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COMPANY INFORMATION

Executive Directors	: Dewan Abdul Baqi Farooqui - Chief Executive Officer
Non-Executive Director	: Dewan Muhammad Yousuf Farooqui - Chairman Board of Director Dewan Abdul Rehman Farooqui Mr. Haroon Iqbal Mr. Ishtiaq Ahmed Mr. Muhammad Baqir Jafferi
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	: Faruq Ali & Co. Chartered Accountants 222-A, K.M.C.H.S. Justice Inamullah Road, Near Hill Park, Karachi
Company Secretary	: Syed Muhammad Salahuddin
Chief Financial Officer	: Mehmood ul Hassan Asghar
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, 8th 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	: 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 un-audited accounts of interim financial statements of the company for the first quarter ended September 30, 2013 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 highlights for the company for the first quarter ended September 30 ,2013 are as follows :

During the period under review company has achieved the net sales of Rs.1047.599 million as compared to the Rs.892.949 million of the corresponding period of last year company has earned gross profit of Rs.103.588 million as compared to the gross profit of Rs.62.499 million of corresponding period of last year. Operating expenses of the company have been increased by Rs.2.639 million as compared to those of the corresponding period of last year

Although raw material prices increased in the quarter under review however better marketing efforts resulted in increase in local yarn sales and increased yarn prices also contributed to the improvement.

The company has settled with its lenders through Compromise Agreement and its short term and long term loan have been rescheduled in the form of long term loans which will be repaid in an extended period. Certain banks have not yet accepted the restructuring proposal the management of the company is quite hopeful that these banks will also accept the restructuring proposal in near future.



The management foresees that with winter approaching the menace of load shedding will also affect the capacity utilization. The recent increase in fuel and energy costs will also increase the cost of freight stores, spares, and packing.

The challenges of law & order, power outages and other impact cost will remain challenges for the industry. But with better fund management and good product mix your company is focused, and will bring about improved results in future also.

With Grace of Allah Almighty your company has performed very well and paying its Liabilities on time.

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; SummaAmeen.

LO-MY LORD IS INDEED HEARER OF PRAYER (HOLY QURAN)

By and under Authority of the Board of Directors

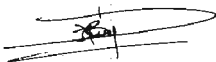
Dewan Abdul Baqi Farooqui
Chief Executive

Karachi: October 29, 2013

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2013**

	NOTES	Sep 30, 2013 (Un-Audited)	June 30, 2013 (Audited)
RUPEES			
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized capital (30,000,000 ordinary shares of Rs. 10/- each)		300,000,000	300,000,000
Issued, subscribed and paid up capital		135,046,090	135,046,090
Reserves and surplus		(287,005,391)	(339,837,515)
		(151,959,301)	(204,791,425)
Surplus on revaluation of property plant and equipment		752,908,857	768,368,710
NON CURRENT LIABILITIES			
Long term financing - Secured		3,090,070,025	3,230,941,957
Deferred liability for staff gratuity		25,021,713	24,904,372
Deferred Taxation		196,642,762	202,239,489
CURRENT LIABILITIES			
Trade and other payables		344,294,958	345,066,506
Markup accrued		24,246,688	23,772,596
Short term borrowings - Secured		796,755,539	720,727,477
Current portion of long term financing		461,351,088	460,104,990
Overdue portion of lease liabilities		41,185,703	41,185,703
		1,667,833,976	1,590,857,272
CONTINGENCIES AND COMMITMENTS			
	5	--	--
		5,580,518,031	5,612,520,375
<u>ASSETS</u>			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,872,480,421	1,916,934,073
Long term deposits		53,921,685	53,921,685
CURRENT ASSETS			
Stores and spares		44,586,443	46,161,624
Stock in trade		1,634,074,074	1,615,174,605
Trade debtors - Considered good		1,590,199,773	1,579,944,210
Advances - Considered good		51,462,534	42,848,823
Short term deposits and current account balances with statutory authorities		36,704,403	40,232,252
Taxes recoverable - Net		35,873,762	34,945,912
Cash and bank balances		19,264,978	40,407,233
		3,412,165,967	3,399,714,659
Non current assets held for sale	7	241,949,958	241,949,958
		5,580,518,031	5,612,520,375

