

	Mar. 31, 2015	Mar. 31, 2014
8 RELATED PARTY TRANSACTIONS	Rupees	
Purchases - Raw Material/ Yarn	101,983,680	10,751,286
Sales - Yarn/ Waste/ Cotton	6,748,092	-
Provident Fund	9,126,521	8,225,534

All transactions have been carried out on commercial terms and conditions and valued at arm's length price.

9 These financial statements have been authorised for issue on April 30, 2015 by the Board of Directors of the company.

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Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director

COMPANY INFORMATION

BOARD OF DIRECTORS EXECUTIVE DIRECTOR	:	Dewan Abdul Baqi Farooqui - Chief Executive Officer
NON-EXECUTIVE DIRECTORS	:	Dewan Muhammad Yousuf Farooqui - Chairman, Board of Directors Dewan Abdul Rehman Farooqui Mr. Haroon Iqbal Syed Muhammad Anwar Mr. Ishtiaq Ahmed
INDEPENDENT DIRECTOR	:	Mr. Aziz -ul-Haque
AUDIT COMMITTEE	:	Mr. Aziz -ul-Haque - Chairman Dewan Abdul Rehman Farooqui - Member Mr. Haroon Iqbal - Member
HUMAN RESOURCES & REMUNERATION COMMITTEE	:	Dewan Muhammad Yousuf Farooqui - Chairman Dewan Abdul Baqi Farooqui - Member Mr. Haroon Iqbal - Member
AUDITORS	:	Feroze Sharif Tariq & Company Chartered Accountants 4/N/H Block-6, P.E.C.H.S., Karachi 75400, Pakistan
COMPANY SECRETARY	:	Muhammad Hanif German
LEGAL ADVISORS	:	Abbass & Atif Law Associates
TAX ADVISOR	:	Sharif & Co. Advocates
BANKERS	:	United Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited Askari Bank Limited NIB Bank Limited Allied Bank Limited Soneri Bank Limited Summit Bank Limited
REGISTERED OFFICE	:	Finance & Trade Centre Block-A, 7th Floor, Shahrah-e-Faisal, Karachi.
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
FACTORY OFFICE	:	54 Km, Multan Road, Phool Nagar By Pass District Kasur, Punjab, Pakistan.
WEBSITE	:	www.yousufdewan.com

5.1 Operating fixed assets

Opening written down value	1,595,169,836	1,724,336,167
Additions during the period / year	124,000	6,645,756
Written down value of disposals	-	(80,955)
Depreciation during the period / year	(91,927,705)	(135,731,131)
Closing written down value	<u>1,503,366,131</u>	<u>1,595,169,837</u>

5.2 Capital Work in progress

Software Development	<u>3,000,000</u>	<u>-</u>
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6 CASH AND CASH EQUIVALENTS

	Mar. 31, 2015	Mar. 31, 2014
	Rupees	
Cash and Bank Balances	4,435,599	1,451,013
Short term Borrowings	(16,133,850)	(38,161,893)
	<u>(11,698,251)</u>	<u>(36,710,880)</u>

7 FINANCE COST

Company has not made the provision of markup for the period amounting to Rs.0.803 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 period and accrued markup would have been higher by Rs.0.803 million and shareholders' equity would have been lower by Rs.35.813 million.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations followed in the preparation of these financial statements are the same as those of the last published annual financial statements for the year ended June 30, 2014.

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual separate financial statements of the Company for the year ended June 30' 2014.

3.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected, presentation and disclosures have been made in these condensed interim financial statements.

4 Estimates and Judgements

4.1 The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 Estimates and judgements made by management in the preparation of these condensed interim financial statements are the same as those were applied to the audited annual separate financial statements of the Company as at and for the year ended June 30' 2014.

4 Contingencies and Commitments

There is no material change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2014.

	Notes	Mar. 31, 2015	June 30, 2014
Rupees			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,503,366,131	1,595,169,837
Capital Work in progress	5.2	3,000,000	-
		<u>1,506,366,131</u>	<u>1,595,169,837</u>

DIRECTORS' REPORT

**IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL
IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)**

The board of directors of your company is pleased to present condensed interim financial statements of the company for the nine month ended March 31, 2015 in compliance with requirements of section 245 of the company's ordinance 1984 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

Operating Performance:-

The financial highlights for the period ended March 31, 2015 are as follows:

Company has achieved net sales of Rs 882.489 million during the period under review as compared to Rs 1,286.404 million of the corresponding period of last year. Company has earned gross profit of Rs 13.679 million as compared to the gross profit of Rs 92.688 million of comparable period of last year. Operating expenses of the company have been decreased by Rs 7.293 million as compared to those of relevant period of previous year.

