of finished goods		-	-
		<u>516,431,846</u>	<u>458,929,085</u>
25.1 Cost of goods manufactured			
Raw material consumed		-	-
Stores and spares consumed		18,611,343	15,040,255
Packing material consumed		6,436,002	16,274,320
Salaries, wages & other benefits	25.1.2	79,608,232	90,457,922
Insurance		3,271,704	3,677,186
Repair & maintenance		964,990	973,587
Fuel & power		172,889,011	198,067,330
Vehicle running & maintenance		2,088,256	2,437,782
Communication		768,494	707,547
Rent, rates & taxes		955,960	996,222
Entertainment		77,716	181,481
Travelling & conveyance		20,123	55,250
Other manufacturing expenses		25,872	33,000
Depreciation	16.3	230,714,143	130,027,203
		<u>516,431,846</u>	<u>458,929,085</u>
Work-in-process - Opening		-	-
Work-in-process - Closing		-	-
Cost of Goods Manufactured		<u>516,431,846</u>	<u>458,929,085</u>



	Notes	2026 Rupees	2025
25.1.1	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>
25.1.2	Salaries and benefits include Rs. 7.843 million (2025: Rs. 13.225 million) in respect of post employment benefits.		
26 ADMINISTRATIVE EXPENSES			
Salaries and benefits	26.1	16,256,045	17,144,264
Travelling & conveyance		33,531	38,750
Printing & stationery		566,924	586,741
Legal & professional		453,000	50,000
Auditor's remuneration	26.2	850,000	850,000
Vehicle running expenses		703,497	556,638
Communication		260,121	248,860
Fees & subscription		1,903,212	2,117,157
Rent, rates & taxes		826,674	739,069
Donations	26.3	33,500	-
Depreciation / Amortization	16.3	2,092,412	1,179,253
Miscellaneous expenses		161,133	250,573
Other expenses		361,370	629,676
		<u>24,501,419</u>	<u>24,390,981</u>
26.1	Salaries and benefits include Rs.0.697 million (2025: Rs.0.442 million) in respect of post employment benefits.		
26.2	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>
26.3	(i) None of the directors had any interest in the donee's fund. (ii) Donation Rs. 0.0335 milltion (2025: Rs. Nil)		
27 SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits	27.1	8,523,630	8,225,065
Travelling & conveyance		153,250	223,130
Vehicle running expenses		872,558	1,421,184
Communication		208,684	199,174
		<u>9,758,122</u>	<u>10,068,553</u>
27.1	Salaries and benefits include Rs.0.551 million (2025: Rs.0.474 million) in respect of post employment benefits.		

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	Notes	2026	2025
		Rupees	
28 OTHER INCOME			
Reversal of provision for doubtful debts		10,463,125	17,308,143
Gain on disposal of fixed assets		1,921,344	21,045,673
Profit on Saving accounts		3	9
		<u>12,384,472</u>	<u>38,353,825</u>
29 FINANCE COST			
Bank & other charges		111,217	134,372
		<u>111,217</u>	<u>134,372</u>

29.1 In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 15.1, Company has not made the provision of mark-up for the year amounting to Rs.60.514 million (up to 30 June 2025: Rs.314.490 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. 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.60.514 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.375.004 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs.

30 LEVIES			
Minimum tax		<u>3,439,329</u>	<u>2,740,607</u>
31 TAXATION-NET			
- for Current tax		-	-
- for Prior years tax		-	(230,253)
		-	(230,253)
Deferred tax		56,029,841	25,589,859
		<u>56,029,841</u>	<u>25,359,606</u>
32 (LOSS) PER SHARE - Basic and diluted			
(Loss) after taxation		(210,681,331)	(213,301,576)
Weighted average number of ordinary shares		97,750,726	97,750,726
(Loss) per share - Basic and diluted		(2.16)	(2.18)

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.

