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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 Directors Dewan Abdul Rehman Farooqui Mr. Haroon Iqbal Mr. Ishtiaq Ahmed 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 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	:	Muhammad Hanif German
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 condensed interim financial statements of the company for the first quarter ended September 30, 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.

The Economy

The performance of the agriculture sector was less than expected as heavy rains and floods in the country caused damage to standing crops. The major hurdle in growth remains the ongoing energy crises which has resulted under utilization of installed capacities.

Operating Performance:-

The financial highlights for the first quarter ended September 30, 2014 are as follows:

During the period under review company has achieved net sales of Rs.456.136 million as compared to the Rs.1,047.599 million of the corresponding period of last year. Company has suffered gross loss of Rs.74.634 million as compared to the gross profit of Rs.103.588 million of comparable period of last year. Operating expenses of the company have been decreased by Rs.22.593 million as compared to those of first quarter of last year.

The results of the company could have been better, had there not been power crises, rise in salaries & wages, increase in tariff of gas and hike in freight & transportation costs. Further there were volatile 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 results were also affected by the increase in costs of stores spares and packing materials.

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.

The approaching winter will enhance the menace of load shedding that will further affect the capacity utilization. Moreover the increase in fuel and energy costs will also result in increased cost of production.

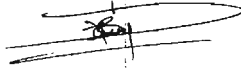
Conclusion

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

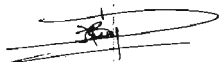
Chief Executive

Dated: October 28, 2014

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2014

	NOTES	Sep. 30, 2014 Un-Audited	June 30, 2014 Audited
		RUPEES	
EQUITY AND LIABILITIES			
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		(751,303,812)	(595,276,601)
		(616,257,722)	(460,230,511)
Surplus on revaluation of property plant and equipment		713,875,801	726,047,730
NON CURRENT LIABILITIES			
Long term financing - Secured		2,811,360,801	2,811,360,801
Deferred liability for staff gratuity		40,891,113	39,505,095
Deferred Taxation		154,063,764	160,334,152
CURRENT LIABILITIES			
Trade and other payables		390,726,804	411,244,595
Markup accrued		81,462,474	34,367,015
Short term borrowings - Secured		671,503,293	816,006,986
Current portion of long term financing		462,188,138	462,188,138
		1,605,880,709	1,723,806,734
CONTINGENCIES AND COMMITMENTS			
		-	--
		4,709,814,466	5,000,824,001
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,784,861,728	1,827,262,420
Long term deposits		54,110,685	54,110,685
CURRENT ASSETS			
Stores and spares		55,881,382	63,292,340
Stock in trade		1,467,748,334	1,494,281,700
Trade debtors - Considered good		1,044,670,538	1,231,646,377
Advances - Considered good		29,272,034	29,226,191
Short term deposits and current account balances with statutory authorities		13,793,700	19,436,060
Taxes recoverable - Net		47,900,945	50,861,059
Cash and bank balances		17,598,002	14,829,409
		2,676,864,935	2,903,573,136
Non current assets held for sale	7	193,977,118	215,877,760
		4,709,814,466	5,000,824,001

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



Dewan Abdul Baqi Farooqui
Chief Executive

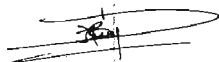


Haroon Iqbal
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	July to Sep. 2014	July to Sep. 2013
	Rupees	
	NOTES	
Sales - Net	456,136,384	1,047,599,193
Cost of sales	(530,771,303)	(944,011,040)
Gross (Loss) / Profit	<u>(74,634,919)</u>	<u>103,588,153</u>
Operating Expenses		
Selling & distribution expenses	(7,347,115)	(27,427,971)
Administrative expenses	(8,215,063)	(10,728,050)
	(15,562,178)	(38,156,021)
Operating (Loss) / Profit	<u>(90,197,097)</u>	<u>65,432,132</u>
Other Charges		
Finance cost	(55,758,283)	(25,820,628)
Other Charges	(900,000)	(3,658,694)
Other income	9,288	6,558,098
	(56,648,995)	(22,921,224)
(Loss) / Profit before taxation	<u>(146,846,092)</u>	<u>42,510,908</u>
Taxation		
Current	(5,722,793)	(10,735,366)
Deferred	6,270,387	7,369,803
	547,594	(3,365,563)
(Loss) / Profit after taxation	<u>(146,298,498)</u>	<u>39,145,345</u>
(Loss) / Profit per share - Basic and diluted	<u>(10.83)</u>	<u>2.90</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 FIRST QUARTER ENDED SEPTEMBER 30, 2014**