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 FIRST QUARTER ENDED SEPTEMBER 30, 2013

	NOTES	July to Sep 2013	July to Sep 2012
		RUPEES	
Sales - Net		1,047,599,193	892,949,124
Cost of sales		(944,011,040)	(830,450,099)
Gross Profit		103,588,153	62,499,025
Operating Expenses			
Selling & distribution expenses		(27,427,971)	(26,345,461)
Administrative expenses		(10,728,050)	(9,171,903)
		(38,156,021)	(35,517,364)
Operating Profit		65,432,132	26,981,661
Other Charges			
Finance cost	8	(25,820,628)	(26,958,858)
Other Charges		(925,500)	(889,000)
Workers' profit participation fund		(1,980,575)	--
Workers welfare fund		(752,619)	--
Other income		6,558,098	2,466,133
		(22,921,224)	(25,381,725)
Profit before taxation		42,510,908	1,599,936
Taxation			
Current		(10,735,366)	(6,247,582)
Deferred		7,369,803	8,452,392
		(3,365,563)	2,204,810
Profit after taxation		39,145,346	3,804,746
Profit per share - Basic and diluted		2.90	0.28

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 FIRST QUARTER ENDED SEPTEMBER 30, 2013

	July to Sep 2013	July to Sep 2012
	RUPEES	
Profit for the period	39,145,346	3,804,748
Other comprehensive income:		
Changes in fair value of available for sale investment	--	85,896,358
Transfer from surplus on revaluation of fixed assets in respect of		
Incremental depreciation	21,056,581	24,149,691
Related deferred tax	(7,369,803)	(8,452,392)
	13,686,778	15,697,299
Total comprehensive income for the period	52,832,124	105,398,405

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 FIRST QUARTER ENDED SEPTEMBER 30, 2013

	July to Sep 2013	July to Sep 2012
	RUPEES	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	42,510,908	1,599,938
Adjustment for :		
Gain on disposal of fixed assets		
Depreciation	44,941,745	49,608,937
Provision for gratuity	2,491,701	2,370,456
Finance cost	25,820,628	26,958,858
Cash flow before working capital changes	115,764,982	80,538,189
<i>(Increase)/ decrease in current assets</i>		
Stores & spares	1,575,181	3,457,332
Stock in trade	(18,899,469)	(188,651,242)
Trade debtors	(10,255,563)	151,532,417
Advances - Considered good	(8,613,711)	(4,228,572)
Short term deposit and current account balances with statutory authorities	3,527,849	(3,931,533)
<i>Increase/ (decrease) in current liabilities</i>		
Trade creditors, payable & others borrowings	75,256,517	11,554,870
	42,590,804	(30,266,727)
Taxes - Net	(11,663,216)	(10,115,833)
Gratuity paid	(2,374,360)	(2,442,301)
	(14,037,576)	(12,558,134)
Net cash inflow from operating activities	144,318,210	37,713,328
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(488,094)	(299,090)
Decrease in long term deposits	-	-
Net cash outflow from investing activities	(488,094)	(299,090)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	(139,625,834)	(20,000,000)
Financial cost paid	(25,346,536)	(44,594,521)
Net cash outflow from financing activities	(164,972,370)	(64,594,521)
Net decrease in cash and cash equivalents	(21,142,255)	(27,180,283)
Cash and cash equivalents at beginning of the quarter	40,407,233	31,734,934
Cash and cash equivalents at the end of quarter	19,264,978	4,554,651

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

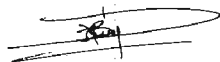
Dewan Abdul Baqi Farooqui
Chief Executive

