



organic yarn
CU 815709
Din Textile Mills Ltd.
Pakistan



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CORPORATE INFORMATION

Board of Directors

Shaikh Mohammad Muneer	Chairman
Shaikh Mohammad Pervez	Director
Shaikh Muhammad Tanveer	Chief Executive
Shaikh Mohammad Naveed	Director
Mr. Faisal Jawed	Director
Mr. Farhad Shaikh Mohammad	Director
Mr. Abdul Razzak Tarmuhammad	Director

Company Secretary

Mr. Islam Ahmed

Chief Financial Officer

Mr. Shaukat Hussain Ch.
(ACA, FPFA, CFC)

Auditors

Mushtaq & Co.,
Chartered Accountants

S Allied Bank Ltd.
r Bank Alfalah Limited Islamic
e Bank Al-Habib Ltd.
k Dubai Islamic Bank Pakistan Ltd.
n Habib Bank Ltd.
a Habib Metropolitan Bank Ltd.
n MCB Bank Ltd.
a Meezan Bank Ltd.
n National Bank of Pakistan
b Standard Chartered Bank (Pakistan) Ltd.
b The Bank of Punjab

Audit Committee

Mr. Abdul Razzak Tarmuhammad	Chairman
Shaikh Mohammad Pervez	Member
Mr. Farhad Shaikh Mohammad	Member

Human Resource and Remuneration Committee

Shaikh Mohammad Pervez	Chairman
Shaikh Muhammad Tanveer	Member
Mr. Abdul Razzak Tarmuhammad	Member

Registered Office

Din House, 35-A/1, Lalazar Area,
Opp: Beach Luxury Hotel, M. T. Khan Road, Karachi.

Mills

Unit-I and II: Kot Akbar Khan, 70 Km Multan Road, Tehsil Pattoki, District Kasur, Punjab.
Unit-III: Revenue Estate, Bhai Kot, Tablighi Chowk, Raiwind Road, Tehsil and District
Lahore - Punjab.
Unit-IV: Dars Road, Off Raiwind Manga Road, Bachuki Majha Distt. Kasur.

Website

www.dingroup.com

DIRECTORS' REPORT

Dear shareholders

In the name of Allah, the most beneficent the most merciful,

The Board of Directors take great privilege to present the un-audited financial statements of the Company along with observation on the performance of the Company for the 1st Quarter ended Sep 30, 2015 in compliance with requirements of the section 245 of the Companies Ordinance, 1984.

Financial Results

During the 1st quarter ended under review, the operational results of the company are as follows:

		30-Sep-15	30-Sep-14	Inc. / (Dec.) % age
Sales	Rupees in '000'	1,809,633	2,445,603	(26)
Gross Profit	Rupees in '000'	108,090	86,456	25
Pre-tax Profit / (Loss)	Rupees in '000'	16,839	(76,074)	(122)
After Tax Profit / (Loss)	Rupees in '000'	7,176	(166,680)	(104)
Gross Profit	Percentage	5.97	3.54	
After Tax Profit / (Loss)	Percentage	0.40	(6.82)	
Earning / (Loss) per share	Rupees	0.32	(7.43)	

During the 1st Quarter ended review the company shown profitability inspite of confronted many challenges viz a viz persistent energy crisis ,GIDC along with high cost of Production which was almost procured before revaluation of Pak currency and depressed international markets.

General Market Conditions

Spinning is the foundation process and all the subsequent value additions, that is weaving ,knitting, processing, garments and made-up,depend upon the initial process of the spinning of yarn. The domestic cotton market has mostly remained slow and subdued during the past couple of weeks. An estimated 15,000 bales of new crop cotton (August 2015 / July 2016) has been pressed by the ginners, mostly from Sindh but also from Punjab, which has been practically sold out to the mills. Reports indicate that sowing of the new crop in Pakistan has been good and hot weather in the previous weeks has been helpful so that the quality of lint has been of good grade.