33 CASH AND CASH EQUIVALENTS			
Cash and Bank balances		<u>3,231,683</u>	<u>4,990,375</u>
		<u>3,231,683</u>	<u>4,990,375</u>

34 REMUNERATION OF DIRECTORS & EXECUTIVES

	2026			2025		
	CHIEF EXECUTIVE	DIRECTOR	EXECUTIVES	CHIEF EXECUTIVE	DIRECTOR	EXECUTIVES
Managerial remuneration	-	-	17,510,218	-	-	14,324,870
Staff retirement gratuity	-	-	1,457,663	-	-	889,425
Provident fund	-	-	989,342	-	-	715,810
House rent allowance	-	-	3,502,044	-	-	3,175,308
Utilities allowance	-	-	1,885,716	-	-	1,763,061
Conveyance	-	-	599,408	-	-	440,765
Others	-	-	994,406	-	-	729,022
	-	-	<u>26,938,797</u>	-	-	<u>22,038,261</u>
Number of persons	-	-	8	-	-	7

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.2.496 million (2025: Rs. 1.832 million). Loan from associated company amounting to Rs. 55 million (2025 Rs. 337.864)

36 PLANT CAPACITY AND PRODUCTION

Installed capacity (Kgs)	5,960,265	5,960,265
Actual production (Kgs)	3,492,119	2,287,717
Total number of rotors installed	1,524	1,524
No.of rotors worked during the year	892.91	584.95
Number of shifts worked per day	3	3
No of days worker	214	140

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, rotors/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.

37 NUMBER OF EMPLOYEES

Total number of employees as at end of the year	128	134
Average number of employees during the year	143	148

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:

	2026	2025
	Rupees	
Trade Debts - Considered Good	627,934	889,251
Loans and Advances - Unsecured - Considered Good	6,912,118	3,755,652
Trade deposits & other receivable - Considered Good.	-	-
Cash and bank balances	3,231,683	4,990,375
	<u>10,771,735</u>	<u>9,635,278</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:

2026					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward
Financial liabilities	Rupees				
Long term loan	432,165,925	672,858,473	668,874,098	3,984,375	-
Trade and other payables	555,831,553	555,831,553	555,831,553	-	-
Short term Borrowings	467,864,219	473,260,469	473,260,469	-	-
Mark-up payable	390,303,597	390,303,597	390,303,597	-	-
	1,846,165,294	2,092,254,092	2,088,269,717	3,984,375	-

2025					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward
Financial liabilities	Rupees				
Syndicated long term loan	445,994,050	687,888,167	679,919,417	5,312,500	3,984,375
Trade and other payables	550,535,583	550,535,583	550,535,583	-	-
Short term Borrowings	412,864,335	450,750,011	450,750,011	-	-
Mark-up payable	390,303,597	390,303,597	390,303,597	-	-
	1,799,697,565	2,079,477,358	2,071,508,608	5,312,500	3,985,375

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30, 2026. 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:



	2026	2025
	Carrying amounts	
Fixed rate instruments	-	-
Variable rate instruments	507,165,925	533,428,227
Financial liabilities	507,165,925	533,428,227

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	507,165,925	523,650,300
Less cash and bank balances	3,231,683	4,990,375
Net debt	503,934,242	518,659,925
Total equity	9,521,406,634	9,731,105,901
Total capital	10,025,340,876	10,249,765,826
Gearing ratio	0.05	0.05

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 28, 2026 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 AS AT JUNE 30, 2026

INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE

2.3	Categories of shareholders	Share held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children.		
	Mr. Aziz ul Haq	500	0.00%
	Mr. Ghazanfar Babar Siddiqi	500	0.00%
	Mr. Syed Maqbool Ali	500	0.00%
	Mr. Abdul Basit	500	0.00%
	Mr. Mehmood-ul-Hassan Asghar	500	0.00%
	Mrs. Nida Jamil	500	0.00%
	Mr. Muhammad Hanif German(Nominee Director By DMPL)	-	0.00%
		3,000	0.00%
2.3.2	Associated Companies, undertakings and related parties.		
	Dewan Motors (Private) Limited	37,750,726	38.62%
	Dewan Development (Private) Limited	6,000,000	6.14%
		43,750,726	44.76%
2.3.3	NIT and ICP	-	0.00%
2.3.4	Banks Development Financial Institutions, Non Banking	-	0.00%
2.3.5	Insurance Companies	-	0.00%
2.3.6	Modarabas and Mutual Funds	-	0.00%
2.3.7	Share holders holding 5%		
	Dewan Motors (Private) Limited	37,750,726	38.62%
	Imran Haroon	9,379,289	9.60%
	Dewan Zia-Ur-Rehman Farooqui	8,622,727	8.82%
	Dewan Muhammad Yousuf Farooqui	7,052,951	7.22%
	Dewan Development (Private) Limited	6,000,000	6.14%
		68,805,693	70.39%
2.3.8	General Public		
	a. Local	50,673,696	51.84%
	b. Foreign	-	0.00%
		50,673,696	51.84%
2.3.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	3,323,304	3.40%
	TOTAL	97,750,726	100.00%

Note: In case there are more than one class of shares carrying voting rights, the information regarding each such class shall be given separately.



