



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.

CONTENTS

Company Information	4
Notice of Annual General Meeting	5
Chairman's Review.....	7
Directors' Report	8
Financial Highlights	13
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.....	14
Independent Auditors' Review Report to the Member on statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019	16
Independent Auditors' Report	17
Statement of Financial Position	21
Statement of Profit or Loss	22
Statement of Comprehensive Income	23
Statement of Cash Flows.....	24
Statement of Changes in Equity.....	25
Notes to the Financial Statements	26
Pattern of Share Holding	48
ڈائریکٹرز رپورٹ	55
سالانہ اجلاس عام	57
Jama Punji	
Form of Proxy	



COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Directors	:	Dewan Abdul Baqi Farooqui Chief Executive Officer & Director
Non-Executive Director	:	Mr. Ghanzanfar Babar Siddiqui Chairman, Board of Directors Mr. Imran Ahmed Javed Syed Maqbool Ali Mr. Haroon Iqbal Mrs. Nida Jamil
Independent Director	:	Mr. Aziz -ul-Haque
Audit Committee	:	Mr. Aziz -ul-Haque (Chairman) Syed Maqbool Ali (Member) Mr. Ghanzanfar Babar Siddiqui (Member)
Human Resources & Remuneration Committee	:	Mr. Aziz -ul-Haque (Chairman) Mr. Imran Ahmed Javed (Member) Dewan Abdul Baqi Farooqui (Member)
Auditors	:	Feroze Sharif Tariq & Company Chartered Accountants 4/N/4 Block-6, P.E.C.H.S.,
Company Secretary	:	Mr. Muhammad Hanif German
Chief Financial Officer	:	Muhammad Irfan Ali
Tax Advisor	:	Abbass & Atif Law Associates
Legal Advisor	:	Sharif & Co. Advocates
Bankers	:	United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited Askari Bank Limited Allied Bank Limited Soneri Bank Limited Summit 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 the Eighteenth Annual General Meeting of **Dewan Farooque Spinning Mills Limited** (“*DFSML*” or “*the Company*”) will be held on **Wednesday, October 27, 2021, at 12:30 p.m.** at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur’aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding General Meeting of the Company held on Monday, October 26, 2020;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2021, 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, 2022, 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
Company Secretary

Karachi: September 24, 2021

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 20, 2021 to October 27, 2021 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent 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.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:
 - a) **For Attending Meeting:**
 - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
 - ii) In case of corporate entity, the Board of Directors’ resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.
 - b) **For Appointing Proxies:**
 - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
 - ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.



- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DFSML/index.html>.

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, 2021, five 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.



Ghazanfer Baber Siddiqui
Chairman Board of Directors

Date: September 24, 2021

Place: Karachi



DIRECTORS' REPORT TO THE SHAREHOLDERS

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND 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, 2021 together with the Auditors' Report thereon.

Overview

Pakistan's economy, like rest of the world, has struggled to combat the economic consequences of COVID-19 shock through prompt measures for supporting the economy and saving the lives and livelihoods. Besides, virus containment measures, the government has implemented a comprehensive set of measures including an expansion of the social safety net to protect the vulnerable segments of the population, as well as monetary policy support and targeted financial initiatives. These measures supported the economy in mitigating the severe impact of the pandemic. The prudent decisions of the government with accommodative fiscal and monetary policies helped the economy to regain its pre-COVID-19 trajectory. Manufacturing has witnessed broad-based growth as major sectors of LSM have shown significant improvement i.e., Textile, Food Beverages & Tobacco, Non-Metallic Mineral Products and Automobile. The industrial sector has witnessed a remarkable turnaround largely because of accommodative policies by the government in the form of industrial support packages, relief to export-oriented industries, electricity and gas subsidy for the export-oriented industries and tax exemptions. The policy rate remained unchanged at 7.0 percent which improved business sentiments and thus stimulating economic activities enabling employment to recover. As a result, Alhamdulillah, the economy is steadily progressing towards more sustainable and inclusive growth. The economy has witnessed a V-shaped recovery with 3.94 percent growth in FY2021 against the negative growth of 0.47 percent last year. Remittances witnessed a remarkable growth as more formal channels were opted due to restrictions imposed on informal means. Added with this, timely resumption of economic activities helped the export sector performed relatively better than other emerging economies; both of which led to an improvement in the external sector.

The textile sector in Pakistan has an overwhelming impact on the economy and has been contributing around 60% to the country's exports. It comprises of 46% of the total manufacturing sector and being the second largest employment generating sector provides employment to 40% of the total labor force. Covid-19 has turned out to be a blessing in disguise for the textile industry as global buyers have turned towards Pakistan by cutting orders to regional players, resulting in 100% utilisation of available production capacity. Conditions for Pakistan's textile industry are very favorable and it is working at full capacity. The positive impact of the growth in textile industry is also being felt by the allied sectors including chemicals, logistics, packaging and other services. This has given Pakistani exporters, an opportunity to quote competitive prices and offer better quality products so that the new buyers could become their permanent customers. However, in contrast, cotton production in Pakistan for FY21 has been recorded 5.646 million bales which is the lowest in over three decades. The cotton crop suffered mainly due to decline in area sown, heavy monsoon rains and pest attacks. This production shortfall to the critical level has pushed the cotton prices to a record 11 years high to Rs. 12,800 / Maund consequently cotton imports have increased by more than 80% during FY 2021 as compared to last year. The acute shortfall in the main industrial input affected the benefit that could have been reaped from increased exports and is expected to upset the exports going forward also. Moreover, the higher prices in the international market resulted in the continued volatility in yarn prices.

Operating results and performance:

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

	"Rupees"
REVENUE	602,428,290
COST OF REVENUE	(627,213,998)
GROSS LOSS	(24,785,708)
OPERATING EXPENSES	(57,555,766)
OPERATING LOSS	(82,341,474)
FINANCE COST	(36,687,185)
LOSS BEFORE TAXATION	(119,028,659)
TAXATION	6,427,868
LOSS AFTER TAXATION	(112,600,791)

During the year ended 30 June, 2021, Company net revenue has increased to Rs.602.428 million as compared to Rs.431.984 million of last year. Company has managed to suffer gross loss of Rs. 24.786 million as compared to the gross loss of Rs. 99.211 million of comparable period, whereas operating expenses of the company remained at Rs. 57.556 million. During the year company has improved its EBITDA by Rs.58.718 million as compared to last year. Finance Cost has also decreased substantially to Rs.36.688 million as compared to Rs.79.678 million of comparable period of last year due to maintaining policy rate (KIBOR) at 7% by the State Bank of Pakistan. During the year under review, production volume was also increased as compared to last year due to capex incurred during the year to improve quality and quantity of production. 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.66.60 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 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.

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

Company has approached its lenders for further restructuring of its liabilities, which is in process. Management is hopeful that such revision will be finalized soon. Moreover, the markup outstanding up to the date of restructuring is Rs.210.713 million, which the company would be liable to pay in the event of default of terms of agreement. The management is confident that upon finalization of restructuring this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.

These financial statements have been prepared using going concern assumption as the conditions referred in note 2 are temporary and would reverse in foreseeable future. The company's operating cash flows are positive and sponsors provide the support as and when required to meet working capital requirements. The company production have increased as compared to last year due to certain capital expenditures, which also mitigate the risks involved. Therefore, the preparation of financial statements using going concern assumption is justified.

Future Outlook

In today's highly competitive global environment, the textile sector needs to upgrade its supply chain, improve productivity, and maximize value-addition to be able to survive. Pakistan has supply base for almost all man-made and natural yarns and fabrics, including cotton, rayon and others. This abundance of raw material is a big advantage for Pakistan due to its beneficial impact on cost and operational lead time. The management is optimistic about business environment & appreciate the steps taken by the Government. Government took several important policy decisions: monetary and fiscal measures, and the measures to uplift the agriculture sector paid off in terms of improved productivity of important crops. For year 2021-22, cotton production estimate of 8.46 million bales has been set by the Cotton Crop Advisory Committee of the Government on 01-Sep-21 which is around 49.8% increase if we compared to last year actual production of 5.646 million bales (PCGA) which is also a positive sign. However, at present local as well as international cotton markets both are touching to a decade high price and it is becoming more difficult to compete in international market, due to higher cost of production, uncertainties in currency devaluation and increase in inflation. Even though the Government implemented policy measures to control the inflation, however, still a lot needs to be done to bring it to quite manageable level. Some further initiatives from the government are also expected to make the textile industry sustainable, especially smooth supply of gas at affordable tariff, continuation of long-term concessionary financing facility for boosting investments in new capacity expansion and up-gradation of technology. The government should also encourage local production and import substitution through duty cut, tax incentives on investment in manufacturing and early release of tax refunds for exporters, and it should create a level playing field for domestic supplies compared to imports.

Corporate Social Responsibilities

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

**Health, Safety and Environment**

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

Human Resource

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

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.

DEWAN FAROOQUE SPINNING MILLS LIMITED

The Board of Directors as of June 30, 2021 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 five meetings of the Board were held. The attendance of directors was as follows:

Names	No. of Meetings attended
Dewan Abdul Baqi Farooqui	5
Mr. Aziz-ul-Haque	5
Syed Muhammad Anwar	0
Mr. Ghazanfar Baber Siddiqi	5
Mr. Muhammad Baqar Jafferi	3
Mr. Imran Ahmed Javed	5
Syed Maqbool Ali	5
Syed Asim Abid Ali	0
Mrs. Nida Jamil	1

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, five Audit Committee meetings were held and attendance was as follows.

