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COMPANY INFORMATION

Executive Directors	:	Ishtiaq Ahmed - Chief Executive Officer
Non-Executive Director	:	Dewan Muhammad Yousuf Farooqui - Chairman, Board of Directors Dewan Abdul Rehman Farooqui Mr. Haroon Iqbal Mr. Syed Muhammad Anwar Mr. Ghazanfar Babar Siddiqui
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 Mr. Haroon Iqbal - Member Mr. Ishtiaq Ahmad - Member
Auditors	:	Faruq Ali & Co. Chartered Accountants 222-A, K.M.C.H.S. Justice Inamullah Road, Near Hill Park, Karachi
Company Secretary	:	Muhammad Hanif German
Tax Advisor	:	Sharif & Co. Advocates
Legal Advisor	:	A. K. Brohi & Co. (Advocates)
Bankers	:	Habib Bank Limited Standard Chartered Bank Pakistan Limited Meezan Bank Limited United Bank Limited Bank Al-Falah Ltd Silk Bank Limited NIB Bank Limited Summit Bank Limited Faysal Bank Limited MCB Bank Limited
Registered Office	:	Finance & Trade Centre Block-A, 8 th Floor, Shahrah-e-Faisal, 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	:	H/20 & H/26, S.I.T.E., Kotri, District Dadu, Sind, Pakistan
Website	:	www.yousufdewan.com

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 first quarter ended September 30, 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.

The Economy

During the period under review, textile spinning industry continued to face distressed and unfortunate set of circumstances which hampered the operations of several units. The market has been undergoing through its bad time both domestically and internationally since the start of calendar year 2014. Lower market demand due to reduced local & export orders along with power load shedding have adversely affected the production capacities of the industry. In effect, many units in the sector are facing financial difficulties and some of these units have closed their operations. The high cost of doing business, energy shortages, influx of smuggled and imported yarn and clothing in the domestic market, absence of institutional support, raw material shortages, and the gap between policy and its implementation have eroded the economic viability of textile business. Major regional developments claimed to have made domestic yarn production 'unviable' include slowdown in Chinese demand for Pakistani yarn and rebate allowed by India on its yarn exports.

Operating Performance:-

The financial highlights for the first quarter ended September 30, 2015 are as follows:

During the period under review company has achieved net sales of Rs.203.359 million as compared to the Rs.456.316 million of the corresponding period of last year. Company has suffered gross loss of Rs.154.211 million as compared to the gross loss of Rs.74.635 million of comparable period of last year. Operating expenses of the company have been decreased by Rs.1.589 million as compared to those of first quarter of last year.

During the period under review, decrease in production volume was the result of lesser market demand and under utilization of plant capacity, which brought about lesser sales volumes. The adverse effect resulted in negative margins due to the increase in cost of various inputs and capacity utilization. During the period raw material prices remained volatile which affected the cost of purchases, furthermore minimum wages have also pushed the cost of goods manufactured towards the higher side.

Company has approached its lenders for further restructuring of its liabilities, which is in advanced stage as the term sheet has been finalized and circulated by the agent to syndicate of banks for their internal approvals. Management is hopeful that such revision will be finalized soon.

Outlook

The key challenges facing Pakistan's economy have continued to suppress economic activity and growth of the country. At present energy crisis, load shedding and law and order were affecting the economy badly; however, some initiatives which are being taken by the government will hopefully improve the situation in near future. In a backdrop current scenario, a decline in cotton production has been forecasted which might result in higher cotton prices in future.

