

	March 31, 2013 (Un-Audited)	March 31, 2012 (Un-Audited)
(Rupees in 000")		
9 Cash and Cash Equivalents		
Cash and Bank Balances	10,241	4,944
Short term Borrowings	(227,761)	(306,538)
	<u>(217,520)</u>	<u>(301,594)</u>

	July to March 2013	July to March 2012
(Rupees in 000")		
10 Related Party Transactions		
Sales	49,184	28,646
Purchases	96,745	21,861
Donation to Dewan Farooque Trust	2,250	2,250
Provident Fund	2,372	1,986

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

	July to March 2013	July to March 2012	Jan to March 2013	Jan to March 2012
(Rupees in 000")				
11 Earning Per Share -Basic				
Net Profit / (Loss) for the period (Rs in 000")	2,107	(20,412)	(11,732)	1,570
Weighted average number of ordinary shares issued during the period (Nos in 000")	5,682	5,682	5,682	5,682
Earning / (Loss) Per Share - Basic (Rs)	0.37	(3.59)	(2.06)	0.28

**12 Date of Authorization for issue**

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

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**Dewan Abdul Baqi Farooqui**  
Chief Executive



**Dewan Abdul Rehman Farooqui**  
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 Asim Mushfiq Farooqui Dewan Abdullah Ahmed Farooqui Dewan Abdul Rehman Farooqui Mr. Haroon Iqbal

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-UI-Hassan Asghar

LEGAL ADVISORS : A. K. Brohi & Co.  
Advocates

BANKERS : Habib Bank Limited  
Bank Islami Pakistan Limited  
MCB Bank Limited  
Silk Bank Limited  
Bank Al Falah Limited  
Askari Commercial 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 : G/11, S.I.T.E., Kotri, 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 material change in the contingencies and commitments since the last audited financial statements as disclosed one of the banks having a suit amounting to Rs. 167.806 million has not yet accepted the restructuring proposal and previously had filed a winding up petition under section 305 of the Companies ordinance 1984.

	March 31, 2013 (Un-Audited)	June 30, 2012 (Audited)
	(Rupees in 000 <sup>0</sup> )	
<b>6 Property, Plant &amp; Equipments</b>		
Operating Fixed Assets	6.1 <u>674,661</u>	<u>729,772</u>
	<u>674,661</u>	<u>729,772</u>
<b>6.1 Operating Fixed Assets</b>		
Opening written down value	729,772	273,322
Additions during the period / year	-	331
Surplus on revaluation	-	524,616
Written down value of disposals	-	-
Depreciation during the period / year	(55,111)	(68,497)
	<u>674,661</u>	<u>729,772</u>
<b>7 Available for sale investment - at fair value</b>		
<b>In related party (A listed associated company)</b>		
Shares in Dewan Salman Fibre Limited (Public, quoted company) 32,279,849 (June 30, 2012: 32,279,849) fully paid up ordinary shares of Rs.10/- each. (including 25,779,849 bonus shares)	65,000	65,000
Surplus / (deficit) on revaluation of investment	9,889	(12,061)
	<u>74,889</u>	<u>52,939</u>
Percentage of Holding	8.81%	8.81%
Market value (Rupees per share)	2.32	1.64

### 8 Finance Cost

Company has not made the provision of markup for the period amounting to Rs. 22.319 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 period would have been lower by Rs. 22.319 million.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2013

### 1 Corporate Information

Dewan Khalid Textile Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on April 03, 1978, under the Companies Act, 1913 (Now the Companies Ordinance, 1984) and its shares are listed on the Karachi and Lahore Stock Exchanges in Pakistan. The registered office of the company is located at Finance & Trade Center, Block A, 8th Floor, Shahrah-e-Faisal, Karachi, Pakistan; while its manufacturing facilities are located at G-11, S.I.T.E., Kotri, Sind, 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 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

During the period under review management of the company has achieved better performance that has been translated into improved results as compared to those of the last year for the same period. 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 1.06 billion as compared to Rs. 856.98 million of the corresponding period of last year. Company has earned gross profit of Rs. 37.86 million as compared to the gross profit of Rs. 25.42 million of corresponding period of last year. Operating expenses of the Company have decreased by Rs. 5.62 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.

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

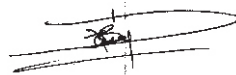
**Future Outlook**

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 29, 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	56,825	135,000	35,185	(98,732)	128,278
Total comprehensive income for the period	--	--	(17,754)	(20,412)	(38,166)
Balance as on March 31, 2012	56,825	135,000	17,431	(119,144)	90,112
Balance as on July 01, 2012	56,825	135,000	3,874	(73,667)	122,032
Total comprehensive income for the period	--	--	21,950	25,831	47,781
Balance as on March 31, 2013	56,825	135,000	25,824	(47,836)	169,813