The energy situation in Punjab remain erratic and power shortages continue to persist. Mill have resorted to alternate generation at much higher costs increasing our operating costs. Gas availability in both Punjab and Sindh remain restricted in varying degrees. With the continue decline in oil prices, our self generation on furnace oil and diesel has become more viable and we hope that the government will also move to reduce tariffs on electricity through the national grid.

Future Outlook

The pakistani government have been taken to facilitate local manufacturers and supply chain of the textile sector. It has been decided that regulatory duty @ 10 percent shall be levied on the import of cotton yarn and grey & processed fabric.

Export Re-financing facility (ERF) rate shall be reduced by 1 percent (100 basis points). Thirdly, ginning and spinning sectors shall qualify for Long Term Finance Facility (LTFF). Unprecedented rains and floods have destroyed the infrastructure and badly affected the agricultural crops. This disaster will be major setback for the struggling economy of the Country. The Government will be facing another challenge to rehabilitate the flood victims along with energy crisis and law & order situation. The recent drastic downward trend in New York and China cotton future has completely disturbed the cotton economy of the world. Moreover, on the international front textile sector is facing very tough time due to abrupt changes in policy by China on raw cotton and allied products. Pakistan textile industry and cotton sector as a whole seems under difficult situation, when, other world including USA and China subsidize their farmers and industry whereas no such policy exists in our country. Thus it is necessary the Government should intervene and support the industry and cotton economy as whole.

Pakistan and Russia on Friday signed an Inter-Governmental Agreement (IGA) for construction of 1,100 kilometers-long gas pipeline, costing \$2 billion from Karachi to Lahore for transportation of imported Liquefied Natural Gas (LNG). Federal Minister for Petroleum and Natural Resources Shahid Khaqan Abbasi and Russian Energy Minister Alexander Novak signed the agreement. Prime Minister Nawaz Sharif along with other senior government officials of two sides witnessed the agreement signing ceremony. The pipeline will transport 12.4 billion cubic feet of LNG per annum, of which half would be used to generate 3,600 Megawatts of electricity, while the rest would be supplied to CNG, fertiliser and industrial sectors of Punjab. In order to deal with a severe gas shortage, Pakistan has constructed first LNG terminal at Port Qasim, Karachi, with a capacity to handle up to 600 Million Cubic Feet per Day (MMCFD) of LNG, while another terminal will be completed by 2017 with a capacity to handle 500 MMCFD of LNG. The 1,100 km-long pipeline will be dedicated for the transportation of LNG from Karachi to Lahore .

A package for textile sector has been announced to provide reliefs most notably including conditional drawback of local taxes and levies to exporters, fast track reimbursement system for refund of taxes for manufacturer-cum exporters, predictable tariff regime for foreseeable future, Long term financing facility at 9 % for up gradation of technology and two years extension in the tax free imports of machinery under textile policy. Markup on Export Refinance Scheme is proposed to be reduced to 7.5 % from 9.4%. Government targets to invest PKR 42 billion on water and PKR 205 billion on several power projects this year, with another USD 700 million to be received from World Bank as financing towards Dasu Hydro Power Project. The completion of the pipeline will not only help generation of 3,600 MW of power in Punjab but will also help in making operational the shutdown fertiliser plants, restoration of world's largest CNG sector.

Under these very difficult challenges the directors of the company remain hopeful that the energy crisis will be arrested, and is putting its best effort to maximize company profit for remaining period of the financial year and is positive of better result in the remaining months and hope to maximize the profitability of the company.

Acknowledgment

The directors commenced the resilience, commitment and drive of our personnel shown through, the quarter ended September 2015. The directors appreciate the efforts of our employees, customers, suppliers and all other stake holders in supporting the company through difficult times in its journey of progress and growth.

The board also wishes to place in record the appreciation to all banks of continued support to the company with zeal and dedication. The directors appreciate the hard work and commendable services rendered by staff and workers of the company.

On behalf of the Board of Directors

Karachi:

Dated : October 26, 2015

SHAIKH MUHAMMAD TANVEER
Chief Executive

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ACCOUNTS

Financial Statements (Un-Audited)
1st Quarter ended September 30, 2015



DIN TEXTILE MILLS LTD.