Names	No. of Meetings attended
Mr. Aziz-Ul Haque – Chairman	5
Syed Maqbool Ali	5
Mr. Ghazanfar Baber Siddiqi	5

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
Mr. Imran Ahmed Javed	1
Dewan Abdul Baqi Farooqui	1



During the last financial year Company was unable to conduct 3rd Quarter Board of Directors meeting due to Covid-19 and pandemic situation, which was subsequently conducted on September 25, 2020.

Earnings per Share

(Loss) per share during the period under review worked out to Rs (1.15) [2020: Rs. (2.02)]

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

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

Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director

Haroon Iqbal
Director

Date: September 24, 2021

Place: Karachi

FINANCIAL HIGHLIGHTS

	2016	2017	2018	2019	2020	2021
	(Rupees in Thousands)					
Sales (Net)	865,287	952,277	769,189	482,918	431,984	602,428
Gross (Loss)/ Profit	(145,260)	(120,074)	(247,083)	(110,117)	(99,211)	(24,786)
(Loss)/ Profit Before Tax	(275,958)	(238,696)	(391,807)	(225,131)	(210,263)	(119,029)
(Loss)/ Profit After Tax	(237,987)	(251,012)	(377,120)	(210,213)	(197,869)	(112,601)
Current Assets	806,722	825,028	432,652	297,930	267,439	252,909
Shareholder's Equity	1,084,029	1,508,725	1,139,735	936,849	739,922	2,002,677
Current Liabilities	797,548	1,054,713	1,000,203	978,877	1,259,456	1,274,972
(Loss)/ Earning per Share	(2.43)	(2.57)	(3.86)	(2.15)	(2.02)	(1.15)
Breakup value per share (Rs.)	11.09	15.43	11.66	9.58	7.57	20.49
current ratio (Times)	1.01	0.78	0.43	0.30	0.21	0.20
Gross (Loss)/ Profit %	-16.79%	-12.61%	-32.12%	-22.80%	-22.97%	-4.11%
Net (Loss)/ profit%	-27.50%	-26.36%	(0.49)	(0.44)	(0.46)	(0.19)
Debt equity ratio (Times)	0.83	0.62	0.81	0.93	1.18	0.44



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

For the Year Ended June 30, 2021

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. Haroon Iqbal
Mr. Imran Ahmed Javed
Syed Maqbool Ali
Mr. Ghazanfar Baber Siddiqi
Mrs. Nida Jamil
 - c) Executive Directors : Dewan Abdul Baqi Farooqui
3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Directors 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. One Director is exempted from the requirement of Director's training program and three of the 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.

DEWAN FAROOQUE SPINNING MILLS LIMITED

12. The board has formed committees comprising of members given below:
- | | | | |
|----------------------------------|---|-----------------------------|----------|
| a) Audit Committee | : | Mr. Aziz-ul-Haque | Chairman |
| | | Syed Maqbool Ali | Member |
| | | Mr. Ghazanfar Baber Siddiqi | Member |
| b) HR and Remuneration Committee | : | Mr. Aziz-ul-Haque | Chairman |
| | | Mr. Imran Ahmed Javed | Member |
| | | Dewan Abdul Baqi Farooqui | 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 | : | 5 meetings during the financial year ended June 30, 2021 |
| b) HR and Remuneration Committee | : | 1 annual meeting held during the financial year ended June 30, 2021 |
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 have been complied with.



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



Haroon Iqbal
Director

Date : September 24, 2021
Place : Karachi



FEROZE SHARIF TARIQ & CO.

FEROZE SHARIF TARIQ & CO.
Chartered Accountants
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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, 2021 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 other group companies. Further, Code requires independent directors shall not be less than two or one third of the total members of the board, whichever is higher, whereas board include one independent director.
- 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 meet the criteria of independence due to the reason reflect in para (a) above.

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, 2021.

Furthermore, we highlight that one of the Director of the company is serving as directors in more than seven listed Companies, and only fifty percent of the directors are qualified under the Directors' Training Program as reflect in note 3 and 9 to the statement of Compliance.

Dated: September 24, 2021

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, 2021, 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 significant 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, 2021 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

- 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.398.067 (2020: Rs.398.067) million (note 8.1 to the financial Statements) along with markup of Rs. 210.713 (2020:Rs.210.713) million (eligible for waiver outstanding as of date of restructuring) become immediately payable, therefore provision for markup should be made in these financial statements. Further, the short term finance facilities have expired and not been renewed by banks amounting to Rs. 192.10 (2020:Rs. 192.10) million. The company is facing litigations from its lenders; the aggregate suit amount is Rs. 66.60 (2020: Rs. 66.60) million the company has also not provided markup on the same amount and the execution has been filed by the lenders of the Company as disclosed in note 15.1 and 15.2 to the financial Statements
- 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, and 28.1 to the financial Statements, the loss after taxation would have been higher by Rs. 286.454 (2020: Rs 280.105) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 286.454 (2020: Rs 280.105) million.

Except for the Possible Effects of the matter described in the Basis of Qualified Opinion section above of our report, 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.

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, 2021 which indicates loss after taxation of Rs. 112.601 (2020: Rs. 197.869) million and as of that date it has accumulated losses of Rs. 1,345.217 (2020: Rs. 1,274.238) million and its current liabilities exceeded its current assets by Rs. 1,022.063 (2020: Rs. 992.017) million, 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. 192.10 million as discussed in Para (a) above. The Company is in litigation with its lenders as disclosed in note 15 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 33 to the financial statements. These conditions, along with other matters as set forth in note 2 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 be 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	
	<p>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.</p> <p>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.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 15 to the financial statements.</p> <p>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.</p>	<p>In response to this matter, our audit procedures included:</p> <p>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.</p> <p>Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations.</p> <p>We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.</p> <p>The disclosures of legal exposures and provisions were assessed for completeness and accuracy</p> <p>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.</p> <p>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.</p> <p>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.</p>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work performed, we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

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 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 Tariq.

Dated: September 24, 2021
Place: Karachi

CHARTERED ACCOUNTANTS
(Mohammad Tariq)

STATEMENT OF FINANCIAL POSITION**As at 30th June, 2021****EQUITY AND LIABILITIES****SHARE CAPITAL AND RESERVES**

	Notes	June 30, 2021	June 30, 2020
		(Rupees)	
Authorized share capital 100,000,000 (2020: 100,000,000) Ordinary shares of Rs.10/- each	5	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up Capital	6	977,507,260	977,507,260
Revenue Reserve - Accumulated loss		(1,345,216,585)	(1,274,237,669)
Capital Reserve - Revaluation surplus on property, plant and equipment	7	2,370,386,530	1,036,652,377
		2,002,677,205	739,921,968
NON-CURRENT LIABILITIES			
Long term Loan	8	-	-
Deferred Taxation	9	317,159,938	172,679,667
Deferred Liability for staff gratuity	10	15,641,205	10,498,831
CURRENT LIABILITIES			
Trade and other payables	11	114,568,403	139,513,136
Accrued mark-up		273,069,999	236,701,435
Short term borrowings	12	412,864,355	412,864,355
Overdue portion of long term liabilities	13	463,896,977	463,896,977
Provision for taxation	14	10,572,616	6,479,762
		1,274,972,350	1,259,455,665
CONTINGENCIES AND COMMITMENTS			
	15	-	-
		3,610,450,698	2,182,556,131
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	16	3,319,315,029	1,876,890,143
Long term deposits	17	38,226,745	38,226,745
CURRENT ASSETS			
Stores & Spares	18	22,309,317	25,313,113
Stock-in-trade	19	361,003	361,003
Trade Debts- Unsecured, Considered Good	20	83,624,514	86,019,039
Loans and advances- Unsecured, Considered Good	21	18,154,240	22,310,710
Trade deposits and other receivables- Considered Good	22	53,043,602	75,759,620
Taxes recoverable		31,366,691	53,993,248
Cash and bank balances	23	44,049,557	3,682,510
		252,908,924	267,439,243
		3,610,450,698	2,182,556,131

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



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30TH JUNE 2021

	Notes	2021	2020
		(Rupees)	
Sales / Revenue - Net	24	602,428,290	431,984,100
Cost of sales / revenue	25	(627,213,998)	(531,195,423)
Gross (loss)		(24,785,708)	(99,211,323)
Operating expenses			
Administrative expenses	26	(50,423,033)	(23,193,486)
Selling and distribution expenses	27	(7,132,733)	(8,180,195)
		(57,555,766)	(31,373,681)
Operating (loss)		(82,341,474)	(130,585,004)
Other charges			
Finance cost	28	(36,687,185)	(79,677,635)
		(36,687,185)	(79,677,635)
(Loss) before taxation		(119,028,659)	(210,262,639)
Taxation			
Current		(10,572,616)	(6,479,762)
Deferred		17,000,484	18,873,784
		6,427,868	12,394,022
(Loss) after taxation		(112,600,791)	(197,868,617)
(Loss) per share - Basic and diluted (Rupees)	29	(1.15)	(2.02)

