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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 Abdullah Ahmed Farooqui
Dewan Abdul Rehman Farooqui
Mr. Haroon Iqbal
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 : Syed Muhammad Salahuddin

- CHIEF FINANCIAL OFFICER : Mehmood-Ul-Hassan Asghar

- 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, 8th 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

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.511.279 million as compared to the Rs.418.575 million of the corresponding period of last year company has earned gross profit of Rs.42.593million as compared to the gross profit of Rs.7.223 million of corresponding period of last year. Operating expenses of the company have been increased by Rs.9.129 million as compared to those of the corresponding period of last year.

Although raw material prices increased during the period under review but due to better marketing efforts especially development of Faisalabad market and better product mix along with efficient utilization of the mills' capacity the company was able to perform better 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

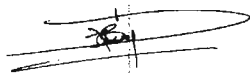
Dewan Abdul Baqi Farooqui
Chief Executive

Karachi: October 29, 2013

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

<u>EQUITY AND LIABILITIES</u>	Note	September 30, 2013 (Rupees) (Un-Audited)	June 30, 2013 (Audited)
<u>CAPITAL & RESERVES</u>			
<u>Authorized</u>			
10,000,000 (June 30, 2012: 10,000,000) Ordinary Shares of Rs. 10/- each		100,000,000	100,000,000
Issued, Subscribed and Paid-up Capital		34,340,280	34,340,280
General Reserve - (a Revenue Reserve)		45,000,000	45,000,000
Unappropriated Profit		152,611,841	133,039,825
		231,952,121	212,380,105
Surplus on revaluation of property plant and equipment		344,381,281	349,874,500
<u>NON-CURRENT LIABILITIES</u>			
Syndicated Long Term Loan - Secured		360,061,160	384,065,236
<u>Deferred Liabilities</u>			
Provision for Staff Gratuity		22,501,050	24,649,730
Deferred taxation		98,029,096	100,223,188
		120,530,146	124,872,918
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables		158,277,869	130,212,494
Mark-up accrued on loans		5,761,083	5,290,105
Current Portion of Long Term Loan		96,016,308	96,016,308
Short Term Borrowings - Secured	8	37,277,531	46,562,370
Provision for Income Tax		57,673,258	52,560,181
		355,006,049	330,641,458
Contingencies and Commitments	5	--	--
		1,411,930,757	1,401,834,217
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property Plant and Equipment		651,740,205	665,463,678
Available for Sale Investment - at fair value	6	49,264,005	50,058,585
Long Term Deposits		840,510	840,510
<u>CURRENT ASSETS</u>			
Stores, Spares and Loose Tools		13,003,953	14,293,378
Stock-in-Trade		84,731,191	147,920,246
Trade Debts - Considered Good		494,623,124	413,039,906
Loans and Advances - Unsecured, Considered good		11,334,842	7,229,260
Trade Deposits, Prepayments and Statutory Balances - Considered good		36,544,645	35,957,688
Other Receivables - Unsecured, Considered good		9,473,928	10,972,402
Income Tax Refunds and Advances		47,051,614	46,322,392
Cash and Bank Balances	8	13,322,741	9,736,172
		710,086,037	685,471,444
		1,411,930,757	1,401,834,217

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

	Note	July - Sep 2013	July - Sep 2012
(Rupees)			
Sales - Net		511,278,893	418,574,888
Cost of Sales		<u>(468,686,257)</u>	<u>(411,345,485)</u>
Gross Profit		42,592,636	7,229,403
Administrative and General Expenses		<u>(11,564,767)</u>	<u>(6,838,331)</u>
Distribution Costs and Selling Expenses		<u>(6,087,131)</u>	<u>(1,684,247)</u>
		<u>(17,651,898)</u>	<u>(8,522,578)</u>
Operating Profit		24,940,738	(1,293,175)
Other Income		--	161,421
Finance Cost		(5,829,716)	(6,031,164)
Workers' profit participation fund		(955,551)	
Workers welfare fund		(363,109)	
Other Charges		--	--
(Loss) / Profit before taxation		17,792,361	(7,162,917)
Taxation			
Current		<u>(5,113,077)</u>	<u>(2,069,508)</u>
Deferred		<u>2,194,092</u>	<u>3,406,104</u>
		<u>(2,918,985)</u>	<u>1,336,596</u>
Profit / (Loss) after taxation		14,873,376	(5,826,321)
Earning Per Share - Basic		4.33	(1.70)

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

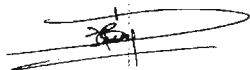
Dewan Abdul Baqi Farooqui
Chief Executive

Haroon Iqbal
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	July - Sep 2013	July - Sep 2012 (Rupees)
Profit / (Loss) for the year	14,873,376	(5,826,322)
Other comprehensive Income:		
Transfer from surplus on revaluation of property plant and equipment in respect of:		
Incremental depreciation	8,451,107	9,731,727
Related deferred tax	(2,957,887)	(3,406,104)
	5,493,220	6,325,623
Changes in fair value of available for sale investment	(794,580)	8,939,033
Total comprehensive income / (Loss) for the year	19,572,016	9,438,334