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**Condensed Interim
Balance Sheet (Un-Audited)
as at September 30, 2015**

(Amounts in Thousand)

		(Un-audited) 30-Sep-15 Rupees	(Audited) 30-Jun-15 Rupees
	Note		
NON CURRENT ASSETS			
Property, plant and equipment	5	2,664,919	2,611,547
Long term deposits		14,742	14,943
Deferred tax assets		99,773	102,944
		2,779,434	2,729,434
CURRENT ASSETS			
Stores, spare parts and loose tools		191,456	224,443
Stock in trade	6	937,494	1,166,746
Trade debts		923,405	866,157
Loans and advances		92,045	34,648
Trade deposits and short term prepayments		1,741	1,540
Other receivables		42,429	38,309
Tax refunds due from The Government		486,660	480,752
Cash and bank balances		61,085	36,720
		2,736,315	2,849,315
CURRENT LIABILITIES			
Trade and other payables		1,471,729	1,554,288
Accrued mark up / interest		48,364	39,760
Short term borrowings		907,685	963,952
Current portion of			
Long term financing from banking companies - secured		378,693	322,464
Liabilities against assets subject to finance lease		3,909	4,166
		2,810,380	2,884,630
WORKING CAPITAL			
		(74,065)	(35,315)
TOTAL CAPITAL EMPLOYED			
		2,705,369	2,694,119
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		867,323	865,601
Liabilities against assets subject to finance lease		2,128	2,805
Deferred liabilities			
Staff retirement benefits - gratuity		107,111	104,081
		976,562	972,487
CONTINGENCIES AND COMMITMENTS			
	7		
Net Worth		1,728,807	1,721,632
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
77,100,000 ordinary shares of Rs. 10/- each		771,000	771,000
Net Worth Represented by:			
Issued, subscribed and paid up capital			
22,421,688 ordinary shares of Rs. 10/- each	8	224,217	224,217
Reserves		1,504,590	1,497,415
		1,728,807	1,721,632

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

Karachi:
Dated : October 26, 2015

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MUHAMMAD TANVEER
Chief Executive

**Condensed Interim
Profit and Loss Account (Un-Audited)
for the 1st Quarter ended September 30, 2015**

(Amounts in Thousand except earning per share)

	Note	30-Sep-15 Rupees	30-Sep-14 Rupees
Sales		1,809,633	2,445,603
Cost of sales		(1,701,543)	(2,359,147)
Gross Profit		108,090	86,456
Distribution cost		(13,131)	(27,933)
Administrative expenses		(33,523)	(35,792)
Other operating expenses		(1,059)	-
Finance cost		(43,550)	(99,030)
		(91,263)	(162,755)
		16,827	(76,299)
Other operating income		12	225
Profit / (Loss) before taxation		16,839	(76,074)
Provision for taxation		(9,663)	(90,606)
Profit / (Loss) for the period		7,176	(166,680)
Earning / (Loss) per share - basic (Rupee per share)	9	0.32	(7.43)

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

Karachi:
Dated : October 26, 2015

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MUHAMMAD TANVEER
Chief Executive

**Condensed Interim
Statement of Comprehensive Income (Un-Audited)
for the 1st Quarter ended September 30, 2015**

(Amounts in Thousand)

	30-Sep-15 Rupees	30-Sep-14 Rupees
Profit / (Loss) for the period	7,176	(166,680)
Other comprehensive income for the period	-	-
Total comprehensive Income / (Loss) for the period	7,176	(166,680)

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

Karachi:
Dated : October 26, 2015

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MUHAMMAD TANVEER
Chief Executive

**Condensed Interim
Cash Flow Statement (Un-Audited)
for the 1st Quarter ended September 30, 2015**
(Amounts in Thousand)