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

Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director

Muhammad Irfan Ali
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2021

	2021	2020
	(Rupees)	
(Loss) after taxation	(112,600,791)	(197,868,617)
Other Comprehensive Income		
Revaluation during the year	1,536,836,784	-
Related deferred tax	(161,480,756)	-
	1,375,356,028	-
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of defined benefit liability	-	941,360
Deferred tax on remeasurement of defined benefit liability	-	-
	-	941,360
Total comprehensive income /(loss) for the year	1,262,755,237	(196,927,257)

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



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2021

	Note	2021 (Rupees)	2020
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation		(119,028,659)	(210,262,639)
Adjustments for non cash and other items:			
Depreciation		115,705,737	125,907,251
Financial charges		36,687,185	79,677,635
Provision for Doubtful Debts		20,767,580	-
Provision for gratuity		6,932,025	4,887,780
Cash flow before working capital changes		61,063,868	210,027
Working Capital changes			
<i>(Increase)/ Decrease in current assets:</i>			
Stores & spares		3,003,796	454,253
Stock in trade		-	-
Trade debts		(18,373,055)	11,547,057
Loans & advances		4,156,470	10,152,701
Trade deposits & other receivables		22,716,018	7,972,177
<i>Increase/ (Decrease) in current liabilities:</i>			
Trade and other payables		(24,944,733)	27,300,188
Cash generated from /(used in) operations		47,622,364	57,636,403
Taxes paid - net of refund		16,146,795	(5,472,567)
Gratuity paid		(1,789,651)	(1,406,405)
Financial charges paid		(318,622)	(9,220,124)
		61,660,886	41,537,307
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(21,293,839)	(17,882,570)
Long term deposits		-	(8,455,400)
Net cash outflow from investing activities		(21,293,839)	(26,337,970)
CASH FLOW FROM FINANCING ACTIVITIES			
Syndicated Long Term Loan		-	-
Short Term Loan		-	(15,000,000)
Net cash Inflow/(out flow) from financing activities		-	(15,000,000)
Net increase / (decrease) in cash and cash equivalents		40,367,047	199,337
Cash and Cash equivalents at the beginning of the year		3,682,510	3,483,173
Cash and Cash equivalents at the end of the year	30	44,049,557	3,682,510

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

Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director

Muhammad Irfan Ali
Chief Financial Officer

Haroon Iqbal
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2021

	Revenue reserve	Capital Reserve	Total
	Accumulated loss	Revaluation surplus on property, plant & equipment	
Issued subscribed and paid-up capital			
(Rupees)			
Balance as at July 01, 2019	977,507,260	(1,123,518,643)	1,082,860,608
Total comprehensive loss for the year			
(Loss) for the year	--	(197,868,617)	--
Other comprehensive income	--	941,360	--
	--	(196,927,257)	--
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	46,208,231	(46,208,231)
Balance as at June 30, 2020	977,507,260	(1,274,237,669)	1,036,652,377
Balance as at July 01, 2020	977,507,260	(1,274,237,669)	1,036,652,377
Total comprehensive income/(loss) for the year			
(Loss) for the year	--	(112,600,791)	--
Other comprehensive income	--	--	1,375,356,028
	--	(112,600,791)	1,375,356,028
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	41,621,875	(41,621,875)
Balance as at June 30, 2021	977,507,260	(1,345,216,585)	2,370,386,530

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



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director



Muhammad Irfan Ali
Chief Financial Officer



Haroon Iqbal
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2021

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Spinning Mills Limited is incorporated in Pakistan on December 22, 2003 as public limited company, under the Companies Ordinance, 1984 (now Companies Act 2017). The shares of the company are listed on Pakistan Stock Exchange Limited. The registered office of the company is located at Dewan Centre, 3-A, Lalazar Beach Hotel, Road, Karachi, Pakistan; while its manufacturing facilities are located at 54 km Multan Road, Phool Nagar By-pass District Kasur near Lahore in Pakistan. The principal activity of the company is manufacturing and sale of fine quality yarn. The company also manufactures yarn on contract basis. The company has installed capacity of 28,800 spindles.

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, 2021 reflect that company sustained net loss after taxation of Rs. 112.601 million (2020: Rs. 197.869 million) and as of that date its negative reserves of Rs. 1,345.217 (2020: Rs. 1,274.238) million and its current liabilities exceeded its current assets by Rs. 1,022.063 million (2020: 992.016). 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. The company's operating cash flows are positive and sponsors provide support as and when required to meet working capital requirements. The company production have increased as compared to last year due to certain capital expenditures, which also mitigate the risks involved. Therefore the preparation of 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 28.1 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 Basis of measurement

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 Changes in accounting standards, interpretations and pronouncements

3.3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

The following amendments to accounting standards are effective for the year ended 30 June 2021. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective Date (Period beginning on or after)
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	1-Jun-20
Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS	1-Jun-20
Amendments to IFRS 3 'Business Combinations' - Definition of a business	1-Jun-20
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material	1-Jun-20
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform	1-Jun-20

Certain annual improvements have also been made to a number of IFRSs.

3.3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following amendments to accounting standards are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	1-Jun-22
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	1-Jun-22
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	1-Jun-22
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	1-Jun-23
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1-Jun-23

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

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.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below.

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.

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 13 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.

Leased

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets. The related obligations under the lease are accounted for as liabilities. Assets acquired under finance lease are depreciated over the useful life of the assets and depreciation is computed commencing from the month in which the assets are first put to use.

Cost in relation to certain plant and machinery signifies historic cost, mark-up, interest, profit and other charges on counter liabilities up to the date of commissioning of the respective plant and machinery acquired against such liabilities. All other mark-up, interest, profit, and other charges are charged to income.

Major repairs and renewals are capitalised. Gains or losses on disposals of property, plant and equipment are included in income currently.

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.

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 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated using straight line method over the lease term. Right-of-use assets are subject to impairment.

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	-	Average cost
Waste	-	Selling price
Finished goods	-	Average cost

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.



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 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.

4.9.3.1.2 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.

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 of 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.

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.

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.

	2021	2020
	Rupees	
5 AUTHORIZED SHARE CAPITAL		
100,000,000 (2020: 100,000,000) Ordinary shares of Rs.10/- each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
6 ISSUED, SUBSCRIBED AND PAID UP-CAPITAL		
97,750,726 (2020: 97,750,726) Ordinary shares of Rs.10/- each fully paid in cash	<u>977,507,260</u>	<u>977,507,260</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 (2020: 37,750,726) ordinary shares of Rs.10 each.

7 REVALUATION SURPLUS ON PROPERTY PLANT AND EQUIPMENT

Opening Balance	1,036,652,377	1,082,860,608
Surplus arising on revaluation during the year	1,536,836,784	-
Related deferred tax liability	(161,480,756)	
Transferred to accumulated loss in respect of incremental depreciation for the year	(41,621,875)	(46,208,231)
	<u>2,370,386,530</u>	<u>1,036,652,377</u>

The assets of the Company have been revalued as on June 30, 2021. 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.

Latest revaluation has resulted in increase in surplus by Rs.1,536.837 million, and forced sale value of revalued assets is Rs.2,365.970 million.

DEWAN FAROOQUE SPINNING MILLS LIMITED

8 LONG TERM LOANS	Notes	2021	2020
		Rupees	
Syndicated Long Term Loans - Secured	8.1	-	-
Sponsor Loan - unsecured	8.2	-	-
		-	-
8.1 SYNDICATED LONG TERM LOANS - SECURED			
Syndicated Long Term Loan - Secured		398,066,977	398,066,977
Less: Paid during the year		-	-
		398,066,977	398,066,977
Less: Transferred to overdue portion	13	398,066,977	398,066,977
		-	-

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.

8.2 Sponsor Loan - unsecured

Sponsor Loan- Unsecured	8.2.1	213,781,355	213,781,355
Unwinding interest		-	16,403,485
Present value adjustment		-	(16,403,485)
Present Value of Sponsor loan		213,781,355	213,781,355
Less: Transfer to Short term loan from Sponsors		213,781,355	213,781,355
		-	-

8.2.1 This represents unsecured interest free loan payable to sponsor against liabilities of a bank assumed by the sponsor. The Sponsor loan has been measured at amortized cost in accordance with International Financial Reporting Standard 9, Financial Instruments, and has been discounted using the weighted average interest rate of 8.01% per annum. This interest free loan was payable till 30th June 2020.

