

	July to March 2014	July to March 2013
	(Rupees in "000")	
10 Related Party Transactions		
Sales	26,841	49,184
Purchases	55,773	96,745
Donation to Dewan Farooque Trust	2,250	2,250
Provident Fund	3,005	2,372

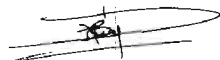
All transactions have been carried out commercial terms & conditions and valued at arm's length price.

11 Earning Per Share -Basic

	July to March 2014	July to March 2013
	(Rupees in "000")	
Net (Loss) / Profit for the period	<u>(20,716)</u>	<u>2,107</u>
Numbers of shares	<u>5,682</u>	<u>5,682</u>
(Loss) / Earning Per Share - Basic (Rs)	<u>(3.65)</u>	<u>0.37</u>

12 Date of Authorization for issue

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
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 Asim Mushfiq Farooqui Dewan Abdullah Ahmed Farooqui Dewan Abdul Rehman Farooqui Mr. Haroon Iqbal
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-UI-Hassan Aaghar
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

		March 31, 2014 (Un-Audited)	June 30, 2013 (Audited)
	Notes	(Rupees in "000")	
6 Property, Plant & Equipments			
Operating Fixed Assets	6.1	<u>612,944</u>	<u>660,147</u>
		<u>612,944</u>	<u>660,147</u>
6.1 Operating Fixed Assets			
Opening written down value		660,147	729,772
Additions during the period / year		1,450	4,285
Surplus on revaluation		-	-
Written down value of disposals		-	-
Depreciation during the period / year		<u>(48,653)</u>	<u>(73,910)</u>
		<u>612,944</u>	<u>660,147</u>
7 Available for sale investment - at fair value			
In related party (A listed associated company)			
Shares in Dewan Salman Fibre Limited (Public, quoted company)			
32,279,849 (June 30, 2013: 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		<u>16,668</u>	<u>16,345</u>
		<u>81,668</u>	<u>81,345</u>
Percentage of Holding		<u>8.81%</u>	<u>8.81%</u>
Market value (Rupees per share)		<u>2.53</u>	<u>2.52</u>
8 Finance Cost			
Company has not made the provision of markup for the period amounting to Rs. 21.806 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. 21.806 million.			
		March 31, 2014 (Un-Audited)	March 31, 2013 (Un-Audited)
		(Rupees in "000")	
9 Cash and Cash Equivalents			
Cash and Bank Balances		1,481	10,241
Short term Borrowings		<u>(293,929)</u>	<u>(227,761)</u>
		<u>(292,448)</u>	<u>(217,520)</u>

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. 2.406 million (June 30, 2012: Rs. 1.701 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.1,015.223 million as compared to the Rs.1,061.105 million of the corresponding period of the last year. Company has earned the gross profit of Rs.45.996 million as compared to the gross profit of Rs.37.866 million of the corresponding period of last year. Operating expenses have been increased by Rs.11.710 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.

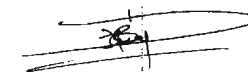
The 3rd quarter (January 14 to March-14) turned out to be the nightmare for the whole textile industry as it has resulted in operational losses due to sliding down of yarn rates. Due to pressure the company had to sell the yarn at lower rates made from expensive raw material. The management fears that 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



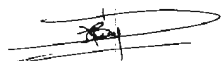
Dewan Abdul Baqi Farooqui
Chief Executive

Dated: April 28, 2014

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2014

	Notes	March 31, 2014 (Un-Audited) (Rupees in "000")	June 30, 2013 (Audited) (Rupees in "000") Restated
EQUITY AND LIABILITIES			
CAPITAL & RESERVES			
Authorized			
15,000,000 (June 30, 2013: 15,000,000) Ordinary Shares of Rs. 10/- each		150,000	150,000
Issued, Subscribed and Paid-up Capital			
General Reserve		56,825	56,825
Reserves & Un-appropriated loss		135,000	135,000
		(10,525)	(10,893)
		181,300	180,931
Surplus on revaluation of property plant and equipment		287,030	307,792
NON CURRENT LIABILITIES			
Syndicated Long Term Loan - Secured		148,070	182,240
Deferred Liabilities			
Provision for Staff Gratuity		10,717	9,561
Deferred taxation		78,810	74,185
		89,527	83,746
CURRENT LIABILITIES			
Trade and Other Payables		187,574	220,095
Mark-up accrued on loans		18,234	19,688
Short Term Borrowings - Secured		293,929	263,622
Current portion of Syndicated Long Term Loan		45,560	45,560
Provision for Income Tax		53,787	43,627
		599,084	592,591
Contingencies and Commitments	5	--	--
		1,305,011	1,347,300
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipments	6	612,944	660,147
Available for sale investment - at fair value	7	81,668	81,345
Long Term Deposits		41	41
CURRENT ASSETS			
Stores, Spares and Loose Tools		21,123	18,415
Stock-in-Trade		204,568	203,771
Trade Debts - Considered Good		296,787	289,744
Loans and Advances - Unsecured, Considered good		5,805	6,676
Trade Deposits, Prepayments and Statutory Balances - Considered good		26,405	29,172
Other Receivables - Unsecured, Considered good		1,749	1,333
Income Tax Refunds and Advances		52,440	44,685
Cash and Bank Balances		1,481	11,971
		610,358	605,767
		1,305,011	1,347,300

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 MONTH AND THIRD QUARTER ENDED MARCH 31, 2014

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 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 & presentation currency and all figures have been rounded off to the nearest thousand.

