

Din[®]

Din Textile Mills Ltd.



DIN GROUP

2016-2017
Half Yearly Accounts
December 31, 2016
(Un-Audited)

www.jamapunji.pk



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📊 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- ?? FAQs Answered

- 📈 Stock trading simulator
(based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

jamapunji.pk

@jamapunji_pk

*Mobile apps are also available for download for android and ios devices



organic yarn
CU 813709
Din Textile Mills Ltd.
Pakistan



Tested for harmful substances
according to Oeko-Tex® Standard 100
2556CIT



Tested for harmful substances
according to Oeko-Tex® Standard 100
2011PK0081



CONTENTS

Corporate Information	02
Directors' Report	03
Directors' Report (Urdu)	9
Auditors' Report to the Members on Review of Condensed Interim Financial Information	13
Condensed Interim Balance Sheet	14
Condensed Interim Profit & Loss Account	15
Condensed Interim Statement of Comprehensive Income	16
Condensed Interim Cash Flow Statement	17
Condensed Interim Statement of Changes in Equity	18
Selected Notes to the Condensed Interim Financial Information	19

CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Islam Ahmed

Chief Financial Officer

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

Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

- ₹ Allied Bank Limited
- Bank Alfalah Limited
- Ⓡ Bank Al-Habib Ltd.
- Ⓔ Dubai Islamic Bank Pakistan Ltd.
- Habib Bank Ltd.
- Ⓚ Habib Metropolitan Bank Ltd.
- Ⓜ MCB Bank Ltd.
- Ⓝ Meezan Bank Ltd.
- Ⓐ National Bank of Pakistan
- Standard Chartered Bank (Pakistan) Ltd.
- Ⓛ The Bank of Punjab

Audit Committee

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

Human Resource and Remuneration Committee

Shaikh Mohammad Pervez	Chairman
Mr. Fawad Jawed	Member
Mr. Abdul Razzak	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

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL

All the praises and thanks be to Allah, the Lord of the 'Alamin

(mankind, jinns and all that exists).

DIRECTORS' REPORT

Dear Shareholders

The Board of Directors present the un-audited financial information of the Company for the half year ended Dec 31, 2016, are hereby presented to you in compliance with requirements of the Companies Ordinance, 1984.

Financial Results

During the half year ended under review, your company has shown down trend as compare to previous half year ended:

		Half Year Ended		
		31-Dec-16	(Restated) 31-Dec-15	Inc. / (Dec.) % age
Sales	Rupees in '000'	3,812,677	3,692,118	3
Gross Profit	Rupees in '000'	248,706	295,940	(16)
Pre-tax Profit	Rupees in '000'	30,156	90,652	67
After Tax Profit	Rupees in '000'	24,533	61,293	60
Gross Profit	Percentage	6.52	8.02	
After Tax Profit	Percentage	0.64	1.66	
Earning per share	Rupees	1.09	2.73	

The results of the company has been distributed due to power crises, rises in salaries & wages as per government policies, increase in traffic of gas, decrease in yarn selling prices and higher freight & transportation cost. Increased cost of production remain the ongoing energy crises and lower market demand which have resulted in under utilization of installed capacities.

General Market Conditions

The textiles sector in Pakistan has remained stagnant over the last decade due to a number of exogenous and indigenous factors such as subsidies given to cotton farmers and other textiles products by several countries which distort prices, marketing constraints, global recession, and increasingly stringent buyers conditionalities.

On the domestic side, cotton production has remained stagnant at about 13 million bales per annum, and the resistance to grading and standardization of cotton bales by ginner and spinners. Cotton is a principal contributor to our economy. The production and processing of cotton employs more than 10 million people and generates billions of dollars in economic activity as it moves from production at the farm level through processing and retail. Pakistan being the fourth largest producer and third largest consumer of cotton in the world has an immense comparative advantage that needs to be converted into sustainable competitive advantage.

APTMA (All Pakistan Textile Mills Association) has welcomed the Rs 180 billion package to boost the country's export sector. The package includes tax-free import of cotton and man-made fibre and duty drawback on exports of fabrics, made-ups and garments against realization of import

proceeds. The package would boost Pakistan's exports and positive results would be visible in the next six months.

Under the Rs 180 billion package, duty drawback on exports have been announced at 4 percent on greige fabric, 5 percent on processed fabric, 6 percent on home textile made-ups, and 7 percent on garments against realization of import proceeds. The package also abolishes sales tax levied on import of textile machinery.