9 DEFERRED TAXATION

Credit balance arising due to:			
- accelerated tax depreciation		160,606,086	117,297,836
- revaluation - Net of related depreciation		317,159,938	172,679,667
Debit balance arising due to			
- finance lease transactions		3,558,460	4,906,977
- staff gratuity		(4,535,949)	(3,044,661)
- carried over losses		(291,196,288)	(295,344,355)
		185,592,247	(3,504,536)
Deferred tax asset not recognized		131,567,691	176,184,203
		317,159,938	172,679,667



	Notes	2021	2020
		Rupees	
9.1 Movement of deferred tax liabilities			
Balance as at beginning of the year		172,679,666	191,553,450
Tax charge recognized in statement of profit or loss		(17,000,484)	(18,873,784)
Tax charge recognized in other comprehensive income		161,480,756	-
Balance as at end of the year		<u>317,159,938</u>	<u>172,679,666</u>
10 DEFERRED LIABILITY FOR STAFF GRATUITY			
Opening balance		10,498,831	7,958,816
Provision for the year	10.1	6,932,025	4,887,780
Payments during the year		(1,789,651)	(1,406,405)
Actuarial Gain		-	(941,360)
	10.2	<u>15,641,205</u>	<u>10,498,831</u>
10.1 Provision for the year			
Current service cost		6,245,709	4,287,439
Interest cost on defined benefit obligation		686,316	600,341
		<u>6,932,025</u>	<u>4,887,780</u>
10.2 Balance sheet liability			
Present value of defined benefit obligation	10.3	<u>15,641,205</u>	<u>10,498,831</u>
10.3 Changes in Present Value of Defined Benefit Obligations			
Present value of defined benefit obligation		10,498,831	7,958,816
Current service cost		6,245,709	4,287,439
Interest cost on defined benefit obligation		686,316	600,341
Benefits paid during the year		(1,789,651)	(1,406,405)
Remeasurements chargeable in other comprehensive income		-	(941,360)
		<u>15,641,205</u>	<u>10,498,831</u>
10.4 Significant Actuarial Assumptions			
Discount rate used for Interest Cost in P&L Charge		9.00%	9.00%
Discount rate used for year end obligation		8.50%	8.50%
Salary increase used for year end obligation		7.50%	7.50%
Next Salary increased at		July 01, 2021	July 01, 2020
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		8,785,135	8,785,135
Discount Rate - 100 bps		9,954,755	9,954,755
Salary Increase + 100 bps		9,986,618	9,986,618
Salary Increase - 100 bps		8,745,856	8,745,856
11 TRADE AND OTHER PAYABLES			
Creditors		52,774,946	57,279,556
Accrued Expenses		53,680,561	77,267,630
Employees Provident Fund	11.1	114,750	116,266
Sales Tax Payable		7,998,146	4,826,035
		<u>114,568,403</u>	<u>139,489,487</u>

DEWAN FAROOQUE SPINNING MILLS LIMITED

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	Notes	2021	2020
		Rupees	
Short term finances from banks	12.1 to 12.2	75,000,000	75,000,000
Sponsors loan	12.3	337,864,355	337,864,355
		412,864,355	412,864,355

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 three month 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 three month KIBOR plus 3%.

12.3 SPONSORS LOAN

Opening Balance	337,864,355	124,083,000
Add: Transfer from Long term Loan from Sponsor (note . 8.2)	-	213,781,355
	337,864,355	337,864,355

12.4 This represents unsecured interest free loan for the purpose of working capital requirements and is payable on demand. The interest free and unsecured loan has been provided by sponsor considering financial crunch being faced by the company.

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	36,250,000	36,250,000
Over due portion of Syndicated Long term loans		398,066,977	398,066,977
		463,896,977	463,896,977

13.1 The above represents finance leases for Plant and Machinery of the Company shown under Right of use of Assets (previously Leased assets), the Company defaulted in repayment of Lease Liability therefore, the Bank filled ligation 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 29,000 PPTFCs which were not converted into long term loan. Total number of PPTFCs were 130,000 out of which 101,000 were converted into long term loan in accordance with the consent decrees passed by Honorable High Court of Sindh as detailed in note 8.1.1.

14 PROVISION FOR TAXATION

Balance at the beginning of the year	6,479,762	6,036,481
Provision made during the year	10,572,616	6,479,762
	17,052,378	12,516,243
Payment/ Adjusted during the year	6,479,762	6,036,481
	10,572,616	6,479,762

Income tax returns of the company have been filed up to tax year 2020 which are deemed to be assessed u/s 120 of the Income Tax Ordinance 2001.



	Notes	2021	2020
		Rupees	
14.1 Relationship between income tax expense and accounting profit			
Accounting (loss) as per profit and loss account		(119,028,659)	(210,238,990)
Applicable tax rate		29%	29%
Tax on accounting (loss)		(34,518,311)	(60,969,307)
Tax effect of timing difference on depreciation		31,142,711	25,916,775
Tax effect of expenses / provision that are not deductible in determining taxable loss charged to profit and loss account		7,513,887	5,766,609
Effect of Loss carried / (brought) forward		(4,138,287)	29,285,923
		-	-
Minimum tax payable under Income Tax Ordinance, 2001		10,572,616	6,036,481

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.555.411 million and markup thereon of Rs.210.713 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 litigations with two of its lenders who had filed suits for recovery of Rs. 66.60 million which are pending in Honorable High Court of Sindh, Karachi. The Company strongly contested the cases as banks have filed wrong claims. 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.
- 15.4** The company alongwith other textile mills has filed writ petition in Honorable Lahore High Court against Sui Northern Gas Pipelines Limited (SNGPL) and others against purported gas charges. The Honorable court has granted stay against said gas charges and company expects favorable outcome hence no provision has been made in these financial statements.
- 15.5** There are no commitments as of balance sheet date which need to be disclosed in the financial statements.

16 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	16.1	3,316,315,029	1,876,890,143
Capital work in progress	16.5	3,000,000	-
		3,319,315,029	1,876,890,143

DEWAN FAROOQUE SPINNING MILLS LIMITED

16.1 Operating Fixed Assets

The following is a statement of operating fixed assets:

	2021											
	Owned									Right of Assets use	Intangible Assets	Total
	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 2020	699,300,000	303,920,605	140,515,320	2,227,365,947	65,076,005	8,795,459	26,595,062	5,717,906	1,192,944	200,449,275	3,000,000	3,681,928,523
Addition/ Transfer from CWIP	2,693,410	-	-	10,774,924	-	-	4,430,505	395,000	-	-	-	18,293,839
Transfers/ Deletion	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on Revaluation	980,006,590	68,932,979	28,335,647	459,561,568	-	-	-	-	-	-	-	1,536,836,784
As at June 30, 2021	1,682,000,000	372,853,584	168,850,967	2,697,702,439	65,076,005	8,795,459	31,025,567	6,112,906	1,192,944	200,449,275	3,000,000	5,237,059,146
Accumulated Depreciation												
As at 01 July 2020	-	172,201,704	54,260,075	1,326,985,426	57,676,215	6,852,078	24,766,419	5,484,429	792,813	153,948,664	2,070,557	1,805,038,380
Charge for the year	-	13,171,890	4,312,762	90,663,014	1,109,969	194,338	495,052	139,195	40,013	4,650,061	929,443	115,705,737
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at June 30, 2021	-	185,373,594	58,572,837	1,417,648,440	58,786,184	7,046,416	25,261,471	5,623,624	832,826	158,598,725	3,000,000	1,920,744,117
Net book value												
As at June 30, 2021	1,682,000,000	187,479,990	110,278,130	1,280,053,999	6,289,821	1,749,043	5,764,096	489,282	360,118	41,850,550	-	3,316,315,029
Depreciation rate % per annum	-	10	5	10	15	10	20	30	10	10	25	
	2020											
	Owned									Right of Assets use	Intangible Assets	Total
	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 2019	699,300,000	303,920,605	140,515,320	2,209,483,377	65,076,005	8,795,459	26,595,062	5,717,906	1,192,944	200,449,275	3,000,000	3,664,045,953
Addition/ Transfer from CWIP	-	-	-	17,882,570	-	-	-	-	-	-	-	17,882,570
Transfers/ Deletion	-	-	-	-	-	-	-	-	-	-	-	-
As at 30th June 2020	699,300,000	303,920,605	140,515,320	2,227,365,947	65,076,005	8,795,459	26,595,062	5,717,906	1,192,944	200,449,275	3,000,000	3,681,928,523
Accumulated Depreciation												
As at 01 July 2019	-	157,566,270	49,720,325	1,227,853,367	56,370,370	6,636,147	24,309,258	5,384,367	748,354	148,781,929	1,760,742	1,679,131,129
Charge for the year	-	14,635,434	4,539,750	99,132,059	1,305,845	215,931	457,161	100,062	44,459	5,166,735	309,815	125,907,251
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 30th June 2020	-	172,201,704	54,260,075	1,326,985,426	57,676,215	6,852,078	24,766,419	5,484,429	792,813	153,948,664	2,070,557	1,805,038,380
Net book value												
As at June 30, 2020	699,300,000	131,718,901	86,255,245	900,380,521	7,399,790	1,943,381	1,828,643	233,477	400,131	46,500,611	929,443	1,876,890,143
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 June 30 would have been as follows:

	Notes	2021 Rupees	2020 Rupees
Free hold land		88,108,490	85,415,080
Factory Building on Free hold land		104,453,133	116,059,036
Non Factory Building		64,417,770	67,808,179
Plant and Machinery		315,286,258	339,040,329
		572,265,651	608,322,624

16.3 Allocation of Depreciation

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

Cost of Goods Manufactured	114,665,801	124,775,626
Administrative Expenses	1,039,936	1,131,625
	115,705,737	125,907,251

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 70 Acres.