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**

Notes	9 Months ended March 31, 2013 (Rupees in 000")	9 Months ended March 31, 2012 (Rupees in 000")
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before Taxation	(2,159)	(11,842)
<b>Adjustment for Non-Cash and Other Items:</b>		
Depreciation	55,111	20,735
Provision for Gratuity	3,150	765
Finance Cost	11,415	3,034
	<u>69,676</u>	<u>24,534</u>
<b>Working Capital Changes</b>	<u>67,517</u>	<u>12,692</u>
<b>(Increase) / Decrease in Current Assets</b>		
Stores, Spares and Loose Tools	2,510	(1,859)
Stock-in-Trade	26,817	(34,063)
Trade Debts	47,465	8,190
Loans and Advances	(10,171)	604
Trade deposits, Prepayments & Statutory balances	(1,776)	(4,091)
Other Receivables	1,711	(4,871)
<b>Increase / (Decrease) in Current Liabilities</b>		
Trade creditors, payables and other borrowings	(15,106)	75,206
	<u>51,450</u>	<u>39,116</u>
Taxes Paid	(11,717)	(6,684)
Gratuity Paid	(1,442)	(2,234)
	<u>(13,159)</u>	<u>(8,918)</u>
<b>Net Cash Inflow/ (Outflow) from Operating Activities</b>	<u>105,808</u>	<u>42,890</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed Capital Expenditure	--	(14)
<b>Net Cash Inflow/ (Outflow) from Investing Activities</b>	--	(14)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Syndicated Long Term Loan	(30,000)	--
Finance Cost Paid	(11,319)	(3,034)
<b>Net Cash Inflow/ (Outflow) from Financing Activities</b>	<u>(41,319)</u>	<u>(3,034)</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<u>64,489</u>	<u>39,842</u>
Cash and Cash Equivalents at the Beginning of the period	(282,009)	(341,436)
Cash and Cash Equivalents at the End of the period	<u>9 (217,520)</u>	<u>(301,594)</u>

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**

Notes	March 31, 2013 (Un-Audited) (Rupees in 000")	June 30, 2012 (Audited) (Rupees in 000")
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL &amp; RESERVES</b>		
<b>Authorized</b>		
15,000,000 (June 30, 2012: 15,000,000) Ordinary Shares of Rs. 10/- each	150,000	150,000
<b>Issued, Subscribed and Paid-up Capital</b>	56,825	56,825
<b>General Reserve</b>	135,000	135,000
<b>Reserves &amp; Un-appropriated loss</b>	(22,012)	(69,793)
	<u>169,813</u>	<u>122,032</u>
Surplus on revaluation of property plant and equipment	315,699	339,423
<b>NON CURRENT LIABILITIES</b>		
Syndicated Long Term Loan - Secured	163,874	227,800
<b>Deferred Liabilities</b>		
Provision for Staff Gratuity	6,765	5,057
Deferred taxation	79,163	88,738
	<u>85,928</u>	<u>93,795</u>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	229,059	244,239
Mark-up accrued on loans	19,741	19,645
Short Term Borrowings - Secured	227,761	290,593
Current portion of Syndicated Long Term Loan	74,000	40,000
Provision for Income Tax	41,689	36,380
	<u>592,250</u>	<u>630,857</u>
<b>Contingencies and Commitments</b>	5	
	<u>1,327,564</u>	<u>1,413,907</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipments	6 674,661	729,772
Available for sale investment - at fair value	7 74,889	52,939
Long Term Deposits	41	41
<b>CURRENT ASSETS</b>		
Stores, Spares and Loose Tools	13,923	16,433
Stock-in-Trade	226,979	253,796
Trade Debts - Considered Good	232,940	280,405
Loans and Advances - Unsecured, Considered good	20,262	10,091
Trade Deposits, Prepayments and Statutory Balances - Considered good	30,964	29,188
Other Receivables - Unsecured, Considered good	--	1,711
Income Tax Refunds and Advances	42,664	30,947
Cash and Bank Balances	10,241	8,584
	<u>577,973</u>	<u>631,155</u>
	<u>1,327,564</u>	<u>1,413,907</u>

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	Jan to March	Jan to March
	2013	2012	2013	2012
	(Rupees in 000")		(Rupees in 000")	
Sales - net	1,061,105	856,980	408,102	276,563
Cost of Sales	(1,023,239)	(831,557)	(404,808)	(261,130)
Gross Profit	37,866	25,423	3,294	15,433
<b>Operating Expenses</b>				
Distribution Cost and Selling Expenses	(8,672)	(7,967)	(2,746)	(1,367)
Administrative and General Expenses	(19,938)	(26,264)	(7,944)	(6,814)
	(28,610)	(34,231)	(10,690)	(8,181)
Operating Profit / (Loss)	9,256	(8,808)	(7,396)	7,252
Finance Cost	8 (11,415)	(3,034)	(3,353)	(2,916)
(Loss) / Profit Before Taxation	(2,159)	(11,842)	(10,749)	4,336
Taxation - Current	(5,309)	(8,570)	(2,042)	(2,766)
- Deferred	9,575	--	1,059	--
	4,266	(8,570)	(983)	(2,766)
Profit / (Loss) after Taxation	2,107	(20,412)	(11,732)	1,570
Earning / (Loss) Per Share - Basic (Rupees)	11 0.37	(3.59)	(2.06)	0.28

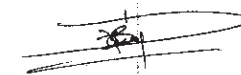
The annexed notes form an integral part of these condensed interim financial statements.



**Dewan Abdul Baqi Farooqui**  
Chief Executive



**Dewan Abdul Rehman Farooqui**  
Director



**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	Jan to March	Jan to March
	2013	2012	2013	2012
	(Rupees in 000")		(Rupees in 000")	
Net profit / (loss) for the period	2,107	(20,412)	(11,732)	1,570
<b>Other comprehensive Income:</b>				
Transfer from surplus on revaluation of property plant and equipment in respect of:				
Incremental depreciation	36,498	--	12,166	--
Related deferred tax	(12,774)	--	(4,258)	--
	23,724	--	7,908	--
Changes in fair value of available for sale investment	21,950	(17,754)	(2,583)	21,305
Total comprehensive income / (Loss) for the period	47,781	(38,166)	(6,407)	22,875

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