

Company Information

Board of Directors	:	Dewan Zia-ur-Rehman Farooqui Chairman Dewan Ghulam Mustafa Khalid Chief Executive / Managing Director Dewan Muhammad Ayub Khalid Resident Director Dewan Muhammad Yousuf Farooqui Dewan Mohammad Hamza Farooqui Dewan Abdul Rehman Farooqui Mr. Iqbal Naeem Pasha
Audit Committee	:	Dewan M. Yousuf Farooqui - Chairman Dewan M. Ayub Khalid - Member Dewan Abdul Rehman Farooqui - Member
Auditors	:	Feroze Sharif Tariq & Co. Chartered Accountants
Chief Financial Officer	:	Mr. Farrukh S. Ansari
Company Secretary	:	Syed Moonis Abdullah Alvi
Tax Advisors	:	Sharif & Company Advocates
Bankers	:	Muslim Commercial Bank Limited Citibank N.A. Habib Bank Limited Standard Chartered Grindlays Bank Union Bank Limited American Express Bank Meezan Bank Limited (Formerly Societe Generale, The French & International Bank) ABN Amro Bank United Bank Limited
Registered Office	:	Dewan Centre 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan.
Factory Office	:	H/20 & H/26, S.I.T.E., Kotri, District Dadu, Sind, Pakistan.



Directors' Report

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

BEGIN IN THE NAME OF ALLAH,
THE MOST GRACIOUS AND MERCIFUL

The board of Directors takes pleasure in presenting the Un-audited Financial statements for the half-year ended 31st March 2003.

During the period under review, your company made a net profit after tax of Rs.11.68 million as compared to the Profit of Rs..63 million for the corresponding period of the last year. Sales revenue was increased by Rs.249.16 million where as gross profit ratio was reduced from 16.52 % to 14.50% in the current period.

Your company had succeeded to earn a profit before taxation of Rs.17.71 million as compared to the profit of Rs.8.31 million in the corresponding period. This is mainly due to managements continued efforts in reducing cost, which is evident from the fact that the financial cost is reduced by 7.69% during the period under review.

The economic success of any industry depends on its competitive advantage in producing and marketing products to customers at lower cost or offering unique benefits to the buyers that justify a premium price. The management of your company is striving hard to achieve better results by curtailing its cost and getting better prices of its products.

The Board expresses its gratitude and wishes to place on record the valuable, loyal and commendable services rendered by the executives, staff members and workers of the Company.

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved Prophet, peace be upon him, for 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.

إِنِّي سَأَلْتُ رَبِّي لَسَمِيعُ الدَّعَاءِ — (القرآن)
حقیقت میں میرا رب دعا کا بڑا سننے والا ہے۔

LO-MY LORD INDEED HEARER OF PRAYER (AL-QURAN)

For and on behalf of the board of Directors

Dewan Ghulam Mustafa Khalid
Managing Director / Chief Executive
31st May, 2003

Review Report to the Members


Feroze Sharif Tariq & Co.
Chartered Accountants
4-N-4 Block-6,
P.E.C.H. Society,
Karachi

We have reviewed the annexed Balance sheet of Dewan Textile Mills Limited as at March 31, 2003, and the related Profit and loss account, Cash flow statement and Statement of Changes in Equity together with the notes forming part thereof (herein after referred to as the "financial statements"), for the half year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

The corresponding figures of the profit and loss account, cash flow statement and statement of changes in equity and the notes forming part thereof have not been reviewed.

Based on our review, except for the matter referred to in the preceding paragraph, nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.


Feroze Sharif Tariq & Co.
Chartered Accountants

Karachi: 31st May, 2003



Balance Sheet As at 31 March 2003

	Un-audited March 31, 2003	Audited September 30, 2002
(Rs. in '000')		
CAPITAL AND LIABILITIES		
Authorised Capital: 30,000,000 Ordinary Shares of Rs. 10/- each	300,000	300,000
Issued, subscribed and paid up Capital	92,238	83,853
Reserves & Surplus	622,654	619,355
	714,892	703,208
LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE	214,293	274,056
DEFERRED LIABILITY		
- Staff Gratuity	42,139	41,614
- Taxation	26,252	26,252
	68,391	67,866
CURRENT LIABILITIES		
Short Term Running Finances	1,038,385	1,076,851
Current Portion of Lease Liabilities	128,735	130,986
Creditors, Accrued Expenses & Other Liabilities	639,944	339,785
Provision for Taxation	201,192	209,906
Dividend	4,445	4,445
	2,012,701	1,761,973
	3,010,277	2,807,103
PROPERTY AND ASSETS		
TANGIBLE FIXED ASSETS		
Operating Assets	844,098	891,434
Capital work-in-progress - at cost	213,852	205,591
LONG TERM INVESTMENT	210,000	210,000
	1,059,950	1,097,025
LONG TERM DEPOSITS	21,253	39,423
CURRENT ASSETS		
Stores and Spares	32,011	32,328
Stock-in-Trade	1,101,929	849,498
Trade Debtors	247,437	261,306
Advances, Deposits, Prepayments & Other Receivables	336,159	314,526
Cash and Bank Balances	3,538	2,997
	1,721,074	1,460,655
	3,010,277	2,807,103