	Notes	2021	2020
		Rupees	
16.5 Capital Work in progress- Plant and Machinery		3,000,000	-
		3,000,000	-
Capital Work in progress - movement			
Opening		-	-
Additions during the year		3,000,000	-
Less: Capitalized during the year		-	-
		3,000,000	-
17 LONG TERM DEPOSITS			
Sui Northern Gas Pipelines		35,496,745	35,496,745
Lahore Electric Supply Corporation		2,730,000	2,730,000
		38,226,745	38,226,745
18 STORES & SPARES			
Packing material		697,216	1,370,501
Store & spares		21,612,101	23,942,612
		22,309,317	25,313,113
19 STOCK IN TRADE			
Raw material		-	-
Finished goods		361,003	361,003
		361,003	361,003
20 TRADE DEBTORS - UNSECURED			
Trade debts - local - Considered Good		83,624,514	86,019,039
- Considered Doubtful		124,051,290	103,283,710
		207,675,804	189,302,749
Provision for doubtful debts		(124,051,290)	(103,283,710)
		83,624,514	86,019,039
20.1 Provision for doubtful debts			
Opening balance		103,283,710	103,283,710
Provision during the year		20,767,580	-
		124,051,290	103,283,710
20.2 The aging of debtors at the reporting date:			
Up to one month		-	-
1 to 6 months		-	-
More than 6 months		83,624,514	86,019,039
		83,624,514	86,019,039
21 LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD			
Advances to Suppliers of goods & services		23,799,156	30,799,156
Advances to Employees	21.1	7,371,547	4,167,766
Others		1,633,917	1,994,168
Provision for doubtful advances		(14,650,380)	(14,650,380)
		18,154,240	22,310,710
21.1 Advance to Employees includes Rs. 2.177 million (2020: Rs. 1.300) due from the executive of the company.			
22 TRADE DEPOSITS AND OTHER RECEIVABLES - CONSIDERED GOOD			
Trade deposits		2,677,287	2,677,287
Prepayments		375,000	-
Sales tax		49,991,315	73,082,333
		53,043,602	75,759,620

DEWAN FAROOQUE SPINNING MILLS LIMITED

	Notes	2021 Rupees	2020
23 CASH AND BANK BALANCES			
In hand - Cash		54,420	124,458
At banks - Current Accounts		42,543,271	2,106,188
At banks - Saving Account		1,451,866	1,451,864
		<u>44,049,557</u>	<u>3,682,510</u>
24 SALES / REVENUE - NET			
Local sales		-	-
Spinning Charges		704,841,099	505,421,397
		<u>704,841,099</u>	<u>505,421,397</u>
Sales Tax		(102,412,809)	(73,437,297)
		<u>602,428,290</u>	<u>431,984,100</u>
25 COST OF SALES / REVENUE			
Opening stock of finished goods		361,003	361,003
Cost of goods manufactured	25.1	627,213,998	531,195,423
		<u>627,575,001</u>	<u>531,556,426</u>
Less: closing stock of finished goods		361,003	361,003
		<u>627,213,998</u>	<u>531,195,423</u>
25.1 Cost of goods manufactured			
Raw material consumed / sold	25.1.1	-	-
Stores and spares consumed		40,770,742	28,792,935
Packing material consumed		23,354,867	13,997,863
Salaries, wages & other benefits	25.1.2	183,937,414	132,258,058
Insurance		2,154,675	1,327,085
Repair & maintenance		6,765,790	5,334,369
Fuel & power		250,506,652	219,659,797
Vehicle running & maintenance		1,941,487	1,743,136
Communication		734,139	824,944
Rent, rates & taxes		1,023,887	592,773
Entertainment		467,160	315,406
Travelling & conveyance		139,593	99,111
Other manufacturing expenses		751,791	1,474,320
Depreciation	16.3	114,665,801	124,775,626
		<u>627,213,998</u>	<u>531,195,423</u>
Work-in-process - Opening		-	-
Work-in-process - Closing		-	-
Cost of Goods Manufactured		<u>627,213,998</u>	<u>531,195,423</u>
25.1.1 Raw Material Consumed / sold			
Opening Stock		-	-
Add: Purchases inclusive of direct expenses		-	-
		<u>-</u>	<u>-</u>
Less: Closing Stock		-	-
		<u>-</u>	<u>-</u>
25.1.2 Salaries and benefits include Rs. 6.932 million (2020: Rs. 4.888 million) in respect of post employment benefits.			



	Notes	2021 Rupees	2020
26 ADMINISTRATIVE EXPENSES			
Salaries and benefits	26.1	17,977,611	17,185,829
Travelling & conveyance		20,630	452,675
Printing & stationary		581,399	790,532
Legal & professional		973,004	136,500
Auditors remuneration	26.2	550,000	500,000
Vehicle running expenses		1,567,964	1,016,562
Communication		350,376	252,570
Fees & subscription		2,279,602	901,352
Rent, Rate & Taxes		824,052	388,902
Donations	26.3	518,000	-
Depreciation / Amortization	16.3	1,039,936	1,131,625
Provision for doubtful debts		20,767,580	-
Miscellaneous expenses		641,620	-
Other expenses		2,331,259	436,939
		<u>50,423,033</u>	<u>23,193,486</u>
26.1	Salaries and benefits include Rs.0.414 million (2020: Rs.0.393 million) in respect of post employment benefits.		
26.2	Audit Fee	350,000	350,000
	Half yearly review	75,000	75,000
	Code of Corporate Governance	50,000	50,000
	Reimbursable expenses	25,000	25,000
		<u>500,000</u>	<u>500,000</u>
26.3	(i) None of the directors had any interest in the donee's fund. (ii) Donataion Rs. 0.500 million (2020: Rs. Nil) paid to Divisional Public School Pattoki.		
27 SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits	27.1	6,545,068	7,226,716
Travelling & conveyance		21,360	215,290
Vehicle running expenses		483,490	590,340
Communication		82,815	147,849
Miscellaneous expenses		-	-
		<u>7,132,733</u>	<u>8,180,195</u>
27.1	Salaries and benefits include Rs.0.310 million (2020: Rs.0.3334 million) in respect of post employment benefits.		
28 FINANCE COST			
Markup on :			
Syndicate Long Term Loans		29,015,702	51,482,711
Short term syndicate Loan		7,416,862	11,536,190
Bank & other charges		254,621	255,249
Unwinding interest		-	16,403,485
		<u>36,687,185</u>	<u>79,677,635</u>

DEWAN FAROOQUE SPINNING MILLS LIMITED

28.1 The Company has not made the provision of markup for the year amounting to Rs.6.349 million (up to June 30, 2020: Rs.69.392 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. 6.349 million and accrued markup would have been higher and shareholders' equity would have been lower by Rs.75.741 million.

	Notes	2021	2020
29 (LOSS) PER SHARE - Basic and diluted			
(Loss) after taxation		(112,600,791)	(197,844,968)
Weighted average number of ordinary shares		97,750,726	97,750,726
(Loss) per share - Basic and diluted		(1.15)	(2.02)

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.

30 CASH AND CASH EQUIVALENTS

Cash and Bank Balances	44,049,557	3,682,510
	<u>44,049,557</u>	<u>3,682,510</u>

31 REMUNERATION OF DIRECTORS & EXECUTIVES

	2021			2020		
	CHIEF EXECUTIVE	DIRECTOR	EXECUTIVES	CHIEF EXECUTIVE	DIRECTOR	EXECUTIVES
Managerial remuneration	-	-	8,840,316	-	-	7,445,007
Staff retirement gratuity	-	-	-	-	-	-
Provident fund	-	-	477,072	-	-	590,990
House rent allowance	-	-	2,040,073	-	-	1,700,514
Utilities allowance	-	-	1,360,049	-	-	1,133,752
Conveyance	-	-	470,539	-	-	138,434
Others	-	-	412,437	-	-	328,820
	-	-	<u>13,600,486</u>	-	-	<u>11,337,517</u>
Number of persons	-	-	<u>3</u>	-	-	<u>3</u>

Executives are also provided with Company maintained car.

32 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 31. During the year aggregate transactions undertaken by the company with the related parties contribution of provident fund amounting to Rs.1.449 million (2020: Rs. 1.455 million).

33 PLANT CAPACITY AND PRODUCTION

Installed capacity after conversion into 20's (Kgs)	11,130,330	11,130,330
Actual production after conversion into 20's (Kgs)	10,578,493	8,386,933
Total number of spindles installed	28,800	28,800
Average number of spindles worked	27,365	22,724
Number of shifts worked per day	3	3
Total days worked	347	288

The production of the Company represents manufacturing of yarn on contract basis.

34 Number of employees

Total number of employees as at end of the year	399	380
Average number of employees during the year	397	340



35 Financial Instruments

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.

35.1 Credit risk

	2021	2020
	Rupees	
The maximum exposure to credit risk at the reporting date is:		
Trade Debts - Considered Good	83,624,514	86,019,039
Loans and Advances - Unsecured - Considered good	9,005,464	6,161,934
Trade deposits & other receivable - Considered Good.	3,052,287	2,677,287
Cash and bank balances	44,049,557	3,682,510
	139,731,822	98,540,770

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.

35.2 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:

	2021				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward
Financial liabilities	Rupees				
Long term loan	463,896,977	768,371,151	768,371,151	-	-
Trade and other payables	114,568,403	114,568,403	114,568,403	-	-
Short term Borrowings	412,864,355	421,177,627	421,177,627	-	-
Mark-up payable	273,069,999	236,701,435	236,701,435	-	-
	1,264,399,734	1,540,818,616	1,540,818,616	-	-

	2020				
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two year
Financial liabilities	Rupees				
Syndicated long term loan	463,896,977	760,593,851	760,593,851	-	-
Trade and other payables	139,489,487	139,706,671	139,706,671	-	-
Short term Borrowings	412,864,355	417,408,877	417,408,877	-	-
Mark-up payable	236,701,435	236,701,435	236,701,435	-	-
	1,252,952,254	1,554,410,834	1,554,410,834	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30, 2021. The rates of markup have been disclosed in relevant notes to the financial statements.