The increase in the cost of power crises, rise in salaries & wages, increase in tariff of gas, decrease in yarn selling prices and higher freight & transportation costs for the period under review have regardevly affected the results of the company . Further there were fluctuations in the purchase prices of raw material during the period, which along with above factors have resulted in the higher cost of production. The other major factors of increased cost of production remains the ongoing energy crises and lower market demand which have resulted in under utilization of installed capacities. The results were also affected by the increase in costs of stores spares and packing materials.

Future Outlook

The Management foresees the demand of yarn will be better in the coming period but other factors such as raw material quality and rates, power shortage, law and order situation and other input costs will remain challenges for the industry. Moreover the increase in energy costs will also result in increased cost of production.

Conclusion

With grace of Allah Almighty, the management of the company will continue to put its best endeavors to bring better results in forthcoming period.

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 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

Dated: April 30, 2015

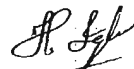
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

EQUITY AND LIABILITIES	Note	Un-Audited	Audited
		March 31, 2015	June 30, 2014
Rupees			
SHAREHOLDERS' EQUITY			
Share capital			
Authorised capital		1,000,000,000	1,000,000,000
100,000,000 (June 30, 2014: 100,000,000) ordinary shares of Rs.10/- each			
Issued, Subscribed and Paid-up Capital			
97,750,726 (June 30, 2014: 97,750,726) ordinary shares of Rs.10/- each		977,507,260	977,507,260
Un appropriated loss		(305,517,701)	(265,541,280)
		671,989,559	711,965,980
Surplus on revaluation of property, plant and equipment		564,864,946	588,984,804
NON-CURRENT LIABILITIES			
Syndicated Long Term Loan - Secured		351,862,521	469,150,027
Deferred liabilities for staff benefits		7,953,822	8,023,322
Deferred Taxation		191,178,890	196,791,303
CURRENT LIABILITIES			
Trade & other payables		87,180,507	101,356,567
Accrued mark-up		23,502,693	2,446,571
Short term borrowings- secured		16,133,850	38,296,213
Current portion of long term liabilities		345,666,856	245,395,598
Provision for taxation		95,169,766	86,344,877
		567,653,672	473,839,826
Contingencies and Commitments	4	-	-
		<u>2,355,503,410</u>	<u>2,448,755,262</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,506,366,131	1,595,169,837
Long term deposits		26,747,245	26,747,245
CURRENT ASSETS			
Stores & Spares		32,598,091	34,222,002
Stock-in-trade		204,976,640	182,655,863
Trade Debts- Unsecured, Considered Good.		267,969,238	316,191,984
Loans & advances- Unsecured, Considered Good.		97,115,996	77,462,730
Trade deposits & other receivables- Considered Good.		69,379,841	67,974,549
Advance income tax		145,914,629	135,263,412
Cash and bank balances	6	4,435,599	13,067,640
		822,390,034	826,838,180
TOTAL ASSETS		<u>2,355,503,410</u>	<u>2,448,755,262</u>

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Spinning Mills Limited is incorporated in Pakistan on December 22, 2003 as public limited company, under the Companies Ordinance, 1984. The shares of the company are listed on the Karachi Stock Exchange. The registered office of the company is located at Finance & Trade Centre, Block "A" 7th floor, Shara-e-Faisal, Karachi, Pakistan; while its manufacturing facilities are located at 54 km Multan Road, near the Phool Nagar By-pass, District Kasur, near the city of Lahore in Pakistan. The principal activity of the company is manufacturing and sale of fine quality yarn. The company has installed capacity of 28,800 spindles.

2 BASIS OF PREPARATION

2.1 These condensed Interim financial statements of the company for the period ended March 31, 2015 has been prepared in accordance with the requirements of International Accounting Standard 34 (IAS 34) "Interim Financial Reporting" and being submitted to the shareholders under section 245 of the Companies Ordinance 1984 and provision of the directive issued under the companies ordinance, 1984 and listing regulations of Karachi and Lahore Stock Exchanges. In case where the requirements differ, the provisions of or directives issued under the companies ordinance, 1984 have been followed.

2.2 These condensed interim financial statements of the Company do not include all of the statements required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended June 30, 2014.

2.3 These condensed interim financial statements comprise of condensed Interim Balance Sheet as at March 31, 2015 and the condensed Interim profit and loss account, condensed Interim statement of comprehensive Income, condensed Interim statement of changes in equity and the condensed Interim cash flow statement for the three months period ended March 31, 2015 which have been subjected to a review but not audited. These condensed interim financial statements also include the condensed Interim profit and loss account for the quarter ended March 31, 2015.