THE COMPANIES ACT, 2017 COMPANIES REGULATIONS, 2024

Form-20

[Section 227(2)(f) and Regulation 30]

PATTERN OF SHAREHOLDING

PART-I

1.1. Name of the Company

DEWAN FAROOQUE SPINNING MILLS LIMITED

PART-II

2.1. Pattern of holding of the shares held by the shareholders as at

3 0 0 6 2 0 2 6

2.2. No of shareholders	Shareholdings	Total shares held
381	shareholding from 1 to 100 shares	8,672
785	shareholding from 101 to 500 shares	363,754
201	shareholding from 501 to 1000 shares	191,149
247	shareholding from 1001 to 5000 shares	687,673
98	shareholding from 5001 to 10000 shares	813,770
24	shareholding from 10001 to 15000 shares	308,359
21	shareholding from 15001 to 20000 shares	394,986
12	shareholding from 20001 to 25000 shares	282,676
8	shareholding from 25001 to 30000 shares	229,416
5	shareholding from 30001 to 35000 shares	166,344
4	shareholding from 35001 to 40000 shares	159,249
2	shareholding from 40001 to 45000 shares	89,000
8	shareholding from 45001 to 50000 shares	397,682
1	shareholding from 50001 to 55000 shares	54,000
2	shareholding from 55001 to 60000 shares	114,819
2	shareholding from 60001 to 65000 shares	121,300
3	shareholding from 65001 to 70000 shares	204,590
2	shareholding from 70001 to 80000 shares	160,000
1	shareholding from 80001 to 95000 shares	95,000
5	shareholding from 95001 to 100000 shares	495,456
2	shareholding from 100001 to 110000 shares	203,043
1	shareholding from 100001 to 120000 shares	120,000
1	shareholding from 120001 to 150000 shares	150,000
2	shareholding from 150001 to 160000 shares	311,551
2	shareholding from 160001 to 170000 shares	334,841
1	shareholding from 170001 to 190000 shares	181,304
5	shareholding from 190001 to 200000 shares	994,684
1	shareholding from 200001 to 250000 shares	216,989
1	shareholding from 250001 to 290000 shares	290,000
1	shareholding from 290001 to 300000 shares	300,000
1	shareholding from 310001 to 350000 shares	305,483
4	shareholding from 350001 to 500000 shares	2,000,000
1	shareholding from 500001 to 600000 shares	572,727
1	shareholding from 600001 to 1000000 shares	1,000,000
4	shareholding from 1000001 to 1100000 shares	4,200,000
1	shareholding from 1100001 to 1200000 shares	1,184,664
1	shareholding from 1200001 to 1800000 shares	1,780,752
1	shareholding from 1800001 to 2000000 shares	1,888,373
1	shareholding from 2000001 to 3500000 shares	3,500,000
1	shareholding from 3500001 to 4000000 shares	3,552,951
2	shareholding from 4000001 to 5000000 shares	8,145,454
1	shareholding from 5000001 to 6000000 shares	6,000,000
1	shareholding from 6000001 to 9000000 shares	8,050,000
1	shareholding from 9000001 to 10000000 shares	9,379,289
1	shareholding from 10000001 to 38000000 shares	37,750,726
1851	Total	97,750,726

ہیومن ریسورس اور اجرتی کمیٹی:

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

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نام:

جناب عزیز الحق۔ چیئر مین

سید مقبول علی

جناب محمود الحسن اصغر

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (2.16) (2025:مبلغ (2.18)) 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 پٹرین:

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 رحمن و رحیم 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 محمد آمین۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