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 - Sep 2013	July - Sep 2012
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before Taxation	17,792,361	(7,162,917)
Adjustment for Non-Cash and Other Items:		
Depreciation	13,723,473	15,385,376
Gain on Sale of Property Plant and Equipment	--	(161,421)
Provision for Gratuity	(837,140)	1,162,838
Finance Cost	5,829,716	6,031,164
	<u>18,716,049</u>	<u>22,417,957</u>
	36,508,410	15,255,039
Working Capital Changes		
<i>(Increase) / Decrease in Current Assets</i>		
Stores, Spares and Loose Tools	1,289,425	2,874,588
Stock-in-Trade	63,189,055	70,997,177
Trade Debts	(81,583,218)	(47,907,526)
Loans and Advances	(4,105,582)	(264,795)
Trade deposits, Prepayments & Statutory balances	(586,957)	(877,339)
Other Receivables	1,498,474	(4,021,828)
<i>Increase / (Decrease) in Current Liabilities</i>		
Trade Creditors, Payable & others borrowings	28,065,378	(14,302,745)
	<u>7,766,575</u>	<u>6,497,534</u>
Taxes Paid	(729,222)	(414,845)
Gratuity Paid	(1,311,540)	(1,562,545)
	<u>(2,040,762)</u>	<u>(1,977,390)</u>
Net Cash Inflow/ (Outflow) from Operating Activities	42,234,223	19,775,182
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	--	--
Sale Proceed of Property Plant and Equipment	--	230,000
Net Cash Inflow / (Outflow) from Investing Activities	--	230,000
CASH FLOW FROM FINANCING ACTIVITIES		
Syndicated Long Term Loan	(24,004,077)	(8,000,000)
Finance Cost Paid	(5,358,738)	(5,572,052)
Net Cash Inflow/ (Outflow) from Financing Activities	(29,362,815)	(13,572,052)
Net (decrease) / Increase in Cash and Cash Equivalents	12,871,408	6,433,130
Cash and Cash Equivalents at the Beginning	(36,826,198)	(8,274,667)
Cash and Cash Equivalents at the End	<u>(23,954,790)</u>	<u>(1,841,537)</u>

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

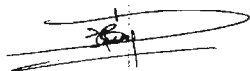
Dewan Abdul Baqi Farooqui
Chief Executive

Haroon Iqbal
Director

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

	Share Capital	General Reserve	Unrealized (loss) / gain due to change in fair value of investment	Unappropriated Profit / (Loss)	Total
(Rupees)					
Balance as on July 01, 2012	34,340,280	45,000,000	2,383,743	101,444,052	183,168,075
Total comprehensive	--	--	8,939,033	499,301	9,438,334
Balance as on Sep 30, 2012	<u>34,340,280</u>	<u>45,000,000</u>	<u>11,322,776</u>	<u>101,943,353</u>	<u>192,606,409</u>
Balance as on July 01, 2013	34,340,280	45,000,000	19,864,519	113,175,306	212,380,105
Total comprehensive	--	--	(794,580)	20,366,596	19,572,016
Balance as on Sep 30, 2013	<u>34,340,280</u>	<u>45,000,000</u>	<u>19,069,939</u>	<u>133,541,902</u>	<u>231,952,121</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

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 These condensed Interim financial statements of the company for the three months 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 are presented in Pak Rupees which is also the Company's functional & prentation currency and all figures have been rounded off to the nearest rupee
- 2.4 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.
- 2.5 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 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 General Reserve

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

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' 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.

	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
		(Rupees)
6 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	665,463,678	720,328,772
Additions during the period / year	--	7,750,927
Surplus on revaluation of Fixed Assets	--	(124,656)
Written down value of disposals	--	--
Depreciation during the period / year	<u>(13,723,473)</u>	<u>(62,491,364)</u>
Closing written down value	<u>651,740,205</u>	<u>665,463,678</u>



7 AVAILABLE FOR SALE INVESTMENT - At fair value

In related party (associated company):

Shares in Dewan Salman Fibre Ltd. (Public, quoted company)

19,864,518 (June 30, 2013: 19,864,518) Fully paid up

ordinary shares of Rs. 10/- each. **40,000,000** 40,000,000

Surplus / (deficit) due to change in fair value **9,264,005** 10,058,585

49,264,005 **50,058,585**

Aggregate Market value (Rupees per share) **2.48** **2.52**

Percentage of equity held **5.42%** **5.42%**

8 Cash and Cash Equivalents

Sep 30, 2013 **Sep 30, 2012**

Cash and Bank Balances **13,322,741** 15,827,961

Short term Borrowings **(37,277,531)** (17,669,498)

(23,954,790) **(1,841,537)**

9 RELATED PARTY TRANSACTIONS

July - Sep 2013 **July - Sep 2012**

(Rupees)

Sales **917,500** 5,528,595

Purchases **1,063,725** 7,970,970

Donation to Dewan Farooq Trust **750,000** 750,000

Provident Fund **1,287,284** 1,112,804

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

9 DATE OF AUTHORIZATION FOR ISSUE

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

Dewan Abdul Baqi Farooqui
Chief Executive

Haroon Iqbal
Director