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 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	56,825	135,000	3,874	(73,667)	122,032
Effect of change in accounting policy	--	--	--	(1,701)	(1,701)
	56,825	135,000	3,874	(75,368)	120,331
Total comprehensive income for the period	--	--	21,950	25,831	47,781
Balance as on March 31, 2013	56,825	135,000	25,824	(49,537)	168,112
Balance as on July 01, 2013-As reported	56,825	135,000	32,280	(40,767)	183,338
Effect of change in accounting policy	--	--	--	(2,406)	(2,406)
	56,825	135,000	32,280	(43,173)	180,932
Total comprehensive income for the period	--	--	323	45	368
Balance as on March 31, 2014	56,825	135,000	32,603	(43,128)	181,300

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 MONTH AND THIRD QUARTER ENDED MARCH 31, 2014**

Notes	9 Months		3 Months	
	July to Mar 2014	July to Mar 2013	Jan to Mar 2014	Jan to Mar 2013
	(Rupees in "000")		(Rupees in "000")	
Sales - net	1,015,223	1,061,105	273,005	408,102
Cost of Sales	(969,227)	(1,023,239)	(279,259)	(404,808)
Gross Profit / (Loss)	45,996	37,866	(6,254)	3,294
Operating Expenses				
Distribution Cost and Selling Expenses	(10,023)	(8,672)	(3,106)	(2,746)
Administrative and General Expenses	(30,297)	(19,938)	(11,083)	(7,944)
	(40,320)	(28,610)	(14,189)	(10,690)
Operating Profit / (Loss)	5,676	9,256	(20,443)	(7,396)
Finance Cost	(11,607)	(11,415)	(5,057)	(3,353)
Profit / (Loss) Before Taxation	(5,931)	(2,159)	(25,500)	(10,749)
Taxation - Current	(10,160)	(5,309)	(2,733)	(2,042)
- Deferred	(4,625)	9,575	(13,615)	1,059
	(14,785)	4,266	(16,348)	(983)
(Loss) / Profit after Taxation	(20,716)	2,107	(41,848)	(11,732)
(Loss) / Earning Per Share - Basic	(3.65)	0.37	(7.36)	(2.06)

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 MONTH AND THIRD QUARTER ENDED MARCH 31, 2014**

	9 Months		3 Months	
	July to Mar 2014	July to Mar 2013	Jan to Mar 2014	Jan to Mar 2013
Profit / (Loss) for the period	(20,716)	2,107	(41,848)	(11,732)
Other comprehensive Income:				
Transfer from surplus on revaluation of property plant and equipment in respect of:				
Incremental depreciation	31,456	36,498	10,485	12,166
Related deferred tax	(10,695)	(12,774)	(3,565)	(4,258)
	20,761	23,724	6,920	7,908
Changes in fair value of available for sale investment	323	21,950	(2,905)	(2,583)
Total comprehensive income / (Loss) for the period	368	47,781	(37,833)	(6,407)

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**

Notes	9 Months ended	9 Months ended
	March'31 2014	March'31 2013
	(Rupees in "000")	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before Taxation	(5,931)	(2,159)
Adjustment for Non-Cash and Other Items:		
Depreciation	48,653	55,111
Workers' profit participation fund	--	--
Workers' welfare fund	--	--
Provision for Gratuity	3,150	3,150
Finance Cost	11,607	11,415
	63,410	69,676
	57,479	67,517
Working Capital Changes		
(Increase) / Decrease in Current Assets		
Stores, Spares and Loose Tools	(2,708)	2,510
Stock-in-Trade	(797)	26,817
Trade Debts	(7,043)	47,465
Loans and Advances	871	(10,171)
Trade deposits, Prepayments & Statutory balances	2,767	(1,776)
Other Receivables	(416)	1,711
Increase / (Decrease) in Current Liabilities		
Trade creditors, payables and other borrowings	(32,520)	(15,106)
	(39,848)	51,450
Taxes Paid	(7,755)	(11,717)
Gratuity Paid	(1,993)	(1,442)
	(9,748)	(13,159)
	7,885	105,808
Net Cash Inflow/ (Outflow) from Operating Activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(1,451)	--
Net Cash Inflow/ (Outflow) from Investing Activities	(1,451)	--
CASH FLOW FROM FINANCING ACTIVITIES		
Syndicated Long Term Loan	(34,170)	(30,000)
Finance Cost Paid	(13,061)	(11,319)
Net Cash Inflow/ (Outflow) from Financing Activities	(47,231)	(41,319)
Net Increase /(Decrease) in Cash and Cash Equivalents	(40,797)	64,489
Cash and Cash Equivalents at the Beginning of the period	(251,651)	(282,009)
Cash and Cash Equivalents at the End of the period	9 (292,448)	(217,520)

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



Dewan Abdul Baqi Farooqui
Chief Executive



Haroon Iqbal
Director