

	Dec 31, 2014	Dec 31, 2013
8 Cash and Cash Equivalents		
Cash and Bank Balances	6,533	3,272
Short term Borrowings	<u>(103,660)</u>	<u>(80,721)</u>
	<u>(97,127)</u>	<u>(77,449)</u>
	July - Dec 2014	July - Dec 2013
9 RELATED PARTY TRANSACTIONS	(Rupees)	
Sales	--	2,444
Purchases	--	2,680
Donation to Dewan Farooq Trust	1,500	1,500
Provident Fund	2,369	2,605

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

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 24, 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 Dewan Abdullah Ahmed Swaleh Dewan Abdul Rehman Farooqui Mr. Haroon Iqbal 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 RESOURCE & REMUNERATION COMMITTEE	: Dewan Muhammad Yousuf Farooqui (Chairman) Dewan Abdul Baqi Farooqui (Member) Mr. Haroon Iqbal (Member)
COMPANY SECRETARY	: Muhammad Hanif German
LEGAL ADVISORS	: A. K. Brohi & Co. Advocates
BANKERS	: Habib Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited
AUDITORS	: Feroze Sharif Tariq & Co. Chartered Accountants 4/N/4 Block-6, P.E.C.H.S., Karachi 75400, Pakistan.
TAX ADVISORS	: Sharif & Co. Advocates
REGISTERED OFFICE	: Finance & Trade Centre Block-A, 8 th Floor, Shahrah-e-Faisal, Karachi
SHARE REGISTERED / 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	: A-30, S.I.T.E., Hyderabad, Sindh, Pakistan.
WEBSITE	: www.yousufdewan.com

3 Estimates, Judgements and Financial Risk Management

3.1 In preparing of this condensed interim financial information, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, incomes and expenses. Actual results may differ from these estimates.

3.2 The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as at and for the year ended June 30, 2014.

4 Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual financial statements of the Company as at and for the year ended June 30, 2014. 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 significant impact on the accounting policies of the Company.

5 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.

	December 31, 2014 (Un-audited)	June 30, 2014 (Audited)
	(Rupees)	
6 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	614,126	665,464
Additions during the period / year	--	6,546
Surplus on revaluation of Fixed Assets	--	--
Written down value of disposals	--	(47)
Depreciation during the period / year	<u>(25,848)</u>	<u>(57,837)</u>
Closing written down value	<u>588,278</u>	<u>614,126</u>
7 AVAILABLE FOR SALE INVESTMENT - At fair value		
In related party		
Shares in Dewan Salman Fibre Ltd. (Public, quoted company) 19,864,518 (June 30, 2014: 19,864,518) Fully paid up ordinary shares of Rs. 10/- each.	40,000	40,000
Surplus / (deficit) due to change in fair value	(2,059)	1,120
	<u>37,941</u>	<u>41,120</u>
Aggregate Market value (Rupees per share)	<u>1.91</u>	<u>2.07</u>
Percentage of equity held	<u>5.42%</u>	<u>5.42%</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2014

1 THE COMPANY AND ITS OPERATIONS

Dewan Mushtaq Textile Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on November 04, 1970, under the Companies Act, 1913 (Now the Companies Ordinance, 1984) and its shares are listed on the Karachi Stock Exchange in Pakistan. The registered office of the company is located at Finance & Trade Centre, Block-A 8th Floor, Shahrah-e-faisal, Karachi, Pakistan; while its manufacturing facilities are located at A-30, S.I.T.E., Hyderabad, Sindh, Pakistan. The Principal activity of the Company is trading, manufacturing and sale of yarn.

2 Basis of Preparation

- 2.1 This condensed interim financial information of the Company for the period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest rupee except otherwise stated.
- 2.3 This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2014.
- 2.4 These condensed interim financial statements comprise of condensed Interim Balance Sheet as at December 31, 2014 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 six months period ended December 31, 2014 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 December 31, 2014.
- 2.5 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 December 31, 2013. The comparative condensed interim profit and loss account for the quarter ended December 31, 2013 is also included in these condensed interim financial statements, which has not been subjected to a review.