Pakistan mainly depends upon oil and gas resources to fulfill energy requirements. Indigenous resources of oil are not enough to quench energy thirst of a growing economy. As a result Pakistan has to import large quantity of oil and oil based products from Middle East countries especially from Saudi Arabia. Textile exports of the country recorded a major declining trend. The main reason of this situation is the high cost of doing business as compared to our competitors in the international markets.

Textile Industry in Pakistan is facing problems like high cost of energy, heavy taxes, high value of Pak Rupee, intense competition from India and China because of getting subsidies from their Governments and dumping of smuggled yarn and fabric into local markets. Further the Textile Industry is persistently facing the liquidity crunch as major refunds are still unpaid and billions of rupees are stuck up in Sales tax and Income tax refunds.

Future Outlook

Pakistan is generating electricity from existing nuclear power plants at KANNUP (137 MW), Chashma-I (325 MW) and Chashma-II (325 MW). Constructions of additional power plants have started at Chashma-III (340 MW) and IV (340 MW). The construction of K-3 (1,100 MW) and K-4 (1,100 MW), at Karachi Nuclear Power Plants (KANUPP) is also under progress; both projects are likely to be completed by 2019. K-3 and K-4 projects are financed by China's Exim Bank and Pakistan. The Karachi and Chashma Nuclear Power Plants would produce 2,880 MW of additional electricity by 2017-18. Electricity generation through nuclear source would contribute to meeting the country's pressing energy needs.

Pakistan is facing electricity crisis. Besides the low generating capacity, the lack of maintenance of public-owned power plants and under investment in the energy sector, partly implemented policies together with structural reforms are one of the most acute elements of the energy crisis. Pakistan's energy production is not sufficient to meet current and future demand. According to the previous estimates of the government, \$10 billion are needed to fill the gap between current supply and demand for electricity. In addition, no less than a \$30 billion investment will be required for tackling the future energy needs in the long run. If around 33 percent of the total population of Pakistan, which does not have access to the national electric grid system, gets access, the current situation will only deteriorate, unfortunately. They have to rely on energy sources and supply being produced by themselves. However, their demand can only increase, causing a greater load.

The textile industry argues that energy cost forms 30pc of the conversion cost in spinning, weaving and finishing. Nearly doubling this energy cost to 70pc of installed capacity renders it uncompetitive and unviable and has lead to large scale closures, increased unemployment and

resulted in precipitous drop in exports. According to them, more than 70 textile factories have been shut down and if the momentum continues more closures could be feared in the summer, with some even relocating to other provinces. Energy shortages cost the country around two percent of the annual GDP and constant decrease in economic growth. The effects of the energy crisis on businesses are augmented by shortages of indigenous gas supply. And, the cost of energy shortfall reflects in low production, decrease in foreign production orders, together with exports. Not only have small and medium enterprises within the cottage industry been affected by the energy shortages but also large manufacturing units, which have their own facility of energy production through thermal power plants.

There are some of the steps to be taken by the state specifically as well as by the general public. We need to eliminate electricity theft. The country should heavily rely on renewable and cheap indigenous energy resources instead of highly priced and imported oil-based generation of electricity. Distribution losses, which are one of the world's highest in Pakistan, must be eliminated. Coal-based generation, which accounts for around 70 percent and 80 percent in China and India respectively, generating power through coal must be adopted immediately in Pakistan. Finally, power plants owned by the government and operating below their designed capacities should be utilized to their fullest capacity.

The management foresees the demand of yarn will be better in the remaining period of this year but other factors such as raw material quality & rate, power shortage, law & order situation and other input cost will remain challenges for the industry.

Acknowledgment

In the end, the directors wish to appreciate the support extended by all the bankers, advisors, technical staff and hard work of employees of the company in the growth of the company's business.

The company will put its best endeavor to bring better results in forthcoming quarters. We pray to almighty Allah for the continued showering of his blessing, guidance, strength and health to us, our company, country and nation. We also pray to Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah (Ameen).

Karachi:

Dated : February 24, 2017

On behalf of the Board of Directors

Shaikh Mohammad Pervez

Director

انتظامیہ نے پیش گوئی کی ہے کہ یارن کی طلب اس سال کی باقی مدت میں بہتر ہوگی لیکن دیگر عوامل جیسے کہ خام مال کا معیار اور شرح بچگی کی قلت، امن وامان کی صورتحال اور دیگر پیداواری لاگت صنعت کے لئے چیلنجز رہیں گے۔