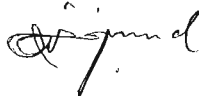
Conclusion

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



Ishtiaq Ahmed

Dated: October 28, 2015

Chief Executive Officer



CONDENSED INTERIM BALANCE SHEET AS AT 30TH SEPTEMBER, 2015

EQUITY AND LIABILITIES	NOTES	Sept 30,	June 30,
		2015	2015
SHARE CAPITAL AND RESERVES		Un-Audited	Audited
		RUPEES	
Authorized capital (2015 : 50,000,000 ordinary shares of Rs. 10/- each)		500,000,000	500,000,000
Issued, subscribed and paid up capital		460,646,090	460,646,090
Reserves and surplus		(1,174,094,904)	(971,262,716)
		(713,448,814)	(510,616,626)
Surplus on revaluation of property plant and equipment		655,594,239	662,814,445
NON CURRENT LIABILITIES			
Long term financing - Secured		2,164,588,058	2,258,549,710
Deferred liability for staff gratuity		42,590,340	39,990,494
Deferred Taxation		140,801,757	149,798,173
CURRENT LIABILITIES			
Trade and other payables		323,725,936	290,428,841
Markup accrued		247,746,890	209,841,804
Short term borrowings - Secured		654,140,123	734,271,040
Current and Overdue portion of long term financing		915,159,890	818,943,896
		2,140,772,839	2,053,485,581
CONTINGENCIES AND COMMITMENTS	5	-	-
		4,430,898,420	4,654,021,777
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,775,541,928	1,816,271,875
Long term deposits		74,110,685	68,110,685
CURRENT ASSETS			
Stores and spares		69,489,860	68,346,374
Stock in trade		1,321,327,122	1,378,330,034
Trade debtors - Considered good		872,663,584	981,558,208
Advances - Considered good		22,368,775	22,627,106
Short term deposits and current account balances with statutory authorities		20,237,631	20,746,571
Taxes recoverable - Net		47,652,349	48,875,439
Cash and bank balances		11,628,726	33,277,725
		2,365,368,047	2,553,761,457
Non current assets held for sale	7	215,877,760	215,877,760
		4,430,898,420	4,654,021,777

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

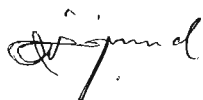
Ishtiaq Ahmed
Chief Executive Officer

Haroon Iqbal
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	July to Sept 2015	July to Sept 2014
	Rupees	
NOTES		
Sales - Net	203,359,314	456,136,384
Cost of sales	<u>(357,570,933)</u>	<u>(530,771,303)</u>
Gross Loss	(154,211,619)	(74,634,919)
Operating Expenses		
Selling & distribution expenses	(6,033,827)	(7,347,115)
Administrative expenses	(7,939,094)	(8,215,063)
	(13,972,921)	(15,562,178)
Operating Loss	(168,184,540)	(90,197,097)
Other Charges		
Finance cost	(48,830,684)	(55,758,283)
Other Charges	(750,000)	(900,000)
Other income	750,000	9,288
	(48,830,684)	(56,648,995)
Loss before taxation	(217,015,224)	(146,846,092)
Taxation		
Current	(2,033,593)	(5,722,793)
Deferred	5,189,321	6,270,387
	3,155,728	547,594
Loss after taxation	<u>(213,859,496)</u>	<u>(146,298,498)</u>
Loss per share - Basic and diluted	(4.64)	(10.83)

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



Ishtiaq Ahmed
Chief Executive Officer



Haroon Iqbal
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	July to Sept 2015	July to Sept 2014
	RUPEES	
(Loss)/Profit for the quarter	(213,859,496)	(146,298,498)
Other comprehensive income:		
Changes in fair value of available for sale investment	--	(21,900,642)
Transfer from surplus on revaluation of fixed assets in respect of		
Incremental depreciation	16,216,629	18,442,316
Related deferred tax	(5,189,321)	(6,270,387)
	11,027,308	12,171,929
Total comprehensive (loss) for the quarter	<u>(202,832,188)</u>	<u>(156,027,211)</u>

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


Ishtiaq Ahmed
Chief Executive Officer

Haroon Iqbal
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	July to Sept 2015	July to Sept 2014
RUPEES		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(217,015,224)	(146,846,092)
Adjustment for :		
disposal of fixed assets		
Depreciation	40,729,948	42,400,692
Provision for gratuity	3,855,116	3,855,118
Impairment loss	--	--
Finance cost	48,830,684	55,758,283
	<u>(123,599,476)</u>	<u>(44,831,999)</u>
Cash flow before working capital changes		
Increase / (decrease) in current assets		
Stores & spares	(1,143,487)	7,410,958
Stock in trade	57,002,912	26,533,366
Trade debtors	108,894,624	186,975,839
Advances - Considered good	258,331	(45,843)
Short term deposit and current account balances with statutory authorities	508,940	5,642,360
Increase / (decrease) in current liabilities		
Trade creditors, payable & others borrowings	(44,382,527)	(165,021,485)
Short term borrowings		
	<u>121,138,793</u>	<u>61,495,195</u>
Taxes - Net	(810,503)	(2,762,679)
Deposit	(6,000,000)	-
Gratuity paid	(1,255,262)	(2,469,100)
	<u>(8,065,765)</u>	<u>(5,231,779)</u>
Net cash inflow from operating activities	<u>(10,526,448)</u>	<u>11,431,417</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	--	--
	<u>--</u>	<u>--</u>
Net cash outflow from investing activities	--	--
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	(196,953)	--
Financial cost paid	(10,925,598)	(8,662,824)
Net cash outflow from financing activities	<u>(11,122,551)</u>	<u>(8,662,824)</u>
Net decrease in cash and cash equivalents	(21,648,999)	2,768,593
Cash and cash equivalents at beginning of the quarter	33,277,725	14,829,409
Cash and cash equivalents at the end of quarter	<u>11,628,726</u>	<u>17,598,002</u>