سید مقبول علی

چیف ایگزیکٹو آفیسر ڈائریکٹرز

کراچی؛

مورخہ: 28 ستمبر 2026ء

محمود الحسن اصغر
چیئر مین بورڈ آف ڈائریکٹرز

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

- ۸۔ بورڈ نے اپنے ممبران اور کمپنی کے ملازمین میں سے اسٹینٹ 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 خلل و شبہات نہیں ہیں ماسوائے وہ جس کا انکشاف مالیاتی حسابات میں کیا گیا ہے۔
- ۱۰۔ ٹیکسز، 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 متشوع علم کے حامل افراد اور ماہرین پر مشتمل ہے جو کہ اپنی بہترین مہارت کے تحت کمپنی کے مقاصد پر عملدرآمد کرتے ہیں۔

30 جون 2026 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:

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جناب عزیز الحق

جناب غضنفر بابر صدیقی

جناب عبدالباسط

سید مقبول علی

جناب محمود الحسن اصغر

جناب محمد حنیف بزمین

محترمہ مندا 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:

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جناب عزیز الحق۔ چیئرمین

عبدالباسط

جناب غضنفر بابر صدیقی

صحّت، 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۔

استحکام اور ترقی:

کمپنی کی طویل مدتی کاروباری حکمت عملی اور کارپوریٹ اقدامات کا ایک لازمی حصہ استحکام ہے۔ انتظامیہ اپنی ذمہ داری کو تسلیم کرتی ہے کہ ماحولیاتی اثرات کو کم سے کم رکھا جائے، ان کیونٹریک کی معاونت کی جائے جہاں کمپنی اپنے آپریٹرز انجام دیتی ہے، اور ذمہ دارانہ اور اخلاقی کاروباری طریقہ کار کو فروغ دیا جائے۔ کمپنی اپنی آپریٹرز اور فیصلہ سازی کے عمل میں پائیداری سے متعلق امور کو شامل کرنے کی کوشش کرتی ہے، جس میں ماحولیاتی ذمہ داری، وسائل کا ذمہ دارانہ استعمال، ملازمین کی فلاح و بہبود، کیونٹریک کی ترقی اور مضبوط کارپوریٹ گورننس پر خصوصی توجہ دی جاتی ہے۔ ان اقدامات کے ذریعے کمپنی کا مقصد اپنے متعلقہ شراکت داروں کے لیے طویل مدتی قدر پیدا کرنے کے ساتھ ساتھ ماحول اور ان کیونٹریک پر بھی مثبت اثرات مرتب کرنا ہے جہاں وہ اپنے آپریٹرز انجام دیتی ہے۔

انسانی ذرائع (ہیومن ریسورس):

کمپنی کی انتظامیہ اعلیٰ کارکردگی کے حصول کے لیے بے عزم ہے اور اس امر کا واضح ادراک رکھتی ہے کہ انسانی وسائل کا مؤثر انتظام اور مضبوط قیادتی طریقہ کار کمپنی کی پیداواری صلاحیت میں اضافے اور پائیدار مسابقتی برتری کے حصول میں اہم کردار ادا کرتے ہیں۔ اسی لیے کمپنی کی انتظامیہ انسانی وسائل کے بہترین اور مؤثر استعمال کو خصوصی اہمیت دیتی ہے، جس کے لیے ملازمین کی تربیت، مناسب رہنمائی، حوصلہ افزائی اور ترغیبی مراعات کے مختلف پروگرامز پر توجہ دی جاتی ہے۔

جینڈر پے گپ:

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے تقاضوں کے مطابق، کمپنی نے اپنے معاوضے کے طریقہ کار کا جائزہ لیا تاکہ جینڈر کی بنیاد پر اجرت میں کسی بھی مکمل فرق کی نشاندہی کی جاسکے اور اسے دور کیا جاسکے۔ کمپنی بھرتی، سالانہ تنخواہوں کے جائزے اور پیشہ ورانہ ترقی سمیت تمام ملازمت سے متعلق امور میں میرٹ پر مبنی ایک جامع طریقہ کار اختیار کرتی ہے، جس کے تحت جینڈر، نسل یا نسلی پس منظر کی بنیاد پر کسی بھی قسم کے امتیاز سے گریز کیا جاتا ہے اور ملازمین کو منصفانہ اور مساوی بنیادوں پر معاوضہ دیا جاتا ہے۔ فی الحال کمپنی محدود پیمانے پر آپریٹرز جاری رکھے ہوئے ہے اور محدود تعداد میں عملے کے ساتھ کام کر رہی ہے، جبکہ کمپنی میں کوئی خاتون ملازم موجود نہیں ہے۔ کمپنی کے مکمل آپریٹرز بحال ہونے پر تقابلی انکشاف سے متعلق ضروری معلومات مناسب وقت پر فراہم کی جائیں گی۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