اظہار تشکر

آخر میں، ڈائریکٹرز تمام بینکاروں، مشیروں، تکنیکی عملے کی حمایت اور کمپنی کے کاروبار کی ترقی میں کمپنی کے ملازمین کی سخت محنت کا شکریہ ادا کرتے ہیں۔ کمپنی آئندہ سہ ماہیوں میں بہتر نتائج لانے کے لئے اپنی بہترین کوشش کرے گی۔ ہم اللہ تعالیٰ سے دعا گو ہیں کہ ہمیں، ہماری کمپنی، ملک اور قوم کو ہمیشہ اپنی نعمت، رہنمائی، طاقت اور صحت عطا کرے۔ ہم اللہ سے یہ بھی دعا کرتے ہیں کہ امت مسلمہ کی تمام اسلامی روح کو حقیقی اسلامی روح میں امن، ہم آہنگی، بھائی چارہ اور اتحاد پیدا فرما۔

منجانب بورڈ آف ڈائریکٹرز

شیخ محمد پرویز

ڈائریکٹر

کراچی:

تاریخ: 24 فروری 2017ء

پاکستان مالی مدد فراہم کر رہے ہیں۔ کراچی اور چشمہ نیوکلیئر پاور پلانٹس 2017-18 تک 2,880 MW اضافی بجلی پیدا کریں گے۔ نیوکلیئر ذرائع سے بجلی کی پیداوار ملک کی توانائی کی ضروریات پورا کرنے میں اہم کردار ادا کرے گا۔

پاکستان کو بجلی کے بحران کا سامنا ہے۔ کم پیداواری صلاحیت کے علاوہ، عوامی ملکیت والے بجلی گھروں کی بحالی اور توانائی کے شعبے میں سرمایہ کاری کی کمی، ساختی اصلاحات سے منسلک لاگو جزوی پالیسیاں توانائی کے بحران کے سب سے شدید عناصر میں سے ایک ہیں۔ پاکستان کی توانائی کی پیداوار موجودہ اور مستقبل کی ضروریات کو پورا کرنے کے لئے کافی نہیں ہے۔ حکومت کے پچھلے تخمینوں کے مطابق، بجلی کی موجودہ سپلائی اور طلب کے درمیان خلا کو پر کرنے کے لئے \$10 بلین کی ضرورت ہے۔ اس کے علاوہ طویل مدت کے لئے مستقبل کی توانائی کی ضروریات پورا کرنے کے لئے کم از کم \$30 بلین کی سرمایہ کاری کی ضرورت ہوگی۔ اگر پاکستان کی کل آبادی کا تقریباً 33 فیصد، جسے نیشنل الیکٹرک گریڈ سسٹم تک رسائی حاصل نہیں ہے، کو رسائی حاصل ہو جاتی ہے تو، موجودہ صورتحال بد قسمتی سے، بہت زیادہ بگڑ جائے گی۔ انہیں خود کے پیدا کردہ توانائی کے ذرائع اور فراہمی پر انحصار کرنا پڑتا ہے۔ تاہم، ان کا مطالبہ صرف اضافی بوجھ کا باعث بن سکتا ہے۔

ٹیکسٹائل صنعت ثابت کرتی ہے کہ سپننگ، ویونگ اور فنشنگ میں بجلی کی لاگت 30pc صورتوں میں ہوتی ہے۔ نصب شدہ صلاحیت کی 70pc تک یہ توانائی کی قیمت تقریباً گنا سے غیر تقابلی اور ناقابل عمل بنا دیتی ہے اور بڑے پیمانے پر بندش، بے روزگاری میں اضافہ کی طرف قیادت اور نتیجے میں برآمدات میں کمی واقع ہوتی ہے۔ ان کے مطابق، 70 سے زائد ٹیکسٹائل فیکٹریوں کو بند کر دیا گیا ہے اور اگر یہی رفتار جاری رہی تو دوسرے صوبوں کو منتقلی کے ساتھ، موسم گرما میں اس سے زیادہ کی بندش کا خدشہ ظاہر کیا جا سکتا ہے۔ توانائی کا بحران ملکی اخراجات میں سالانہ جی ڈی پی کا تقریباً دو فیصد اور مسلسل کمی کر رہا ہے۔ کاروبار پر توانائی کے بحران کے اثرات مقامی گیس کی فراہمی میں کمی کی وجہ سے پڑ رہے ہیں۔ اور، توانائی کے بحران کے اخراجات کم پیداوار، برآمدات کے ساتھ غیر ملکی پیداوار کے آرڈر میں کمی سے عیاں ہوتے ہیں۔ نہ صرف گھریلو صنعت کے چھوٹے اور درمیانے درجے کے کاروباری ادارے توانائی کے بحران سے متاثر ہو رہے ہیں بلکہ بڑے مینوفیکچرنگ یونٹس، جو تھرمل پاور پلانٹس سے بجلی کی پیداوار کی اپنی سہولت رکھتے ہیں متاثر ہوئے ہیں۔