	July to Sep. 2014	July to Sep. 2013
	RUPEES	
(Loss)/Profit for the quarter	(146,298,498)	39,145,346
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	18,442,316	21,056,581
Related deferred tax	(6,270,387)	(7,369,803)
	12,171,929	13,686,778
Total comprehensive (Loss)/income for the quarter	<u>(156,027,211)</u>	<u>52,832,124</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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	July to Sep. 2014	July to Sep. 2013
	RUPEES	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before taxation	(146,846,092)	42,510,908
Adjustment for :		
disposal of fixed assets		
Depreciation	42,400,692	44,941,745
Provision for gratuity	3,855,118	2,491,701
Impairment loss	--	--
Finance cost	55,758,283	25,820,628
Workers' profit participation fund	--	--
Workers' welfare fund	--	--
Cash flow before working capital changes	(44,831,999)	115,764,982
Increase / (decrease) in current assets		
Stores & spares	7,410,958	1,575,181
Stock in trade	26,533,366	(18,899,469)
Trade debtors	186,975,839	(10,255,563)
Advances - Considered good	(45,843)	(8,613,711)
Short term deposit and current account balances with statutory authorities	5,642,360	3,527,849
Increase / (decrease) in current liabilities		
Trade creditors, payable & others borrowings	(165,021,485)	75,256,517
Short term borrowings		--
	61,495,195	42,590,804
Taxes - Net	(2,762,679)	(11,663,216)
Deposit	--	--
Gratuity paid	(2,469,100)	(2,374,360)
	(5,231,779)	(14,037,576)
Net cash inflow from operating activities	11,431,417	144,318,210
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	--	(488,094)
	--	--
Net cash outflow from investing activities	--	(488,094)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	--	(139,625,834)
Financial cost paid	(8,662,824)	(25,346,536)
Net cash outflow from financing activities	(8,662,824)	(164,972,370)
Net decrease in cash and cash equivalents	2,768,593	(21,142,255)
Cash and cash equivalents at beginning of the quarter	14,829,409	40,407,233
Cash and cash equivalents at the end of quarter	17,598,002	19,264,978

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



Dewan Abdul Baqi Farooqui
Chief Executive

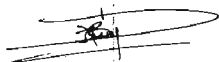


Haroon Iqbal
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	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, 2013-Restated	135,046,090	333,000,000	83,431,020	(758,398,369)	(206,921,259)
Total comprehensive for the quarter profit for the quarter	--	--	--	39,145,346	39,145,346
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- Restated	135,046,090	333,000,000	83,431,020	(705,566,245)	(154,089,135)
Balance as on 1st July, 2014	135,046,090	333,000,000	57,358,822	(985,635,423)	(460,230,511)
Total comprehensive profit/(loss) for the quarter	--	--	--	(146,298,498)	(146,298,498)
Changes in fair values of held 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)

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, 2014

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, 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.

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.

	(Un Audited)	(Audited)
	30-Sep-14	30-Jun-14
6 PROPERTY, PLANT AND EQUIPMENT	Rupees	
Operating fixed assets 6.1	1,784,861,728	1,827,262,420
Capital work in progress - At cost	-	-
	<u>1,784,861,728</u>	<u>1,827,262,420</u>
6.1 Operating fixed assets		
Opening Written down value	1,827,262,420	1,911,479,209
Additions during the quarter /year	-	100,690,460
Surplus on revaluation of free Leasehold land	-	-
Written down value of disposals	-	-
Depreciation during the quarter /year	(42,400,692)	(184,907,249)
Closing written down value	<u>1,784,861,728</u>	<u>1,827,262,420</u>

	September 30, 2014	September 30, 2013
6.2 Additions to the operating fixed assets during the quarter are	-	488,094
7 NON CURRENT ASSETS HELD FOR SALE	(Un Audited)	(Audited)
Investment in Dewan Salman Fibre Limited	30-Sep-14	30-Jun-14
104,288,773 Fully paid ordinary shares of Rs. 10/- each	193,977,118	215,877,760

8 FINANCE COST

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

	July to Sep 2014	July to Sep 2013
9 RELATED PARTY TRANSACTIONS		
		Rupees
Purchases - Raw Material/ Yarn	4,455,097	-
Sales - Yarn/ Waste/ Cotton	76,688,360	25,937,436
Provident fund	2,771,460	2,291,075

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, 2014 by the Board of Directors of the Company.

11 GENERAL

Figures have been rounded off to the nearest rupee.

Dewan Abdul Baqi Farooqui
Chief Executive

Haroon Iqbal
Director