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



Ishtiaq Ahmed
Chief Executive Officer



Haroon Iqbal
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

	Issued Subscribed and Paid up Capital	General reserve	Unrealized gain due to change in fair value of Investments	Accumulated loss	Total
RUPEES					
Balance as on 1st July, 2014	135,046,090	333,000,000	57,358,822	(985,635,423)	(460,230,511)
Total comprehensive for the period profit for the period	--	--	--	(146,298,498)	(146,298,498)
Changes in fair values of available for sale investments	--	--	(21,900,642)	--	(21,900,642)
Transfer from surplus on revaluation of property, plant and equipment in respect incremental depreciation - net of tax	--	--	--	12,171,929	12,171,929
			(21,900,642)	(134,126,569)	(156,027,211)
Balance as on September 30, 2014	135,046,090	333,000,000	35,458,180	(1,119,761,992)	(616,257,722)
Balance as on 1st July, 2015	460,646,090	333,000,000	57,358,822	(1,361,621,538)	(510,616,626)
Total comprehensive profit/(loss) for the period	--	--	--	(213,859,496)	(213,859,496)
Effect of change in accounting policy profit for the period	--	--	--	--	--
Changes in fair values of available for sale investments	--	--	--	--	--
Shares issued during the period	--	--	--	--	--
Transfer from surplus on revaluation of property, plant and equipment in respect incremental depreciation - net of tax	--	--	--	11,027,308	11,027,308
	--	--	--	(202,832,188)	(202,832,188)
Balance as on September 30, 2015	460,646,090	333,000,000	57,358,822	(1,564,453,726)	(713,448,814)

Ishtiaq Ahmed
Chief Executive Officer

Haroon Iqbal
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015**

1 THE COMPANY AND ITS OPERATIONS

The Company is a public limited company incorporated in Pakistan under the Companies Act 1913 (Now Companies Ordinance, 1984) and is listed on the Karachi and Lahore Stock Exchanges. The principal activity of the Company is manufacturing and sale of yarn. The company's registered office is located at 8th Floor, Block-A, Finance & Trade Centre, Shahrah-e-Faisal, Karachi.

2 Basis of Preparation

2.1 This condensed interim financial information of the Company for the quarter ended September 30, 2015 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, 2015.



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, 2015.

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, 2015. 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, 2015.

DEWAN TEXTILE MILLS LIMITED

		(Un Audited)	(Audited)
	Note	September 30, 2015	June 30, 2015
Rupees			
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	1,715,890,970	1,756,620,917
Capital work in progress - At cost		59,650,958	59,650,958
		<u>1,775,541,928</u>	<u>1,816,271,875</u>
6.1 Operating fixed assets			
Opening Written down value		1,756,620,917	1,827,262,420
Additions : during the period /year		-	101,127,189
Depreciation during the period /year		(40,729,948)	(171,768,692)
Closing written down value		<u>1,715,890,969</u>	<u>1,756,620,917</u>
		(Un Audited)	(Audited)
		September 30, 2015	June 30, 2015
7 NON CURRENT ASSETS HELD FOR SALE			
Investment in Dewan Salman Fibre Limited			
104,288,773 Fully paid ordinary shares of Rs. 10/- each		<u>215,877,760</u>	<u>215,877,760</u>

8 FINANCE COST

Company has not made the provision of markup for the quarter amounting to Rs.9.162 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 quarter and accrued markup would have been higher by Rs. 9.162 millions .

9 RELATED PARTY TRANSACTIONS	July to Sep	July to Sep
	2015	2014
	Rupees	
Purchases - Raw Material/ Yarn	1,165,425	4,455,097
Sales - Yarn/ Waste/ Cotton	1,715,000	76,688,360
Provident fund	3,238,162	2,771,460

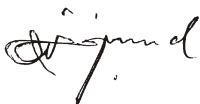
All transactions have been carried out on commercial terms and conditions and valued at arm's length price.

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 28, 2015 by the Board of Directors of the Company.

11 GENERAL

Figures have been rounded of to the nearest rupee.



Ishtiaq Ahmed
Chief Executive Officer



Haroon Iqbal
Director