آپ کی کمپنی بہتر کارپوریٹ گورننس کیلئے بے عزم 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۔

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30 جون 2026 کو ختم ہونے والے سال کے دوران کمپنی کی خالص آمدنی گزشتہ سال کی 219,249 ملین روپے کے مقابلے میں بڑھ کر 275,146 ملین روپے ہو گئی۔ کمپنی کو 241,286 ملین روپے کا مجموعی خسارہ برداشت کرنا پڑا، جبکہ گزشتہ سال مجموعی خسارہ 239,680 ملین روپے تھا۔ دوسری جانب، کمپنی کے عملی اخراجات 34,260 ملین روپے رہے، جبکہ گزشتہ سال کی اسی مدت میں یہ 34,460 ملین روپے تھے۔ ورکنگ کپٹل کی محدود دستیابی کے باعث کمپنی نے اپنے آپریٹنگ جاری رکھنے کے لیے کنٹریکٹ کی بنیاد پر یارن کی پیداوار کا سلسلہ جاری رکھا۔

مالی سال 2012 میں کمپنی نے اپنے قرض دہندگان کے ساتھ ایک سمجھوتہ معاہدے کے ذریعے معاملات طے کیے تھے، جس کے تحت محترم سندھ ہائی کورٹ، کراچی نے رضامندی کے احکامات جاری کیے تھے۔ کمپنی کے قلیل مدتی اور طویل مدتی قرضوں کو طویل مدتی قرضوں کی صورت میں از سر نو شیڈول کیا گیا تھا، تاہم بعض قرض دہندگان، جن کے 37,405 ملین روپے کے دعوے/مقدمات زیر سماعت تھے، نے اس وقت تنظیم نو کی تجویز قبول نہیں کی۔ سمجھوتہ معاہدے کے تحت از سر نو تشکیل دی گئی واجبات کی ادائیگی میں ڈیفالٹ کے نتیجے میں قرض دہندگان نے رضامندی کے احکامات پر عمل درآمد کے لیے درخواستیں دائر کر دیں۔ کمپنی نے معزز سندھ ہائی کورٹ، کراچی میں مقدمات دائر کیے، جن میں اس امر پر بھی زور موقوف اختیار کیا گیا ہے کہ عمل درآمد کی درخواستیں دائر کرنا غیر منصفانہ اور قانون کے خلاف ہے۔ کمپنی کی انتظامیہ کو ان مقدمات میں سازگار نتیجے کی توقع ہے۔

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں وضاحت کے ساتھ تنظیم نو کی ذمہ داریوں کی فسطوں کی ادائیگی اور مارک اپ کی عدم فراہمی میں ڈیفالٹ پر اپنی مہراندہ رائے کا اظہار کیا ہے۔ انہوں نے اپنی رپورٹ میں ایم پی اے گراف 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 دوبارہ مرتب کرنے کے لئے اپنے قرض خواہوں سے رابطہ کیا ہے جو کہ زیر غور ہے۔ انتظامیہ پُر 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 مارک اپ پر لازم ہو گئے اور کمپنی معاہدہ کی شرائط میں کوتاہی کی صورت میں یہ ادائیگی کرنے کی ذمہ داری 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 مارک اپ کو ریکارڈ نہیں کیا گیا ہے۔

آڈیٹرز کی جانب سے نشاندہی کی گئی صورتحال عارضی نوعیت کی ہے اور مستقبل قریب میں اس کے اثرات ختم ہونے کی توقع ہے، کیونکہ انتظامیہ پیداواری لاگت میں کمی کے لیے مختلف اقدامات کر رہی ہے۔ مزید برآں، اسپانسرز بھی ورکنگ کپٹل کی ضروریات پوری کرنے کے لیے ضرورت کے مطابق معاونت فراہم کرتے ہیں، جبکہ کمپنی اپنے قرض دہندگان کے ساتھ واجبات کی تنظیم نو کے لیے فعال مذاکرات کر رہی ہے اور اسے پُر امید ہے کہ یہ عمل جلد حتمی شکل اختیار کر لے گا۔ چنانچہ یہ مالیاتی گوشوارے کمپنی کو بطور جاری کاروباری ادارہ تصور کرتے ہوئے تیار کیے گئے ہیں۔