	30-Sep-15 Rupees	30-Sep-14 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	16,839	(76,074)
Adjustments for		
Depreciation	63,282	62,773
Staff retirement benefits - gratuity	10,410	12,387
Workers' profit participation fund	886	-
Finance cost	43,550	99,030
Loss / (Gain) on disposal of property, plant and equipment	164	(5)
	118,292	174,185
Profit before working capital changes	135,131	98,111
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	32,987	(14,769)
Stock in trade	229,252	161,149
Trade debts	(57,248)	144,774
Loans and advances	(57,397)	(12,486)
Trade deposits and short term prepayments	-	150
Other receivables	(4,120)	1,948
	143,474	280,766
Decrease in current liabilities		
Trade and other payables	(89,231)	(88,487)
Cash generated from operations	189,374	290,390
Finance cost paid	(34,946)	(73,208)
Taxes paid	(6,450)	(39,115)
Dividend paid	(165)	(68)
Staff retirement benefits - gratuity paid	(7,379)	(4,162)
Net cash generated from operating activities	140,434	173,837
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,403	119
Fixed capital expenditure	(119,222)	(611)
Long term deposits	-	3,164
Net cash (used) in / Generated from investing activities	(116,819)	2,672
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	57,951	(3,028)
Liabilities against assets subject to finance lease	(934)	(15,535)
Net cash generated from / (used) in financing activities	57,017	(18,563)
Net increase in cash and cash equivalents	80,632	157,946
Cash and cash equivalents at the beginning of the period	(927,232)	(686,833)
Cash and cash equivalents at the end of the period	(846,600)	(528,887)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	61,085	63,582
Short term borrowings	(907,685)	(592,469)
	(846,600)	(528,887)

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

Karachi:
Dated : October 26, 2015

SHAIKH MOHAMMAD MUNEEB
Chairman

SHAIKH MUHAMMAD TANVEER
Chief Executive

**Condensed Interim
Statement of Changes in Equity (Un-Audited)
for the 1st Quarter ended September 30, 2015**

(Amounts in Thousand)

Particulars	Share capital	Reserves			Total
		Revenue		Sub total	
		General	Unappropriated profit		
Rupees					
Balance as at July 01, 2014	224,217	400,000	1,281,230	1,681,230	1,905,447
Total comprehensive loss for the 1st quarter ended September 30, 2014	-	-	(166,680)	(166,680)	(166,680)
Balance as at September 30, 2014	224,217	400,000	1,114,550	1,514,550	1,738,767
Balance as at July 01, 2015	224,217	400,000	1,097,414	1,497,414	1,721,631
Total comprehensive income for the 1st quarter ended September 30, 2015	-	-	7,176	7,176	7,176
Balance as at September 30, 2015	224,217	400,000	1,104,590	1,504,590	1,728,807

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

Karachi:
Dated : October 26, 2015

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MUHAMMAD TANVEER
Chief Executive

**Selected Notes to the
Condense Interim Financial Statements (Un-Audited)
for the 1st Quarter ended September 30, 2015**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The company is limited by shares, incorporated in Pakistan on June 13, 1988 and is quoted on stock exchanges at Karachi and Lahore. The registered office of the company is situated at 35-A/1, Lalazar area, opposite Beach Luxury Hotel, M. T. Khan road, Karachi in the province of Sind, Pakistan.
- 1.2 The principal business of the company is to manufacture and sale of yarn. The manufacturing units are located at Pattoki and Raiwind in the province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

These condensed interim financial information are being submitted to the shareholders as required by the Listing regulations of Karachi and Lahore Stock Exchange and section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the selected notes for the 1st quarter ended September 30, 2015 which have not been audited.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation which have been used in the preparation of these condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2015.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of these condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2015.

4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30-Sep-15	30-Jun-15
		-----Rupees in '000'-----	
Operating assets	5.1	2,655,158	2,603,759
Capital work in progress - at cost	5.2	9,761	7,788
		2,664,919	2,611,547

5.1 The cost of additions and deletions to property, plant and equipment during the 1st Quarter ended were as follows.

	30-Sep-15		30-Sep-14		
	Acquisition	Disposal	Acquisition	Disposal	
		-----Rupees in '000'-----		-----Rupees in '000'-----	
Owned Assets					
Plant and machinery	115,264	(3,650)	-	-	
Electric installation	1,514	-	-	-	
Furniture and fixture	361	-	-	-	
Office equipment	110	-	-	-	
Vehicles	-	(2,934)	-	(675)	
	117,249	(6,584)	-	(675)	