Haroon Iqbal
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	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, 2012	135,046,090	333,000,000	12,514,653	(881,802,406)	(401,241,663)
Total comprehensive for the period profit for the period	--	--	--	3,804,748	3,804,748
Changes in fair values of available for sale investments	--	--	85,896,358	--	85,896,358
Transfer from surplus on revaluation of property, plant and equipment in respect incremental depreciation - net of tax	--	--	--	15,697,299	15,697,299
	--	--	85,896,358	19,502,047	105,398,405
Balance as on September 30, 2012	<u>135,046,090</u>	<u>333,000,000</u>	<u>98,411,011</u>	<u>(862,300,359)</u>	<u>(295,843,258)</u>
Balance as on 1st July, 2013	135,046,090	333,000,000	83,431,020	(756,268,535)	(204,791,425)
Total comprehensive profit/(loss) for the period profit for the period	--	--	--	39,145,346	39,145,346
Changes in fair values of available for sale investments	--	--	--	--	--
Transfer from surplus on revaluation of property, plant and equipment in respect incremental depreciation - net of tax	--	--	--	13,686,778	13,686,778
	--	--	--	52,832,124	52,832,124
Balance as on September 30, 2013	<u>135,046,090</u>	<u>333,000,000</u>	<u>83,431,020</u>	<u>(703,436,411)</u>	<u>(151,959,301)</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 FIRST QUARTER ENDED SEPTEMBER 30, 2013

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 These condensed Interim financial statements of the company for the period ended September 30, 2013 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, 2013

2.3 These condensed interim financial statements comprise of condensed Interim Balance Sheet as at September 30, 2013 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 September 30, 2013 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 September 30, 2013

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 2013, 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 September 30, 2013. The comparative condensed Interim profit and loss account for the quarter ended September 30, 2013 is also included in these condensed interim financial statements, which has not been subject to a review.

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, 2013.

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' 2013.

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

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.

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' 2013.

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, 2013.

6. PROPERTY, PLANT AND EQUIPMENT

	(Un Audited)	(Audited)
	30-Sep-13	June 30, 2013
	Rupees	
Operating fixed assets 6.1	1,867,025,557	1,911,479,209
Capital work in progress - At cost	5,454,864	5,454,864
	1,872,480,421	1,916,934,073

6.1 Operating fixed assets

Opening Written down value	1,911,479,209	2,070,823,046
Additions during the period /year	488,094	40,020,034
Surplus on revaluation of free Leasehold land	-	--
Written down value of disposals	-	--
Depreciation during the period /year	(44,941,745)	(199,363,871)
Closing written down value	1,867,025,557	1,911,479,209



7. NON CURRENT ASSETS HELD FOR SALE	(Un Audited)	(Audited)
	30-Sep-13	June 30, 2013
Investment in Dewan Salman Fibre Limited 104,288,773 Fully paid ordinary shares of Rs. 10/- each	241,949,958	241,949,958

8. FINANCE COST

Company has not made the provision of markup for the period amounting to Rs.11.584 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 profit for the quarter and shareholders' equity would have been lower by Rs. 11.584 millions and accrued markup would have been higher by the same amount.

	July to September 2013	July to September 2012
9. RELATED PARTY TRANSACTIONS	Rupees	
Purchases - Raw Material/ Yarn	-	3,209,230
Sales - Yarn/ Waste/ Cotton	25,937,436	28,536,486
Provident fund	2,291,075	1,616,000

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

10 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim balance sheet has been compared with the balances of annual financial statements, whereas 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 have been compared with the balances of comparable period of immediately preceding financial year. Corresponding figures have been re arranged/reclassified, wherever necessary, for the purpose of better presentation and comparison. However no major re-arrangements / reclassifications were made.

11. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 29, 2013 by the Board of Directors of the Company.

12 GENERAL

Figures have been rounded off to the nearest rupee

Dewan Abdul Baqi Farooqui
Chief Executive

Haroon Iqbal
Director