Dewan Ghulam Mustafa Khalid
Managing Director / Chief Executive


Dewan Abdul Rehman Farooqui
Director

Profit & Loss Account (Un-audited)
For the half year ended March 31, 2003

	Half Year Ended		Quarter Ended	
	March 31, 2003	March 31, 2002	March 31, 2003	March 31, 2002
(Rs. in '000')				
Net Sales	1,205,744	956,581	717,182	444,457
Cost of sales	1,030,911	798,544	622,864	369,947
Gross Profit	174,833	158,037	94,318	74,510
OPERATING EXPENSES				
Administrative & General Expenses	13,437	11,426	4,998	6,188
Selling and Distribution	29,955	16,473	16,088	4,223
	43,392	27,899	21,086	10,411
OPERATING PROFIT	131,441	130,138	73,232	64,099
OTHER CHARGES				
Financial Charges	111,696	121,004	58,434	59,265
Donation	720	222	720	25
Worker's Profit Participation Fund	951	446	715	241
Workers Welfare fund	361	156	267	80
	113,728	121,828	60,136	59,611
Profit / (Loss) Before Taxation	17,713	8,310	13,096	4,488
Provision For Taxation	6,029	7,680	3,586	6,419
Profit / (Loss) After Taxation	11,684	630	9,510	(1,931)
Unappropriated Profit Brought Forward	277,970	277,707	280,144	280,268
Unappropriated Profit Carried Forward	289,654	278,337	289,654	278,337


Dewan Ghulam Mustafa Khalid
Managing Director / Chief Executive


Dewan Abdul Rehman Farooqui
Director



Cash Flow Statement (Un-audited) For the half year ended March 31, 2003

	March 31, 2003	September 30, 2002
	(Rs. in '000')	
Cash Flow from Operating Activities		
Profit / (loss) before taxation	17,713	8,310
Adjustment for non-cash & other items:		
Depreciation	47,423	33,568
Provision for gratuity	5,219	2,822
Financial charges	111,696	121,004
	<u>182,051</u>	<u>165,704</u>
Change in Operating Assets & Liabilities		
Stores & spares	317	3,630
Stock in trade	(252,431)	(520,423)
Trade debtors	13,868	(8,196)
Advances, Deposits, Prepayments & Other Receivables	(13,669)	(31,273)
Short Term Running Finance	(38,466)	120,116
Creditors Accrued & Other Liabilities	297,461	439,904
	<u>7,080</u>	<u>3,758</u>
Taxes paid	(22,708)	(11,994)
Gratuity paid	(4,694)	(4,031)
	<u>(27,402)</u>	<u>(16,025)</u>
Net cash flow from operating activities	161,729	153,437
Cash Flow from Investing Activities		
Fixed Capital Expenditure	(8,347)	(26,178)
Long term deposits	18,170	(15,206)
Net cash flow from investing activities	9,823	(41,384)
Cash Flow from Financing Activities		
Repayment of lease liabilities	(62,014)	25,424
Financial charges paid	(108,997)	(127,485)
	<u>(171,011)</u>	<u>(102,061)</u>
Net (decrease) / Increase in cash and bank balance	541	9,992
Cash and bank balances at beginning of the year	2,997	1,173
Cash and bank balances at end of the year	<u>3,538</u>	<u>11,165</u>


Dewan Ghulam Mustafa Khalid
Managing Director / Chief Executive


Dewan Abdul Rehman Farooqui
Director

Statement of Changes in Equity (Un-audited) For the half year ended March 31, 2003

	Share Capital	General Reserve	Reserve for Bonus Shares	Un-appropriated Profit	Total
	(Rs. in '000')				
Balance as on 30th September, 2001	83,853	333,000	-	277,707	694,560
Net Profit for the period	-	-	-	630	630
Balance as on 31st March, 2002	83,853	333,000	-	278,337	695,190
Net Profit for the period	-	-	-	12,211	12,211
Cash Dividend	-	-	-	(4,193)	(4,193)
Bonus shares	-	-	8,385	(8,385)	-
Balance as on 30th September, 2002	83,853	333,000	8,385	277,970	703,208
Net Profit for the period	-	-	-	11,684	11,684
Bonus shares	8,385	-	(8,385)	-	-
Balance as on 31st March, 2003	92,238	333,000	8,385	289,654	714,892

Notes to the Accounts

1. These financial statements have been prepared in accordance with the requirements of International Accounting Standard -34 (IAS-34) 'Interim Financial Reporting'.
2. These financial statements are being submitted to the shareholders in compliance with the provisions of section 245 of the Companies Ordinance, 1984.
3. The accounting policies and methods of computation followed in the preparation of half yearly financial statements are the same as those of published annual financial statements for the year ended 30th September, 2002.
4. Figures have been rounded off to the nearest thousand rupees.
5. Previous year's figures have been re-arranged, wherever necessary, to facilitate comparison.
6. There is no significant change in the Contingencies and Commitments during the period.



 Dewan Ghulam Mustafa Khalid
 Managing Director / Chief Executive



 Dewan Abdul Rehman Farooqui
 Director