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-15	30-Jun-15
	-----Rupees in '000'-----	
Plant and machinery	464	-
Electric Installation	9,297	7,788
	9,761	7,788

6 STOCK IN TRADE

- 6.1 Finished goods amounting to Rs. 88,559,988 (June 30, 2015 : Rs. 53,115,773) stated at their net realizable value aggregating Rs.83,385,887 (June 30, 2015 : Rs. 49,119,629). The amount charged to profit and loss in respect of stocks written down to their net realizable value is Rs. 5,174,101 (June 30, 2015 : Rs. 3,996,144).

7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements except as disclosed in note 7.1, 7.2 and 7.3 respectively.

- 7.1 The Company has issued post dated cheques amounting to Rs. 102.88 million (June 30, 2015: Rs. 94.95 million) in favor of Collector of Customs in lieu of custom levies against various statutory notification. The indemnity bonds furnished by the company are likely to be released after the fulfillment of term of related SROs.

	(Un-audited)	(Audited)
	30-Sep-15	30-Jun-15
	-----Rupees in '000'-----	

7.2 Contingencies

Bills discounted with recourse	168,987	124,864
Bank guarantees issued in ordinary course of business	158,911	148,911

7.3 Commitments

Letters of credit for capital expenditure	106,733	97,374
Letter of credit for raw material	49,471	61,332
Letter of credit for stores and spares	5,542	72,842

8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

				(Un-audited)	(Audited)
30-Sep-15	30-Jun-15			30-Sep-15	30-Jun-15
Number of shares		-----Rupees in '000'-----			
		Ordinary shares of Rs. 10 each allotted for consideration paid in cash			
13,479,600	13,479,600			134,796	134,796
		Ordinary shares of Rs. 10 each allotted for consideration of amalgamation of power plant			
1,962,334	1,962,334			19,623	19,623
		Ordinary shares of Rs. 10 each allotted as fully paid bonus shares			
6,979,754	6,979,754			69,798	69,798
22,421,688	22,421,688			224,217	224,217

8.1 Associated company (Din Leather (Pvt.) Limited) held 7,260 (June 30, 2015 : 7,260) ordinary shares of the company.

8.2 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

9 EARNING / (LOSS) PER SHARE - BASIC (RUPEE PER SHARE)

	30-Sep-15	30-Sep-14
	-----Rupees in '000'-----	
Profit / (Loss) for the period	7,176	(166,680)
Weighted average number of ordinary shares outstanding during the period	22,421,688	22,421,688
Earning / (Loss) per share - basic (Rupee per share)	0.32	(7.43)

9.1 There is no dilutive effect on the basic earnings per share of the company.

10 TRANSACTIONS WITH RELATED PARTIES

	(Un-audited)	(Un-audited)
	30-Sep-15	30-Sep-14
	-----Rupees in '000'-----	

Transactions with related parties	Relationship		
MCB Bank Limited	Associated company		
Deposits		5	70,866
Withdrawals		139	88,807
Din Farm Product (Pvt) Ltd	Associated company		
Reimbursement of Expenses		132	-
Din Leather (Pvt) Limited	Associated company		
Reimbursement of Expenses		336	631
Din Industries Ltd	Associated company		
Reimbursement of Expenses		198	-
Salaries and other employees benefits	Key management personnel	27,939	28,348
Staff retirement benefits	Key management personnel	1,272	1,346

	(Un-audited)	(Audited)
	30-Sep-15	30-Jun-15
	-----Rupees in '000'-----	

Balances outstanding at the period end

MCB Bank Limited	1,091	1,225
Din Farm Products (Pvt) Ltd	26	47
Din Leather (Pvt) Ltd.	-	130
Din Industries ltd	130	71

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 26, 2015 by the board of directors of the company.

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

Karachi:
Dated : October 26, 2015

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MUHAMMAD TANVEER
Chief Executive

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