مستقبل کا نظریہ:

موجودہ معاشی حالات کے تناظر میں عالمی سطح پر مسابقتی حیثیت برقرار رکھنے کے لیے ہماری توقع ہے کہ حکومت اپنی توجہ ساختی اصلاحات پر مرکوز رکھے گی اور ان بنیادی خامیوں کو دور کرنے کے لیے اقدامات کرے گی جو بار بار پیدا ہونے والے معاشی بحرانوں کا سبب بنتی ہیں۔ مزید برآں، زرعی شعبے کی کمزور کارکردگی اور بڑے پیمانے کی صنعتی پیداوار کی مسلسل مشکلات اس امر کی اہمیت کو اجاگر کرتی ہیں کہ حکومت دیرینہ ساختی کمزوریوں کو دور کرنے، مالیاتی نظم و ضبط مضبوط بنانے، پالیسیوں کے مستقل نفاذ اور براہ راست دباؤ واسطہ ٹیکسوں کے نظام کو مزید منصفانہ بنانے کے لیے اصلاحات کرے، تاکہ جامع اور پائیدار معاشی ترقی کو یقینی بنایا جاسکے۔ آگے بڑھتے ہوئے، اگرچہ برآمدات پر مبنی معاشی نمو کے لیے پالیسی معاونت جاری رہنے کی توقع ہے، تاہم ٹیکسٹائل مینوفیکچرنگ کے شعبے کی پائیداری اور بحالی کا انحصار مسابقت کے لیے یکساں مواقع کی فراہمی، توانائی کی مسابقتی قیمتوں، ٹیکسوں کو معقول بنانے اور غیر منصفانہ درآمدی مسابقت کے اثرات کا مقابلہ کرنے کے لیے معاون اقدامات پر ہوگا۔

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 برادریوں کو بھی سپورٹ کرنا چاہتے ہیں جن کی ہم خدمت کرتے ہیں۔

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2026ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات جمع آڈیٹرز رپورٹ پیش کرتے ہوئے غوثی محسوس کر رہے ہیں۔

اقتصادی جائزہ:

مالی سال 2025-26 کے دوران عالمی معیشت میں افراط زر میں کمی اور سہولتی چین میں بہتری کے باعث مجموعی طور پر استحکام آیا، تاہم توانائی کی بلند قیمتوں اور تجارتی کشیدگی نے صنعتی پیداوار پر دباؤ برقرار رکھا۔ فردری 2026 میں مشرق وسطیٰ میں پیدا ہونے والے تنازع نے آبنائے ہر حر کے ذریعے توانائی کی فراہمی اور بحری تجارت کو متاثر کیا، جس کے نتیجے میں تیل اور مال برداری کے اخراجات میں نمایاں اضافہ ہوا۔ سال 2026 میں عالمی معاشی نمو متبادل رہنے کی توقع ہے، جبکہ افراط زر کا دباؤ بدستور برقرار رہ سکتا ہے؛ تاہم یہ صورتحال کشیدگی میں کمی اور خطے میں استحکام کی بحالی سے مشروط ہے۔

زیر جائزہ سال کے دوران پاکستان کی معیشت نے جی ڈی پی میں 3.7 فیصد کی شرح نمو ریکارڈ کی، جسے افراط زر میں کمی، شرح مبادلہ میں نسبتاً استحکام اور بیرونی کھاتے میں بہتری سے معاونت ملی، جبکہ بین الاقوامی مالیاتی فنڈ (IMF) کے جاری پروگرام نے بھی اس استحکام میں اہم کردار ادا کیا۔ تاہم، بین الاقوامی توانائی کی قیمتوں میں اضافے کے بعد سال کے آخری حصے میں افراط زر کے دباؤ میں دوبارہ اضافہ ہوا۔ مالی سال 2026-27 کے لیے حکومت نے GDP کی شرح نمو کا ہدف 4.0 فیصد اور اوسط افراط زر کا ہدف 8.2 فیصد مقرر کیا ہے، جو مالیاتی نظم و ضبط، IMF پروگرام کے تحت ساختی اصلاحات کے تسلسل اور عالمی سطح پر توانائی کی قیمتوں میں استحکام سے مشروط ہیں۔ اگرچہ مجموعی معاشی اشاریوں میں بہتری آئی ہے، تاہم درآمدی توانائی پر انحصار، بیرونی مالی ضروریات اور علاقائی سلامتی کی صورتحال بدستور معاشی منظر نامے کے لیے خفی خطرات کا باعث ہیں۔