DIRECTORS' REPORT

BEGIN 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 period ended December 31, 2014 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 December 31, 2014 are as follows:

Company has achieved net sales of Rs 391.911 million during the period under review as compared to Rs 896.030 million of the corresponding period of last year. Company has suffered gross loss of Rs 52.243 million as compared to the gross profit of Rs 74.302 million of comparable period of last year. Operating expenses of the company have been decreased by Rs 7.219 million as compared to those of relevant period of last year.

The results of the company had been disturbed due to 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. 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 factor 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 cost will remain challenges for the industry. Moreover the increase in energy costs will also result in increased cost of production.

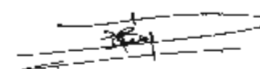
Conclusion

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

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

Karachi: February 24, 2015

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

**Independent Auditors' Report to the Members on Review of
Condensed Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim balance sheet of Dewan Mushtaq Textile Mills Limited ("the company") as at December 31, 2014 and the related 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 together with the notes forming part thereof (hereinafter referred to as the 'condensed interim financial statements') for the six months period then ended. Management is responsible for the preparation and Presentation of these condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed as we are required to review only the cumulative figures for the six month ended December 31, 2014.

Scope of Review

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

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the six months period ended December 31, 2014 are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Matter of Emphasis

Without qualifying our conclusion we draw attention of the members that the company would be liable to pay a sum of Rs. 248.831 million in the event of default in term of settlement reached with the lenders during the financial year June 30, 2012.

Audit Engaging Partner: Mohammad Tariq
Karachi: February 24, 2015
Place: Karachi


CHARTERED ACCOUNTANTS

Particulars	Share Capital	General Reserve	Unrealized gain / (loss) due to change in fair value of investment	Unappropriated Profit / (Loss)	Total
	(Rupees)				
Balance as on July 01, 2013	34,340	45,000	19,865	113,103	212,307
comprehensive income for the period	—	—	1,986	33,703	35,690
Balance as on December 31, 2013	34,340	45,000	21,851	146,806	247,997
Balance as on July 01, 2014	34,340	45,000	10,926	108,584	198,850
comprehensive income for the quarter	—	—	(3,178)	(75,589)	(78,767)
Balance as on December 31, 2014	34,340	45,000	7,748	32,995	120,083

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

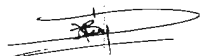

Dewan Abdul Baqi Farooqui
Chief Executive


Haroon Iqbal
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	6 Months ended	
	December '31 2014	December '31 2013
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before Taxation	(100,816)	23,918
Adjustment for Non-Cash and Other Items:		
Depreciation	25,848	27,448
Provision for Gratuity	3,391	2,751
Finance Cost	19,752	12,571
	48,991	42,770
	(51,825)	66,688
Working Capital Changes		
(Increase) / Decrease in Current Assets		
Stores, Spares and Loose Tools	2,066	(1,902)
Stock-in-Trade	(47,729)	(28,006)
Trade Debts	206,622	(4,163)
Loans and Advances	(3,238)	2,493
Trade deposits, Prepayments & Statutory balances	(1,164)	(936)
Other Receivables	(5,301)	1,592
Increase / (Decrease) in Current Liabilities		
Trade Creditors, Payable & others borrowings	(42,025)	(4,633)
	109,231	(35,555)
Taxes Paid	(7,645)	(7,660)
Gratuity Paid	(2,632)	(2,507)
	(10,277)	(10,167)
Net Cash Inflow/ (Outflow) from Operating Activities	47,129	20,967
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	--	(20)
Sale Proceed of Property Plant and Equipment	--	--
Net Cash Inflow / (Outflow) from Investing Activities	--	(20)
CASH FLOW FROM FINANCING ACTIVITIES		
Syndicated Long Term Loan	(24,004)	(48,008)
Finance Cost Paid	(11,928)	(13,561)
Net Cash Inflow/ (Outflow) from Financing Activities	(35,932)	(61,569)
Net (decrease) / Increase in Cash and Cash Equivalents	11,197	(40,623)
Cash and Cash Equivalents at the Beginning	(108,324)	(36,826)
Cash and Cash Equivalents at the End	(97,127)	(77,449)