35.3 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.

35.4 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.

35.5 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:

	2021	2020
	Rupees	
Fixed rate instruments	-	-
Variable rate instruments	-	-
Financial liabilities	538,896,977	538,896,977
	538,896,977	538,896,977

35.6 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.

35.7 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	538,896,977	538,896,977
Less Cash and Bank Balances	44,049,557	3,682,510
Net debt	494,847,420	535,214,467
Total equity	2,002,677,205	739,921,968
Total Capital	2,497,524,625	1,275,136,435
Gearing ratio	0.20	0.42

**35.8 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.

36 Based on assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

37 Date of Authorization

These financial statements have been authorized for issue on September 24, 2021 by the Board of Directors of the company.

38 General

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

38.2 Figures have been rounded off to the nearest rupees.

38.3 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 Pakistani rupees, which is the Company's functional and Presentational currency.

Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director

Muhammad Irfan Ali
Chief Financial Officer

Haroon Iqbal
Director



PATTERN OF SHAREHOLDING UNDER REGULATION 37 (XX)(I) OF THE CODE OF CORPORATE GOVERNANCE AS AT JUNE 30, 2021

Srl #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	1	37,750,726	38.62%
2.	NIT and ICP	-	-	0.00%
3.	Directors, CEO, their Spouses & Minor Children	8	5,125,727	5.24%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	14	889,698	0.91%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	-	-	0.00%
7.	Individuals	2,156	53,984,575	55.23%
	TOTAL	2,179	97,750,726	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	<u>Associated Companies</u>			
	Dewan Motors (Pvt.) Limited	1	37,750,726	38.62%
2.	<u>NIT and ICP</u>			
		-	-	0.00%
3.	<u>Directors, CEO, their Spouses & Minor Children</u>			
	<u>Directors and CEO</u>			
3.1	Dewan Abdul Baqui Farooqui	1	4,072,727	4.17%
3.2	Mr. Haroon Iqbal	1	500	0.00%
3.3	Mr. Aziz ul Haque	1	500	0.00%
3.4	Mr. Ghazanfar Babar Siddiqui	1	500	0.00%
3.5	Mr. Syed Maqbool Ali	1	500	0.00%
3.6	Mr. Imran Ahmed Javed	1	500	0.00%
3.7	Mrs. Nida Jamil	1	500	0.00%
		7	4,075,727	4.17%
	<u>Spouses of Directors and CEO</u>			
3.8	Mrs. Nada Jabri	1	1,050,000	1.07%
		1	1,050,000	1.07%
	<u>Minor Children of Directors and CEO</u>			
		-	-	0.00%

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Motors (Pvt.) Limited	1	37,750,726	38.62%
2	Dewan Muhammad Yousuf Farooqui	2	7,052,951	7.22%
3	Dewan Zia-ur-Rehman Farooqui	2	8,622,727	8.82%

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

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

DEWAN FAROOQUE SPINNING MILLS LIMITED

FORM 34

THE COMPANIES ORDINANCE, 1984

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number 0046530
2. Name of the Company DEWAN FAROOQUE SPINNING MILLS LIMITED
3. Pattern of holding of the shares held by the Shareholders as at 3 0 0 6 2 0 2 1

4.	Number of Shareholders	Shareholdings			Total Shares held
	75	1	-	100 Shares	1,278
	773	101	-	500 Shares	385,050
	281	501	-	1,000 Shares	278,904
	444	1,001	-	5,000 Shares	1,346,544
	199	5,001	-	10,000 Shares	1,695,647
	124	10,001	-	20,000 Shares	1,954,000
	73	20,001	-	30,000 Shares	1,904,103
	31	30,001	-	40,000 Shares	1,129,376
	45	40,001	-	50,000 Shares	2,147,000
	22	50,001	-	60,000 Shares	1,233,294
	13	60,001	-	70,000 Shares	879,500
	6	70,001	-	80,000 Shares	451,500
	6	80,001	-	90,000 Shares	522,500
	17	90,001	-	100,000 Shares	1,688,956
	18	100,001	-	150,000 Shares	2,336,500
	17	150,001	-	200,000 Shares	3,206,727
	7	200,001	-	250,000 Shares	1,604,489
	3	250,001	-	300,000 Shares	844,000
	4	300,001	-	350,000 Shares	1,299,500
	1	350,001	-	400,000 Shares	400,000
	2	400,001	-	450,000 Shares	844,000
	2	450,001	-	500,000 Shares	994,000
	2	500,001	-	600,000 Shares	1,147,227
	1	600,001	-	700,000 Shares	601,000
	2	700,001	-	800,000 Shares	1,456,500
	4	800,001	-	1,100,000 Shares	4,200,000
	1	1,100,001	-	2,500,000 Shares	2,200,000
	1	2,500,001	-	3,500,000 Shares	3,500,000
	1	3,500,001	-	4,000,000 Shares	3,552,951
	2	4,000,001	-	4,100,000 Shares	8,145,454
	1	4,100,001	-	8,100,000 Shares	8,050,000
	1	8,100,001	-	38,000,000 Shares	37,750,726
	2179	TOTAL			97,750,726



5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	5,125,727	5.24%
5.2	Associated Companies, undertakings and related parties	37,750,726	38.62%
5.3	NIT and ICP	-	0.00%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	-	0.00%
5.5	Insurance Companies	-	0.00%
5.6	Modarabas and Mutual Funds	-	0.00%
5.7	Shareholders holding 5%	53,426,404	54.66%
5.8	<u>General Public</u>		0.00%
	a. Local	53,984,575	55.23%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	889,698	0.91%

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (1.15) (2020: مبلغ (2.02)) فی شیئر خسارہ پایا گیا۔

آڈیٹرز کی تقرری:

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

شیئر ہولڈنگ کا پیٹرن:

کمپنی 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 امتہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین حمد آمین۔

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

بورڈ آف ڈائریکٹرز کی جانب سے



ہارون اقبال
ڈائریکٹر



دیوان عبدالباقی فاروقی
چیف ایگزیکٹو آفیسر اینڈ ڈائریکٹر

کراچی:

مورخہ: 24 ستمبر 2021



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

میٹنگ میں شرکت کنندہ کی تعداد	نام:
5	دیوان عبدالہادی فاروقی
5	جناب عزیز الحق
0	سید محمد انوار
5	جناب غضنفر بابر صدیقی
3	جناب محمد باقر جعفری
5	جناب عمران احمد
5	سید مقبول علی
0	سید عاصم عابد علی
1	محترمہ نادیا بیہ جیل

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 ڈائریکٹرز پر مشتمل ہے۔

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

میٹنگ میں شرکت کنندہ کی تعداد	نام:
5	جناب عزیز الحق۔ چیئرمین
5	سید مقبول علی
5	جناب غضنفر بابر صدیقی

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، تنجینہ، 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	نام:
1	جناب عزیز الحق۔ چیئرمین
1	جناب عمران احمد جاوید
1	دیوان عبدالہادی فاروقی

انسانی ذرائع (ہیومن ریسورس):

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

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

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

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

(۱) شیئر ہولڈنگ کا پیٹرن

(۲) متعلقین اور دیگر افراد کے شیئرز

بورڈ:

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

30 جون 2021ء تک بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل تھے:

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



2012 کو اختتام پذیر ہونے والے مالیاتی سال میں، کمپنی نے اپنے قرض دہندگان کے ساتھ معاہدہ تصفیہ کیا جس کے خلاف سندھ ہائی کورٹ، کراچی نے رضامندی کے احکامات منظور کئے۔ کمپنی کے قلیل مدتی اور طویل مدتی قرضہ جات کو طویل مدتی قرضہ جات کی شکل میں تبدیل کیا گیا، تاہم کچھ قرض دہندگان کے پاس 66.60 ملین روپے کے سوٹ ہیں، انہوں نے اس وقت تنظیم نو کی تجویز کو قبول نہیں کیا۔ تصفیہ معاہدے کے تحت تنظیم نو کی ذمہ داریوں کی ادائیگی میں ڈیفالٹ کے نتیجے میں، قرض دہندگان نے رضامندی کے احکامات پر عمل درآمد کے لیے ایگزیکٹو ڈائریکشن دائر کی۔ کمپنی نے معزز عدالت عالیہ سندھ کراچی میں مقدمہ دائر کیا جس میں اس کا مقابلہ کیا گیا کہ ایگزیکٹو ڈائریکشن دائر کرنا نائنٹی ڈیڑھ اور خلاف قانون ہے۔ کمپنی کی انتظامیہ اس سے بہتر نتائج کی توقع رکھتا ہے۔