چند اقدامات جو خاص طور پر حکومت اور عام عوام کو اٹھانے چاہئیں۔ ہمیں بجلی کی چوری کے خاتمہ کی ضرورت ہے۔ ملک کو انتہائی مہنگا اور درآمدی تیل پر مبنی بجلی پیدا کرنے کی بجائے قابل تجدید اور مقامی سستے توانائی کے وسائل پر انحصار کرنا چاہئے۔ ڈسٹری بیوشن نقصانات، جو پاکستان میں دنیا کے سب سے زیادہ میں سے ایک ہیں، کا خاتمہ ضروری ہے۔ کونکے پر مشتمل پیداوار، جو چین اور بھارت میں بالترتیب تقریباً 70 فیصد اور 80 فیصد ہے جسے پاکستان میں فوری طور پر اپنایا جانا ضروری ہے۔ حتمی طور، پاور پلانٹس حکومت کی ملکیت اور ان کو ڈیزائن صلاحیتوں سے نیچے مکمل صلاحیت تک استعمال کیا جانا چاہئے۔

سطح پر پیداوار کی پروسیدنگ اور خوردہ کے ذریعے معاشی سرگرمیوں میں اربوں ڈالر کا حصہ ڈالتے ہیں۔ پاکستان دنیا میں کپاس کا چوتھا سب سے بڑا پروڈیوسر اور تیسرا سب سے بڑا کنزیومر ہونے کے ناطے پاکستان کو تقابلی فائدہ حاصل ہے جسے مستحکم تقابلی فائدہ میں تبدیل کرنے کی ضرورت ہے۔

اپٹا (آل پاکستان ٹیکسٹائل ملز ایسوسی ایشن) نے ملک کے برآمدی شعبے کو فروغ دینے کے لئے 180 بلین روپے کے پیکیج کا خیر مقدم کیا ہے۔ درآمدی چارہ جوئی کی آمدنی کے برعکس پیکیج میں کپاس کی ٹیکس فری درآمد اور انسانی ساختہ فابریا اور کپڑے کی درآمد، اس سے بنی ہوئی اور گارمنٹس پر ڈیوٹی کی واپسی شامل ہیں۔ پیکیج سے پاکستان کی برآمدات کو فروغ ملے گا اور اگلے چھ ماہ میں مثبت نتائج ظاہر ہونگے۔

180 بلین روپے کے پیکیج کے تحت برآمدی چارہ جوئی سے حاصل ہونے والی برآمدات کی آمدنی پر ڈیوٹی کی واپسی کورے کپڑے پر 4 فیصد، تیار کپڑے پر 5 فیصد، ہوم ٹیکسٹائل کی بنی ہوئی اشیاء پر 6 فیصد اور گارمنٹس پر 7 فیصد کا اعلان کیا گیا ہے۔ پیکیج میں ٹیکسٹائل مشینری کی درآمد پر عائد سیلز ٹیکس بھی ختم کیا گیا ہے۔

پاکستان توانائی کی ضروریات کو پورا کرنے کے لئے بنیادی طور پر تیل اور گیس پر انحصار کرتا ہے۔ تیل کے مقامی وسائل بڑھتی ہوئی معیشت کی توانائی کی ضروریات پورا کرنے کے لئے کافی نہیں ہیں۔ جس کے نتیجے میں پاکستان کو تیل کی بڑی مقدار اور تیل کی مصنوعات مشرق وسطیٰ کے ممالک خاص طور پر سعودی عرب سے درآمد کرنا پڑتی ہے۔

ملک کی ٹیکسٹائل برآمدات نے اہم کمی کارجمان ظاہر کیا ہے۔ اس صورت حال کی بنیادی وجہ عالمی مارکیٹ میں ہمارے حریف کے مقابلے کاروبار میں زیادہ سرمایہ کاری ہے۔

پاکستان میں ٹیکسٹائل کی صنعت کو توانائی کی اعلیٰ لاگت، بھاری ٹیکس، پاکستانی روپے کی قدر، بھارت اور چین کو ان کی حکومتوں کی جانب سے سبسڈی حاصل ہونے کی وجہ سے شدید مسابقت اور مقامی منڈیوں میں اسمگل یا رن اور کپڑے کی حوصلہ افزائی جیسے مسائل کا سامنا ہے۔ اس کے علاوہ ٹیکسