


	July to March 2014	July to March 2013
10 EARNING PER SHARE -BASIC		
Profit after Taxation	<u>4,737</u>	<u>2,986</u>
Number of Ordinary Shares	<u>3,434</u>	<u>3,434</u>
Earning Per Share - Basic (Rupees)	<u>1.38</u>	<u>0.87</u>

11 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 28, 2014 by the Board of Directors of the Company.

CONTENTS

Company Information.....	2
Directors' Report.....	3
Condensed Interim Balance Sheet.....	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Statement of Comprehensive Income.....	6
Condensed Interim Cash Flow Statement.....	7
Condensed Interim Statement of Changes in Equity.....	8
Notes to the Condensed Interim Financial Statements.....	9



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director

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, 8 th Floor, Shahrah-e-Faisal, Karachi
SHARE REGISTERED / TRANSFER AGENT	: BMF Consultants Pakistan (Private) Limited Anum Estate Building, Room No. 310 & 311, 3 rd 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

	March 31, 2014 (Un-Audited) (Rupees in "000")	June 30, 2013 (Audited)
6 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	665,464	720,329
Additions during the period / year	10,141	7,751
Surplus on revaluation of Fixed Assets	--	--
Written down value of disposals	--	(124)
Depreciation during the period / year	<u>(41,791)</u>	<u>(62,491)</u>
Closing written down value	<u>633,814</u>	<u>665,464</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	40,000
Surplus / (deficit) due to change in fair value	<u>10,257</u>	<u>10,059</u>
	<u>50,257</u>	<u>50,059</u>
Aggregate Market value (Rupees per share)	<u>2.53</u>	<u>2.52</u>
Percentage of equity held	<u>5.42%</u>	<u>5.42%</u>
	March 31, 2014 (Un-Audited) (Rupees in "000")	March 31, 2013 (Un-Audited)
8 CASH & CASH EQUIVALENTS		
Cash and Bank Balances	4,334	6,591
Short term Borrowings	<u>(93,631)</u>	<u>(21,798)</u>
	<u>(89,297)</u>	<u>(15,207)</u>
	July to March 2014 (Rupees in "000")	July to March 2013
9 RELATED PARTY TRANSACTIONS		
Sales	2,455	8,957
Purchases	21,625	15,345
Donation to Dewan Farooq Trust	2,250	2,250
Provident Fund	3,978	3,372
All transactions have been carried out on commercial terms and conditions and valued at arm's length price.		

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, 2013. except as described below:
- 3.2** IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendment that requires an entity to recognise actuarial gains and losses (renamed as remeasurements) immediately in other comprehensive income. Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss. Past service costs will be recognised in the period of a plan amendment and will no longer be spread over a future-service period.
- 3.3** Consequent to the application of amended IAS 19, the Company's policies for staff retirement benefits in respect of remeasurements and past service costs stand amended as 'past service costs and amounts arising as a result of remeasurements are recognized in balance sheet immediately with a charge or credit to other comprehensive income in the periods in which they occur.
- 3.4** The change in accounting policy has been applied retrospectively and comparative figures of balance sheets have been restated. The change resulted in increase in benefits payables and accumulated loss as of June 30, 2013 by Rs. 1.275 million (June 30, 2012: Rs. 0.112 million). The actuarial valuations are carried out on annual basis therefore the impacts on this and comparative interim condensed financial information are not quantifiable and also considered immaterial.

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.

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 nine month ended March 31, 2014, 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 highlights for the company for the nine month ended March 31, 2014 are as follows: During the period under review the company has achieved net sales of Rs.1,258.345 million as compared to the Rs.1,218.119 million of the corresponding period of the last year. Company has earned the gross profit of Rs.83.635 million as compared to the gross profit of Rs.50.321 million of the corresponding period of last year. Operating expenses have been increased by Rs.17.388 million as compared to those of the corresponding period of last year.

The company has settled with its lenders through Compromise Agreement and its loans have been rescheduled in the form of long term loan which is being paid as per agreed terms and conditions. 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.

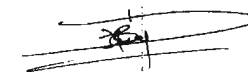
The 3rd quarter (January 14 to March-14) turned out to be the nightmare for the whole textile industry as it has resulted in operational losses due to sliding down of yarn rates. Due to pressure the company had to sell the yarn at lower rates made from expensive raw material. The management fears that the capacity utilization of the company will get affected in the coming summer due to energy shortfall. The increased energy tariff, high cost of freight, stores, spares and packing is adversely affecting the profitability of the company.

Revaluation of Pak rupees, increase in manufacturing cost, importing yarn from India are serious challenges faced by the industry. But with better fund management and good product mix your company is focused, and will bring about improved results in future also. It is matter of great satisfaction that company has honored its commitments relating to restructuring of loan.

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: April 28, 2014

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014

	March 31, 2014 (Un-Audited)	June 30, 2013 (Audited)
Notes	(Rupees in "000")	Restated
<u>EQUITY AND LIABILITIES</u>		
<u>CAPITAL & RESERVES</u>		
<u>Authorized</u>		
10,000,000 (June 30, 2013: 10,000,000) Ordinary Shares of Rs. 10/- each	100,000	100,000
Issued, Subscribed and Paid-up Capital	34,340	34,340
General Reserve - (a Revenue Reserve)	45,000	45,000
Unappropriated Profit	156,398	134,315
	235,738	213,655
Surplus on revaluation of property plant and equipment	332,728	349,875
<u>NON-CURRENT LIABILITIES</u>		
Syndicated Long Term Loan - Secured	312,053	384,065
<u>Deferred Liabilities</u>		
Provision for Staff Gratuity	23,460	23,375
Deferred taxation	91,372	100,223
	114,832	123,598
<u>CURRENT LIABILITIES</u>		
Trade and Other Payables	131,723	130,212
Mark-up accrued on loans	7,058	5,290
Current Portion of Long Term Loan	96,016	96,016
Short Term Borrowings - Secured	93,631	46,562
Provision for Income Tax	65,144	52,560
	393,572	330,641
Contingencies and Commitments	5	--
	1,388,923	1,401,834
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Property Plant and Equipment	633,814	665,464
Available for Sale Investment - at fair value	50,257	50,059
Long Term Deposits	841	841
<u>CURRENT ASSETS</u>		
Stores, Spares and Loose Tools	19,425	14,293
Stock-in-Trade	157,817	147,920
Trade Debts - Considered Good	404,273	413,040
Loans and Advances - Unsecured, Considered good	4,584	7,229
Trade Deposits, Prepayments and Statutory Balances - Considered good	38,707	35,958
Other Receivables - Unsecured, Considered good	19,232	10,972
Income Tax Refunds and Advances	55,640	46,322
Cash and Bank Balances	4,334	9,736
	704,012	685,471
	1,388,923	1,401,834

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 NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2014

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 period ended March' 31, 2014 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 & pre-nation currency and all figures have been rounded off to the nearest rupee.

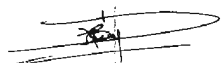
2.4 These condensed interim financial statements comprise of condensed Interim Balance Sheet as at March 31, 2014 and the condensed Interim profit and loss account, condensed Interim statement of comprehensive Income, condensed Interim statement of changes in equity and the condensed Interim cash flow statement for the nine months period ended March 31, 2014 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 March 31, 2014.

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 March 31, 2013. The comparative condensed Interim profit and loss account for the quarter ended March 31, 2013 is also included in these condensed interim financial statements, which has not been subject to a review.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2014**

	Share Capital	General Reserve	Unrealized gain / (loss) due to change in fair value of investment	Unappropriated Profit / (Loss)	Total
(Rupees)					
Balance as on July 01, 2012- AS reported	34,340	45,000	2,384	101,444	183,168
Effect of change in accounting policy	-	-	-	(112)	(112)
Total comprehensive income for the period	34,340	45,000	2,384	101,332	183,056
Balance as on March 31, 2013	34,340	45,000	15,892	122,582	217,814
Balance as on July 01, 2013	34,340	45,000	19,865	113,175	212,380
Effect of change in accounting policy-AS reported	-	-	-	1,275	1,275
Total comprehensive income for the period	34,340	45,000	19,865	114,450	213,655
Balance as on March 31, 2014	34,340	45,000	20,064	136,334	235,738

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 NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2014**

Notes	9 Months		3 Months	
	July to Mar	July to Mar	Jan to Mar	Jan to Mar
	2014	2013	2014	2013
	(Rupees in "000")		(Rupees in "000")	
Sales - Net	1,258,345	1,218,119	362,315	419,651
Cost of Sales	(1,174,710)	(1,167,798)	(352,982)	(396,379)
Gross Profit	83,635	50,321	9,333	23,272
Administrative and General Expenses	(36,170)	(24,431)	(11,748)	(10,602)
Distribution Costs and Selling Expenses	(15,059)	(9,410)	(3,440)	(5,841)
	(51,229)	(33,841)	(15,188)	(16,443)
Operating Profit	32,407	16,480	(5,855)	6,829
Other Income	-	161	-	-
Finance Cost	(23,309)	(17,398)	(10,738)	(5,627)
Workers' profit participation fund	(455)	-	-	-
Workers welfare fund	(173)	-	-	-
(Loss) / Profit before taxation	8,470	(757)	(16,593)	1,202
Taxation				
Current	(12,584)	(6,091)	(3,622)	(2,099)
Deferred	8,851	9,834	1,259	3,278
	(3,733)	3,743	(2,363)	1,179
Profit after taxation	4,737	2,986	(18,956)	2,381
Earning Per Share - Basic	1.38	0.87	(5.52)	0.69

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 NINE MONTHS & THIRD QUARTER ENDED MARCH 31, 2014**

	9 Months		3 Months	
	July to Mar	July to Mar	Jan to Mar	Jan to Mar
	2014	2013	2014	2013
	(Rupees in "000")		(Rupees in "000")	
Profit / (Loss) for the period	4,737	2,986	(18,956)	2,381
Other comprehensive Income:				
Transfer from surplus on revaluation of property plant and equipment in respect of:				
Incremental depreciation	25,980	28,098	9,078	9,366
Related deferred tax	(8,833)	(9,834)	(3,086)	(3,278)
	17,146	18,264	5,992	6,088
Changes in fair value of available for sale investment	199	13,508	(1,788)	(1,589)
Total comprehensive income / (Loss) for the period	22,082	34,758	(14,752)	6,880

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 NINE MONTHS ENDED MARCH 31, 2014**

	9 Months ended		9 Months ended	
	March'31	March'31	March'31	March'31
	2014	2013	2014	2013
	(Rupees in "000")			
CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) before Taxation	8,470	(757)		
Adjustment for Non-Cash and Other Items:				
Depreciation	41,791	46,200		
Gain on Sale of Property Plant and Equipment	--	(161)		
Provision for Gratuity	4,127	4,127		
Finance Cost	23,309	17,398		
	69,227	67,564		
Working Capital Changes	77,697	66,807		
(Increase) / Decrease in Current Assets				
Stores, Spares and Loose Tools	(5,131)	1,410		
Stock-in-Trade	(9,897)	3,535		
Trade Debts	8,767	(5,460)		
Loans and Advances	2,645	(1,636)		
Trade deposits, Prepayments & Statutory balances	(2,748)	(3,052)		
Other Receivables	(8,260)	(10,008)		
Increase / (Decrease) in Current Liabilities				
Trade Creditors, Payable & others borrowings	1,510	357		
	(13,114)	(14,854)		
Taxes Paid	(9,318)	(14,861)		
Gratuity Paid	(4,042)	(2,680)		
	(13,360)	(17,541)		
Net Cash Inflow/ (Outflow) from Operating Activities	51,223	34,412		
CASH FLOW FROM INVESTING ACTIVITIES				
Fixed Capital Expenditure	(10,141)	--		
Sale Proceed of Property Plant and Equipment	--	230		
Net Cash Inflow / (Outflow) from Investing Activities	(10,141)	230		
CASH FLOW FROM FINANCING ACTIVITIES				
Syndicated Long Term Loan	(72,012)	(24,000)		
Finance Cost Paid	(21,541)	(17,574)		
Net Cash Inflow/ (Outflow) from Financing Activities	(93,553)	(41,574)		
Net (decrease) / Increase in Cash and Cash Equivalents	(52,471)	(6,932)		
Cash and Cash Equivalents at the Beginning	(36,826)	(8,275)		
Cash and Cash Equivalents at the End	8 (89,297)	(15,207)		

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director