صنعت کی کارکردگی کا جائزہ:

ملکی پیداواری شعبے کے لیے کاروباری ماحول بدستور مشکلات کا شکار رہا۔ کمزور ملکی طلب، صارفین کے محدود اخراجات اور صنعتی سرگرمیوں کی سست، بحالی نے سال کے دوران پیداوار اور فروخت کے حجم میں اضافے کو محدود رکھا۔ قومی ٹیرف پالیسی 2025-30 کے تحت ٹیرف کو معقول بنانے کے نتیجے میں کم لاگت درآمدات میں اضافہ ہوا، جس سے مسابقت میں شدت آئی اور پیداواری صلاحیت کے استعمال کی شرح اور منافع کے مارجن متاثر ہوئے۔

بالخصوص ٹیکسٹائل کے شعبے میں علاقائی حربوں کے مقابلے میں بلند توانائی کے نرخ، شرح سود کی بلند سطح، ٹیکسوں کا زیادہ بوجھ، آپریٹنگ اخراجات میں اضافہ اور جغرافیائی و سیاسی غیر یقینی صورتحال جیسے ساختی مسائل بدستور موجود رہے، جنہوں نے ملکی اور برآمدی دونوں مارکیٹوں میں شعبے کی مسابقتی حیثیت کو مسلسل متاثر کیا۔

مالیاتی نتائج اور کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

2026	(روپے)	2025	
275,146,289		219,248,591	آمدنی
(516,431,846)		(458,929,085)	آمدنی کی لاگت
(241,285,557)		(239,680,494)	کل خسارہ
(34,259,541)		(34,459,534)	آپریٹنگ اخراجات
(275,545,098)		(274,140,028)	آپریٹنگ خسارہ
12,384,472		38,353,825	دیگرا آمدنی
(111,217)		(134,372)	مالیاتی لاگت
(3,439,329)		(2,740,607)	لیویز
(266,711,172)		(238,661,182)	قبل از ٹیکس خسارہ
56,029,841		25,359,606	ٹیکسیشن
(210,681,331)		(213,301,576)	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 ذمہ 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 تاریخ 26 مارچ 2021 کی تعمیل میں تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے فزیکل شیئر 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 کا روکاری 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 23 واں سالانہ اجلاس عام بروز پیر 26 اکتوبر، 2026 دوپہر 03:00 بجے دیوان سینٹ فیکٹری سائٹ، دیہہ گھر، دھانیجی، ضلع ملیر، کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عمومی امور

- (1) پیر 26 جنوری 2026 کو منعقدہ کمپنی کے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔
- (2) 30 جون، 2026ء 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، 2027ء 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

28 ستمبر، 2026

نوٹ:

(الف) کمپنی کی حصص منتقلی کی کتب 19 اکتوبر، 2026 سے 26 اکتوبر، 2026 تک (بشمول دونوں دن) بند رہیں گی۔ شیئر رجسٹر کے دفتر واقع میسرز بی ایم ایف کنسلٹنٹ پاکستان (پرائیویٹ) لمیٹڈ، واقع اہم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، تیسری منزل، 49 دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی پاکستان میں موصول ہونے والی 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 شیئر رجسٹرار آفس میں جمع کرانا ہوگا۔

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

(ڈی) مالی گوشواروں کی الیکٹرانک تسلی

ایس ای سی پی نے اپنے نوٹیفکیشن نمبر 2023/389 (1) SRO تاریخ 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 ایپلی 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۔

(i) اراکین 24 اکتوبر، 2026 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 پر یا دیوان سینٹر 3-A، لالہ زار چیمبرز 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
23rd 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 23rd Annual General

Meeting of the Company to be held on **Monday, October 26, 2026, at 3:00 p.m.** And any

adjournment thereof.

Signed this _____ day of _____ 2026.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم
۲۳واں 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 فولیو 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 ۲۳واں سالانہ اجلاس عام جو کہ بروز پیر، ۲۶ اکتوبر ۲۰۲۶ کو دوپہر ۳:۰۰ بجے، ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۲۶ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____