2.4 The comparative balance sheet presented in these condensed interim financial statements has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2014, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended March 31, 2015. The comparative condensed Interim profit and loss account for the quarter ended March 31, 2015 is also included in these condensed interim financial statements, which has not been subject to a review.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Share Capital	Unappropriated Profit/ (loss)	Total
	(Rupees)		
Balance as at July 01, 2013	977,507,260	(247,257,832)	730,249,428
Total comprehensive income/(loss) for the period	-	11,811,690	11,811,690
Balance as at March 31, 2014	<u>977,507,260</u>	<u>(235,446,142)</u>	<u>742,061,118</u>
Balance as at July 01, 2014	977,507,260	(265,541,281)	711,965,979
Total comprehensive income/(loss) for the period	-	(39,976,420)	(39,976,420)
Balance as at March 31, 2015	<u>977,507,260</u>	<u>(305,517,701)</u>	<u>671,989,559</u>

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015

Note	July-Mar. 2015	July-Mar. 2014	Jan-Mar. 2015	Jan-Mar. 2014
	(Rupees)			
SALES - NET	882,488,895	1,286,403,545	338,082,918	419,653,860
COST OF SALES	(868,809,026)	(1,193,715,536)	(338,719,646)	(398,404,746)
GROSS PROFIT / (LOSS)	13,679,869	92,688,009	(636,728)	21,249,114
OPERATING EXPENSES				
Administrative expenses	(19,076,629)	(19,839,893)	(5,185,162)	(6,296,541)
Selling and distribution expenses	(17,789,335)	(24,318,928)	(6,966,589)	(13,358,890)
	(36,865,964)	(44,158,821)	(12,151,751)	(19,655,431)
OPERATING (LOSS) / PROFIT	(23,186,095)	48,529,188	(12,788,479)	1,593,683
Finance cost	(37,932,940)	(42,097,615)	(12,161,053)	(15,574,233)
Other Charges	-	-	-	1,479,069
Other Income	235,234	1,427,906	104,417	710,467
	(37,697,706)	(40,669,709)	(12,056,636)	(13,384,697)
(LOSS) / PROFIT BEFORE (TAXATION)	(60,883,801)	7,859,479	(24,845,115)	(11,791,014)
TAXATION				
Current	(8,824,889)	(12,864,035)	(3,380,829)	(4,143,903)
Deferred	5,612,412	(9,539,971)	2,991,480	662,894
	(3,212,477)	(22,404,006)	(389,349)	(3,481,009)
(LOSS) / PROFIT AFTER TAXATION	(64,096,278)	(14,544,527)	(25,234,464)	(15,272,023)
Basic earnings / (loss) per share (Rupees)	<u>(0.67)</u>	<u>(0.15)</u>	<u>(0.26)</u>	<u>(0.16)</u>

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2015**

	Jul-Mar. 2015	Jul-Mar. 2014	Jan-Mar. 2015	Jan-Mar. 2014
	(Rupees)			
PROFIT / (LOSS) AFTER TAXATION	(64,096,278)	(14,544,527)	(25,234,464)	(15,272,023)
Transfer from surplus on revaluation of property plant and equipment in respect of:				
Incremental depreciation	36,545,239	40,548,026	12,181,747	13,516,008
Related deferred tax	(12,425,381)	(14,191,809)	(4,141,794)	(5,000,923)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ENDING	24,119,858	26,356,217	8,039,953	8,515,085
	(39,976,420)	11,811,690	(17,194,511)	(6,756,938)

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



Dewan Abdul Baqi Farooqui
Chief Executive

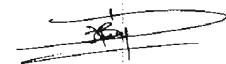


Haroon Iqbal
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015**

Note	Jul-Mar. 2015	Jul-Mar. 2014
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(60,883,801)	7,859,479
Depreciation	91,927,705	101,753,873
Financial charges	37,932,940	42,097,615
Cash flow before working capital changes	68,976,844	151,710,967
Working Capital changes		
(Increase)/ Decrease in assets:		
Stores & spares	1,623,900	308,411
Stock in trade	(22,320,777)	73,414,022
Trade debts	48,222,746	(59,106,636)
Loans & advances	(19,653,266)	(1,930,803)
Trade deposits & other receivables	(1,405,292)	12,526,272
Increase/ (Decrease) in liabilities:		
Trade creditors, other payables and borrowings	(8,593,965)	(29,737,853)
Cash generated/(used) in operations	(2,126,654)	(4,526,587)
Taxes paid	(10,651,217)	(24,953,586)
Gratuity paid	(69,500)	(83,324)
Net cash generated/(used) in operating activities	56,129,473	122,147,470
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(3,124,000)	(5,344,760)
Net cash outflow from investing activities	(3,124,000)	(5,344,760)
CASH FLOW FROM FINANCING ACTIVITIES		
Financial charges paid	(16,876,808)	(40,128,306)
Syndicated Long Term Loan	(22,598,343)	(113,099,514)
Net cash Inflow/(out flow) from financing activities	(39,475,151)	(153,227,820)
Net decrease in cash and cash equivalents	13,530,322	(36,425,110)
Cash and Cash equivalents at the beginning of the period	(25,228,573)	(285,770)
Cash and Cash equivalents at the end of the period	(11,698,251)	(36,710,880)

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director