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014

	December 31, 2014	June 30, 2014
	(Rupees in "000")	
	(Un-Audited)	(Audited)
EQUITY AND LIABILITIES		
CAPITAL & RESERVES		
Authorized		
10,000,000 (June 30, 2014: 10,000,000) Ordinary Shares of Rs. 10/- each	100,000	100,000
Issued, Subscribed and Paid-up Capital	34,340	34,340
General Reserve - (a Revenue Reserve)	45,000	45,000
Unappropriated Profit	40,743	119,509
	120,083	198,849
Surplus on revaluation of property plant and equipment	316,535	327,132
NON-CURRENT LIABILITIES		
Syndicated Long Term Loan - Secured	240,041	288,049
Deferred Liabilities		
Provision for Staff Gratuity	30,271	29,512
Deferred taxation	83,346	101,895
	113,617	131,407
CURRENT LIABILITIES		
Trade and Other Payables	58,018	100,044
Mark-up accrued on loans	10,676	2,852
Current Portion of Long Term Loan	120,020	96,016
Short Term Borrowings - Secured	103,660	116,744
Provision for Income Tax	72,193	68,274
	364,567	383,931
Contingencies and Commitments	--	--
	1,154,843	1,329,368
ASSETS		
NON-CURRENT ASSETS		
Property Plant and Equipment	588,278	614,126
Available for Sale Investment - at fair value	37,941	41,120
Long Term Deposits	840	840
CURRENT ASSETS		
Stores, Spares and Loose Tools	17,353	19,419
Stock-in-Trade	199,321	151,592
Trade Debts - Considered Good	176,954	383,576
Loans and Advances - Unsecured, Considered good	7,448	4,210
Trade Deposits, Prepayments and Statutory Balances - Considered good	35,542	34,378
Other Receivables - Unsecured, Considered good	20,826	15,525
Income Tax Refunds and Advances	63,807	56,161
Cash and Bank Balances	6,533	8,421
	527,784	673,282
	1,154,843	1,329,368

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 QUARTER AND HALF YEAR ENDED DECEMBER 31, 2014**

Notes	6 Months		3 Months	
	July - Dec	July - Dec	Oct to Dec	Oct to Dec
	2014	2013	2014	2013
	(Rupees in "000")		(Rupees in "000")	
Sales - Net	391,911	896,030	193,190	384,751
Cost of Sales	(444,153)	(821,728)	(220,040)	(353,042)
Gross (Loss) / Profit	(52,243)	74,302	(26,850)	31,709
Administrative and General Expenses	(22,632)	(24,422)	(11,065)	(12,857)
Distribution Costs and Selling Expenses	(6,190)	(11,619)	(2,855)	(5,531)
	(28,821)	(36,040)	(13,920)	(18,388)
Operating Loss/(Profit)	(81,064)	38,262	(40,770)	13,321
Other Income	--	--	--	--
Finance Cost	(19,752)	(12,571)	(9,682)	(6,741)
Workers' profit participation fund	--	(1,285)	--	(328)
Workers welfare fund	--	(488)	--	(125)
(Loss) / Profit before taxation	(100,816)	23,918	(50,452)	6,127
Taxation				
Current	(3,919)	(8,961)	(1,932)	(3,848)
Deferred	18,549	7,591	1,730	5,397
	14,630	(1,369)	(202)	1,549
(Loss)/ Profit after taxation	(86,186)	22,549	(50,654)	7,676
(Loss) / Earning Per Share - Basic	(25.10)	6.57	(14.75)	2.24

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 QUARTER AND HALF YEAR ENDED DECEMBER 31, 2014**

Notes	6 Months		3 Months	
	July - Dec	July - Dec	Oct to Dec	Oct to Dec
	2014	2013	2014	2013
	(Rupees in "000")		(Rupees in "000")	
(Loss) /Profit for the period	(86,186)	22,548	(50,654)	7,676
Other comprehensive Income:				
Transfer from surplus on revaluation of property plant and equipment in respect of:				
Incremental depreciation	16,056	16,902	8,028	8,451
Related deferred tax	(5,459)	(5,747)	(2,729)	(2,789)
	10,597	11,155	5,299	5,662
Changes in fair value of available for sale investment	(3,178)	1,986	993	2,780
Total comprehensive (Loss) / Income for the period	(78,768)	35,690	(44,362)	16,117

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director