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں وضاحت کے ساتھ تنظیم نو کی ذمہ داریوں کی قسطوں کی ادائیگی اور مارک اپ کی عدم فراہمی میں ڈیفالٹ پر اپنی مابہراندہ رائے کا اظہار کیا ہے۔ انہوں نے اپنی رپورٹ میں اہم بیرونی معاملات کو بھی شامل کیا ہے تاکہ آئے 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 ہر امید ہے کہ جلد از جلد اسے مکمل کر دیا جائے گا اس کے علاوہ دوبارہ ترتیب کردہ تاریخ تک مبلغ 210.713 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 دار ہوگی۔ چونکہ دوبارہ ترتیب کا عمل زیر غور ہے لہذا انتظامیہ کو یقین ہے کہ یہ رقم واجب الادا نہیں ہوگی۔ اسی لئے ان مالیاتی حسابات میں مذکورہ مارک اپ کو ریکارڈ نہیں کیا گیا ہے۔

یہ مالیاتی حسابات تشریح کے مفروضے کو استعمال کرتے ہوئے تیار کئے گئے ہیں کیونکہ نوٹ 2 میں مذکورہ شرائط عارضی ہیں اور مستقبل میں بھی مد نظر رکھی جائیں گی۔ کمپنی کا آپریٹنگ کیش فلو مثبت ہے اور اسپانسرز ضرورت کے وقت ورکنگ کپٹل کی ضروریات کو پورا کرنے میں مدد کریں گے۔ گزشتہ سال کے مقابلے میں کمپنی کی پیداوار میں اضافہ ہوا جو کہ مسئلہ خطرات میں بھی کمی کرتا ہے۔ لہذا تشریح کے مفروضے کا استعمال کرتے ہوئے مالیاتی حسابات کی تیاری جائز ہے۔

مستقبل کا نظریہ:

آج کے انتہائی مسابقتی عالمی ماحول میں، ٹیکسٹائل سیکٹر کو اپنی سہولتی چین کو اپ گریڈ کرنے، پیداواری صلاحیت کو بہتر بنانے اور زیادہ سے زیادہ ویلیو ایڈیشن کی ضرورت ہے تاکہ وہ زندہ رہ سکے۔ پاکستان کے پاس تقریباً تمام مصنوعی ساختہ اور قدرتی کپاس اور کپڑوں کے لیے سہولتی چین میں بشمول کٹن، ریون اور دیگر موجود ہے۔ خام مال کی یہ کثرت لاگت اور پریشل لیڈ ٹائم پراس کے فائدہ مند اثرات کی وجہ سے پاکستان کے لیے ایک بڑا فائدہ ہے۔ انتظامیہ کاروباری ماحول کے بارے میں پر امید ہے اور حکومت کے اقدامات کی تعریف کرتی ہے۔ حکومت نے مالیاتی اور مالی اقدامات وغیرہ جیسے کئی اہم پالیسی فیصلے کیے اور زراعت کے شعبے کو بہتر بنانے کے اقدامات نے اہم فصلوں کی بہتر پیداوار کے لحاظ سے ادائیگی کی حکومت کی کٹن کرپ ایڈوانسری کمیٹی نے یکم ستمبر 2021 کو سال 2021-22 کیلئے کپاس کی پیداوار کا تخمینہ 8.46 ملین گانٹھیں مقرر کیا ہے جو کہ گزشتہ سال کے مقابلے میں تقریباً 49.8 فیصد ہے، اگر ہم گزشتہ سال کی 5.646 ملین گانٹھوں (PCGA) کا موازنہ کریں جو کہ ایک مثبت علامت ہے۔ تاہم، بی ایچ ایم ایچ اور بین الاقوامی مارکیٹ میں کپاس کی پیداوار کی زیادہ قیمت، کرنسی کی قدر میں غیر یقینی صورتحال اور مہنگائی میں اضافے کی وجہ سے مقابلہ کرنا مشکل ہے۔ اگرچہ حکومت نے افراط زر پر قابو پانے کے لیے پالیسی اقدامات نافذ کیے ہیں، تاہم اس کو کافی حد تک انتظامی سطح پر لانے کے لیے ابھی بہت کچھ کرنے کی ضرورت ہے۔ ٹیکسٹائل انڈسٹری کو مستحکم بنانے کے لیے حکومت کی جانب سے مزید اقدامات خاص طور پر سستی قیمت پریکٹس کی مستقل فراہمی، بی صلاحیت میں توسیع اور ٹیکنالوجی کی اپ گریڈیشن میں سرمایہ کاری میں اضافہ کیلئے طویل مدتی رعایتی ٹرانسنگ سہولت کا تسلسل کی توقع ہے۔ حکومت کو ڈیویوٹی کٹ، بیویو فیکچرنگ میں سرمایہ کاری پر ٹیکس کی مراعات اور برآمد کنندگان کے لیے ٹیکس ریفینڈ کی جلد اجراء کے ذریعے مقامی پیداوار اور درآمد کے متبادل کی بھی حوصلہ افزائی کرنی چاہیے اور اسے درآمدات کے مقابلے میں مقامی رسد کے لیے برابری کا میدان بنانا چاہئے۔

کارپوریٹ معاشرتی ذمہ داریاں:

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

صحت، حفاظت اور ماحول:

کمپنی کی انتظامیہ اپنی ذمہ داری سے آگاہ ہے جس کے تحت ہمارے متعلقین کو محفوظ اور صحت مند ماحول فراہم کرنا ہے۔ ہماری حفاظتی ثقافت کا مقصد یہ ہے کہ ہر طرح کے مسائل سے محفوظ رہا جائے۔ ملازمین کیلئے محفوظ و صحت مند ادارہ 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 مند ادارہ عمل بہتری کیلئے مستقل اصلاح کا راستہ ہے۔ ہم اپنے اور اپنے متعلقین کیلئے مستقل بنیاد پر تحفظ اور صحت مند امور کی اصلاح کیلئے اقدامات کرتے رہتے ہیں۔

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،
السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2021ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات جمع آؤ بیگز رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جا تازہ:

پاکستان کی معیشت، دنیا بھر کی طرح Covid-19 کے باعث معیشت کو سہارا دینے اور جان و مال کی حفاظت کیلئے فوری اقدامات کے ذریعے معاشی نتائج سے نمٹنے کیلئے جدوجہد کر رہی ہے۔ اس کے علاوہ، اس وباء پر قابو پانے کے اقدامات کے طور پر حکومت نے اقدامات کا ایک جامع طریقہ نافذ کیا ہے جس میں آبادی کے کزور طبقات کی حفاظت کے لیے سماجی حفاظتی امور کی توسیع کے ساتھ ساتھ مالیاتی پالیسی کی حمایت اور ہدف شدہ مالی اقدامات شامل ہیں۔ ان اقدامات نے اس وباء کے شدید اثرات کو کم کرنے میں معیشت کی مدد کی۔ مناسب مالی اور مالیاتی پالیسیوں کے ساتھ حکومت کے دانشمندانہ فیصلوں نے معیشت کو Covid-19 سے پہلے کی زندگی دوبارہ حاصل کرنے میں مدد دی۔ پیداواری شعبوں نے وسیع بنیادوں پر ترقی ظاہر کی کیونکہ ایل ایس ایم کے بڑے شعبوں جیسے ٹیکسٹائل، فوڈ پیور سبجکٹس اور تباہی کو، غیر دھاتی معدنی مصنوعات اور آٹوموبائل نے نمایاں بہتری دکھائی۔ حکومت کی طرف سے صنعتی سپورٹ ٹیکسیز، برآمدی مصنوعات کو بریف، برآمدات پر ترقی ظاہر کی کیونکہ ایل ایس ایم کے بڑے شعبوں جیسے ٹیکسٹائل، فوڈ پیور سبجکٹس اور تباہی کو، غیر دھاتی معدنی مصنوعات اور آٹوموبائل نے نمایاں بہتری دکھائی۔ حکومت کی کوئی تبدیلی نہیں کی گئی جس نے کاروباری امور کو بہتر بنایا اور اس طرح معاشی سرگرمیوں کی حوصلہ افزائی کی جو روزگار کو بحال کرنے کے قابل بناتی ہے۔ اس کے نتیجے میں الحمد للہ معیشت مسلسل مستحکم اور جامع ترقی کی طرف گامزن ہے۔ مالیاتی سال 2021 میں معیشت کی شرح نمو 3.94 فیصد رہی جو کہ گزشتہ سال 0.47 فیصد تھی۔ ترسیلات زر میں نمایاں اضافہ ہوا کیونکہ غیر زرعی ذرائع پر عائد پابندیوں کی وجہ سے مزید زرعی پیداوار کا انتخاب کیا گیا۔ اس کے ساتھ، اقتصادی سرگرمیوں کی بروقت بحالی نے برآمدی شعبے کو دیگر ابھرتی ہوئی معیشتوں کے مقابلے میں نسبتاً بہتر کارکردگی دکھانے میں مدد دی۔ یہ دونوں بیرونی شعبے میں بہتری کا باعث بنے۔

پاکستان میں ٹیکسٹائل کی صنعت کا معیشت پر گہرا اثر ہے اور کئی برآمدات میں تقریباً 60 فیصد حصہ ڈال رہا ہے۔ یہ کل میٹریٹیکل پراجیکٹرز کا 46 فیصد پر مشتمل ہے اور دوسرے سب سے بڑا روزگار پیدا کرنے والا سیکٹر ہونے کی وجہ سے کل لیبر فورس کا 40 فیصد روزگار فراہم کرتا ہے۔ Covid-19 ٹیکسٹائل انڈسٹری کے لیے ایک نعمت ثابت ہوا کیونکہ عالمی خریداروں نے علاقائی خریدوں کے آرڈرز روک کر پاکستان کا رخ کیا، جس کے نتیجے میں دستیاب پیداواری صلاحیت کا 100 فیصد استعمال کیا گیا۔ پاکستان کی ٹیکسٹائل صنعت کے حالات کافی سازگار ہیں اور یہ پوری صلاحیت کے ساتھ کام کر رہی ہے۔ ٹیکسٹائل صنعت میں ترقی کے مثبت اثرات کیپیٹل، لائسنس، ٹیکنیکل اور دیگر خدمات سمیت متعلقہ شعبوں کی طرف سے بھی محسوس کیے جا رہے ہیں۔ اس سے پاکستانی برآمد کنندگان کو ایک موقع ملا ہے کہ وہ مسابقتی قیمتوں کا حوالہ دیں اور بہتر معیار کی مصنوعات پیش کریں تاکہ نئے خریداران کے مستقل صارف بن سکیں۔ تاہم، اس کے برعکس، مالی سال 2021 میں پاکستان میں کپاس کی پیداوار 5.646 ملین گنٹھ پر کارڈ کی گئی جو تین دہائیوں میں سب سے کم ہے۔ کپاس کی فصل بنیادی طور پر یوٹائی کے علاقے میں کمی، بھاری مونسوں بارشوں اور کیڑوں کے حملوں کی وجہ سے متاثر ہوئی۔ اس پیداواری کمی نے نازک سطح پر کپاس کی قیمتوں کی 11 سال کی بلند ترین سطح 12,800 روپے من پر پہنچا دیا جس کے نتیجے میں کپاس کی درآمدات میں گزشتہ سال کے مقابلے میں مالی سال 2021 کے دوران 80 فیصد سے زیادہ اضافہ ہوا۔ اہم صنعتی ان پٹ میں شدید کمی نے اس فائدہ کو متاثر کیا جو برآمدات میں اضافے سے حاصل کیا جاسکتا تھا اور توقع ہے کہ مزید برآمدات کو بھی متاثر کرنے گا۔ مزید یہ کہ بین الاقوامی مارکیٹ میں زیادہ قیمتوں کے نتیجے میں دھماکے کی قیمتوں میں مسلسل اتار چڑھاؤ رہا۔

مالیاتی نتائج اور کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)	
602,428,290	آمدنی
(627,213,998)	آمدنی کی لاگت
(24,785,708)	کل خسارہ
(57,555,766)	آپریٹنگ اخراجات
(82,341,474)	آپریٹنگ خسارہ
(36,687,185)	مالیاتی لاگت
(119,028,659)	قبل از ٹیکس خسارہ
6,427,868	ٹیکسیشن
(112,600,791)	بعد از ٹیکس خسارہ

30 جون 2021 کو ختم ہونے والے سال کے دوران کمپنی نے مبلغ 602.428 ملین روپے کی آمدنی حاصل کی جس کا موازنہ گزشتہ سال کی اسی مدت کی آمدنی مبلغ 431.984 ملین روپے سے کیا جاسکتا ہے۔ گزشتہ مدت کے 99.211 ملین روپے کے مجموعی خسارہ کے مقابلے میں کمپنی کو 24.786 ملین روپے کا مجموعی خسارہ ہوا جبکہ کمپنی کے آپریٹنگ اخراجات 57.556 ملین روپے۔ دوران سال کمپنی نے اپنے EBITDA کو گزشتہ سال کے مقابلے میں 58.718 ملین روپے بہتر کیا۔ اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی شرح (KIBOR) کو 7 فیصد پر برقرار رکھنے کی وجہ سے مالیاتی لاگت بھی گزشتہ سال کے 79.678 ملین روپے کے مقابلے میں 36.688 ملین روپے رہ گئی۔ زیر جائزہ سال کے دوران، پیداوار کے حجم میں بھی گزشتہ سال کے مقابلے میں اضافہ ہوا کیونکہ سال کے دوران کمپنی کی وجہ سے پیداواری معیار اور مقدار کو بہتر بنایا گیا۔ ورکنگ سرمایہ میں رکاوٹوں کے باعث کمپنی نے کمپنی کو آپریٹنگ رکھنے کے لیے کنٹریکٹ کی بنیاد پر کپاس کی پیداوار جاری رکھی۔



(5) تاحال سی این آئی سی فراہم نہ کرنے والے شیئرز ہولڈرز کو نوٹس

سکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 831(1)/2012 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وارنٹس وغیرہ کے اجراء کے لیے سی این آئی سی لازمی ہے جس کی عدم موجودگی میں ڈیویڈنڈ کی ادائیگی ایس ای سی بی کی مندرجہ بالا ہدایات کے مطابق روکی جاسکتی ہے لہذا جن حصص یافتگان نے تاحال اپنے سی این آئی سی فراہم نہیں کیے ہیں ان کو ایک بار پھر ہدایت کی جاتی ہے کہ اپنے سی این آئی سی کی تصدیق شدہ کاپی بلا تاخیر براہ راست ہمارے شیئر رجسٹرار کو فراہم کر دیں۔

(6) شیئر ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکنزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونک طور پر وصول کر سکتے ہیں اس طریقہ سے ڈیویڈنڈ ان کے بینک اکاؤنٹ میں منتقل ہو جائے گا اور بذریعہ ڈاک گمشدگی، عدم وصولی اور غلط پتے پر وصولی وغیرہ کے خدشات نہیں ہوں گے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹس نمبر 8(4) ایس ایم ای سی ڈی سی 2008ء مورخہ 15 اپریل 2013ء کے ذریعہ تمام لسٹڈ کمپنیوں کو حصص ہولڈرز کے مفاد میں ای ڈیویڈنڈ میکنزم کو اختیار کرنے کی ہدایات جاری کی گئی ہیں، مندرجہ بالا کے پیش نظر آپ کو ڈیویڈنڈ مینڈیٹ فارم پر اور دستخط کے ہمراہ جمع کرا کے ڈیویڈنڈ مینڈیٹ فراہم کیا جا رہا ہے۔

(7) مالی گوشواروں وغیرہ کی الیکٹرونک منتقلی

ایس ای سی پی نے اپنے اعلامیہ نمبر ایس آر او 787(1)/2014 مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں مع سالانہ اجلاس کے نوٹس ڈاک کی بجائے بذریعہ ای میل ان ممبران کو ارسال کرنے کی اجازت دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متعلق ہیں مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/DFSML/index.html> اسٹینڈرڈ ریکورڈس فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

دیوان فاروق اسپننگ ملز لمیٹڈ سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان فاروق اسپننگ ملز لمیٹڈ (ڈی ایف ایس ایم ایل کمپنی) کا اٹھارواں (18) سالانہ اجلاس عام بدھ 27 اکتوبر 2021 کو دوپہر 12:30 بجے دیوان سینٹ لمیٹڈ ٹیکسٹائل سائٹ واقع دیپہ ڈھنڈو۔ دھابھی ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کا آغاز تلاوت کلام پاک سے ہوگا۔

عمومی امور

- (1) کمپنی کے گزشتہ غیر معمولی اجلاس عام منعقدہ پیر 26 اکتوبر 2020ء کی کارروائی کی توثیق۔
- (2) 30 جون 2021ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی، غور و خوض اور منظوری۔
- (3) 30 جون 2022ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- (4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ



محمد حنیف جومان
کمپنی سیکریٹری

کراچی 24 ستمبر 2021ء

نوٹ:

- (1) کمپنی کی منتقلی حصص کی کتب 20 اکتوبر 2021ء تا 27 اکتوبر 2021ء (دونوں دن شامل) بند رہیں گی۔
- (2) ممبران سے پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹر اٹھارواں ایف بی ایم ایف لنسٹمنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انجم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کرنے کی درخواست کی جاتی ہے۔
- (3) اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس کے انعقاد سے کم از کم اڑھتالیس 48 گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
- (4) سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت پر عمل کرنا ہوگا۔

الف) برائے اجلاس میں شرکت

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا انفرادی صورت میں یا جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لوڈ ہوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- (ii) کارپوریٹ ایسٹیشن کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب) پروکسی کی تقرری

- (i) انفرادی اکاؤنٹ ہولڈر یا سب ہولڈر اور یا انفرادی صورت میں جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈ ہوں پروکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرانے ہوں گے۔
- (ii) پروکسی فارم پر دو انفرادی گواہی ہونی چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم سے منسلک کرنی ہوں گی۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ایسٹیشن کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پروکسی فارم ہمراہ کمپنی کو پیش کرنے ہوں گے۔








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
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DEWAN FAROOQUE SPINNING MILLS LIMITED

18th 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 18th Annual General Meeting of the Company to be held on **Wednesday, October 27, 2021, at 12:30 p.m.** And any adjournment thereof.

Signed this _____ day of _____ 2021.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم ۱۸واں سالانہ اجلاس عام

اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئر ٹرانسفر ایجنٹ، بی ایم ایف کنسلٹنٹ (پرائیویٹ) 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 ۱۸واں سالانہ اجلاس عام جو کہ بروز بدھ، ۲۷ اکتوبر ۲۰۲۱ کو دوپہر ۳:۰۰ بجے، ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۲۱ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____