

	July to March 2013	July to March 2012
(Rupees in "000")		
9 RELATED PARTY TRANSACTIONS		
Sales	8,957	22,126
Purchases	15,345	7,693
Donation to Dewan Farooq Trust	2,250	2,250
Provident Fund	3,372	3,056

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

10 Earning Per Share -Basic

	July to March 2013	July to March 2012	Jan to March 2013	Jan to March 2012
Net Profit / (Loss) for the period (Rs in 000")	2,986	26,114	2,381	7,796
Weighted average number of ordinary shares issued during the period (Nos)	3,434	3,434	3,434	3,434
Earning / (Loss) Per Share - Basic (Rs)	0.87	7.60	0.69	2.27

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 26, 2013 by the Board of Directors of the Company.



Dewan Abdul Baqi Farooqui
Chief Executive



Dewan Abdul Rehman Farooqui
Director

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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 Mr. Ishtiaq Ahmed

Independent Director : Mr. Aziz-ul-Haque

AUDIT COMMITTEE : Dewan Abdul Rehman Farooqui (Chairman)
Mr. Haroon Iqbal (Member)
Mr. Aziz-ul-Haque (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

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, 2012.

5 CONTINGENCIES AND COMMITMENTS

There is no significant change in Contingencies and Commitments during the period.

	March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)
(Rupees in "000")		
6 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	720,328	248,690
Additions during the period / year	--	192
Surplus on revaluation	--	529,307
Written down value of disposals	(69)	(119)
Depreciation during the period / year	(46,200)	(57,742)
	<u>674,060</u>	<u>720,328</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, 2012: 19,864,518) Fully paid up ordinary shares of Rs. 10/- each. (including bonus shares)	40,000	40,000
Surplus / (deficit) on revaluation of investment	6,086	(7,422)
	<u>46,086</u>	<u>32,578</u>
Aggregate Market value (Rupees per share)	<u>2.32</u>	<u>1.64</u>
Percentage of equity held	<u>5.42%</u>	<u>5.42%</u>
	March 31, 2013	March 31, 2012
	(Rupees in "000")	
8 CASH & CASH EQUIVELANTS		
Cash and Bank Balances	6,591	982
Short term Borrowings	(21,798)	12,348
	<u>(15,207)</u>	<u>13,330</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 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 PREPARATIONS

- 2.1 These condensed Interim financial statements of the company for the nine months ended March 31, 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 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, 2012.
- 2.3 These condensed interim financial statements are presented in Pak Rupees which is also the Company's functional and presentation currency and all figures have been rounded off to the nearest thousand rupees.
- 2.4 These condensed interim financial statements comprise of condensed interim Balance Sheet as at March 31, 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 nine months period ended March 31, 2013. These condensed interim financial statements also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 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 June 30, 2012, 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 have been extracted from the unaudited condensed interim financial statements for the period ended March 31, 2012. The comparative condensed Interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended March 31, 2012 is also included in these condensed interim financial statements.
- ### 3 ACCOUNTING POLICIES
- 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, 2012.

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 third quarter and nine months ended March 31, 2013, in compliance with requirements of section 245 of the Company's Ordinance 1984 and Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

The Economy

Pakistan is the 8th largest exporter of textile products in Asia. This sector contributes 9.5% to the GDP and provides employment to about 15 million people or roughly 30% of the 49 million workforce of the country.

Even with so many advantages, Pakistan's total share in global textile trade is less than 1%. The major hurdle in growth remains the ongoing energy crises which has resulted in under utilization of installed capacities and resultantly forced businesses to divert to expensive alternate energy resources.

The Company

The highlights of the accounts for the nine months ended March 31, 2013 are as follows:

During the period under review, Company has achieved net sales of Rs 1.22 billion as compared to Rs. 1.10 billion of the corresponding period of last year. Company has earned gross profit of Rs. 50.32 million as compared to the gross profit of Rs. 74.18 million of corresponding period of last year. Operating expenses of the Company have increased by Rs. 3.88 million as compared to those of the comparable period of last year.

The results of the company would have shown more growth had there not been gas/electricity load shedding during the period. Rise in salaries & wages, boost in tariff of gas & electricity and hike in shipment costs have considerably increased the other costs of production. The results were also affected by the increase in prices of stores, spares and packing materials.

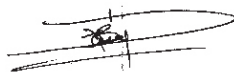
Future Outlook

Pakistani textile sector is competing in the region and trying to get maximum share of the Chinese textile market in the future. Official say that China will be no more competing with Pakistan in the realm of cotton yarn and denim fabric; while China has emerged as one of the biggest buyers of such items from Pakistan. However, the market share is basically dependent on government's ability to promote the textile sector while addressing power shortage to rejuvenate large scale industry manufacturing. As a whole the entire cotton and textile trade has been under incredible stress and the industry is encountering hardships in taking decisions with regard to its future plans. A prolonged electricity and gas shortage is also disturbing the economy in addition to the increasing cost of raw materials and other inputs. Such a situation will remain a challenge for the Company in future as well. Additionally, business environment severely needs improvements in political stability along with its safety.

Acknowledgement

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 the Muslim Ummah; Ameen; Summa Ameen.

Under Authority of the Board of Directors



Dewan Abdul Baqi Farooqui
Chief Executive

Karachi: April 26, 2013

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2013

	Share Capital	General Reserve	Unrealized (loss) / gain due to change in fair value of investment (Rupees in "000")	Unappropriated Profit / (Loss)	Total
Balance as on July 01, 2011	34,340	45,000	21,652	62,145	163,137
Total comprehensive income for the period			(10,925)	26,114	15,189
Balance as on March 31, 2012	34,340	45,000	10,727	88,259	178,326
Balance as on July 01, 2012	34,340	45,000	2,384	101,444	183,168
Total comprehensive income for the period	--	--	13,508	21,250	34,758
Balance as on March 31, 2013	34,340	45,000	15,892	122,694	217,926

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



Dewan Abdul Baqi Farooqui
Chief Executive



Dewan Abdul Rehman Farooqui
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2013**

	9 Months ended March 31, 2013 (Rupees in 000")	9 Months ended March 31, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before Taxation	(757)	37,129
Adjustment for Non-Cash and Other Items:		
Depreciation	46,200	18,944
Gain on Sale of Property Plant and Equipment	(161)	(231)
Provision for Gratuity	4,127	3,148
Finance Cost	17,398	5,451
	67,564	27,312
Working Capital Changes	66,807	64,441
(Increase) / Decrease in Current Assets		
Stores, Spares and Loose Tools	1,410	724
Stock-in-Trade	3,535	(73,367)
Trade Debts	(5,460)	36,751
Loans and Advances	(1,636)	(641)
Trade deposits, Prepayments & Statutory balances	(3,052)	(624)
Other Receivables	(10,008)	261
Increase / (Decrease) in Current Liabilities		
Trade Creditors, Payable & others borrowings	357	(9,419)
	(14,854)	(46,315)
Taxes Paid	(14,861)	(4,388)
Gratuity Paid	(2,680)	(3,762)
	(17,541)	(8,150)
Net Cash Inflow/ (Outflow) from Operating Activities	34,412	9,976
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	-	--
Sale Proceed of Property Plant and Equipment	230	350
Net Cash Inflow / (Outflow) from Investing Activities	230	350
CASH FLOW FROM FINANCING ACTIVITIES		
Syndicated Long Term Loan	(24,000)	--
Finance Cost Paid	(17,574)	(205)
Net Cash Inflow/ (Outflow) from Financing Activities	(41,574)	(205)
Net (decrease) / Increase in Cash and Cash Equivalents	(6,932)	10,121
Cash and Cash Equivalents at the Beginning	(8,275)	3,209
Cash and Cash Equivalents at the End	(15,207)	13,330

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



Dewan Abdul Baqi Farooqui
Chief Executive



Dewan Abdul Rehman Farooqui
Director

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2013**

	March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)
EQUITY AND LIABILITIES		
CAPITAL & RESERVES		
Authorized	100,000	100,000
10,000,000 (June 30, 2012: 10,000,000) Ordinary Shares of Rs. 10/- each		
Issued, Subscribed and Paid-up Capital	34,340	34,340
General Reserve - (a Revenue Reserve)	45,000	45,000
Unappropriated Profit	138,586	103,828
	217,926	183,168
Surplus on revaluation of property plant and equipment	356,914	375,177
NON-CURRENT LIABILITIES		
Syndicated Long Term Loan - Secured	408,069	480,082
Deferred Liabilities		
Provision for Staff Gratuity	23,884	22,437
Deferred taxation	88,661	98,495
	112,545	120,932
CURRENT LIABILITIES		
Trade and Other Payables	110,791	110,433
Mark-up accrued on loans	5,186	5,362
Current Portion of Long Term Loan	80,012	32,000
Short Term Borrowings - Secured	21,798	21,250
Provision for Income Tax	50,698	44,607
	268,485	213,652
Contingencies and Commitments	5	--
	--	--
	1,363,939	1,373,011
ASSETS		
NON-CURRENT ASSETS		
Property Plant and Equipment	6	674,061
Available for Sale Investment - at fair value	7	46,086
Long Term Deposits		841
		841
CURRENT ASSETS		
Stores, Spares and Loose Tools	13,407	14,817
Stock-in-Trade	199,599	203,134
Trade Debts - Considered Good	317,736	312,276
Loans and Advances - Unsecured, Considered good	14,239	12,603
Trade Deposits, Prepayments and Statutory Balances - Considered good	32,215	29,163
Other Receivables - Unsecured, Considered good	13,992	3,984
Income Tax Refunds and Advances	45,172	30,311
Cash and Bank Balances	6,591	12,975
	642,951	619,263
	1,363,939	1,373,011

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



Dewan Abdul Baqi Farooqui
Chief Executive




Dewan Abdul Rehman Farooqui
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2013**

Notes	9 Months		3 Months	
	July to March	July to March	January to March	January to March
	2013	2012	2013	2012
	(Rupees in 000")		(Rupees in 000")	
Sales - Net	1,218,119	1,101,330	419,651	317,654
Cost of Sales	(1,167,798)	(1,027,152)	(396,379)	(291,302)
Gross Profit	50,321	74,178	23,272	26,352
Administrative and General Expenses	(24,431)	(24,952)	(10,602)	(8,111)
Distribution Costs and Selling Expenses	(9,410)	(5,005)	(5,841)	(1,604)
Operating Profit	16,480	44,221	6,829	16,637
Other Income	161	313	--	230
Finance Cost	(17,398)	(5,451)	(5,627)	(5,317)
Other Charges	--	(1,954)	--	(577)
(Loss) / Profit before taxation	(757)	37,129	1,202	10,973
Taxation				
Current	(6,091)	(11,015)	(2,099)	(3,177)
Deferred	9,834	--	3,278	--
	3,743	(11,015)	1,179	(3,177)
Profit after taxation	2,986	26,114	2,381	7,796
Earning Per Share - Basic (Rupees) 10	0.87	7.60	0.69	2.27

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



Dewan Abdul Baqi Farooqui
Chief Executive



Dewan Abdul Rehman Farooqui
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND THIRD QUARTER ENDED MARCH 31, 2013**

	9 Months		3 Months	
	July to March	July to March	January to March	January to March
	2013	2012	2013	2012
	(Rupees in 000")		(Rupees in 000")	
Net profit for the period	2,986	26,114	2,381	7,796
Other comprehensive Income:				
Transfer from surplus on revaluation of property plant and equipment in respect of:				
Incremental depreciation	28,098	-	9,366	-
Related deferred tax	(9,834)	-	(3,278)	-
	18,264	-	6,088	-
Changes in fair value of available for sale investment	13,508	(10,925)	(1,589)	16,885
Total comprehensive income / (Loss) for the period	34,758	15,189	6,880	24,681

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



Dewan Abdul Baqi Farooqui
Chief Executive



Dewan Abdul Rehman Farooqui
Director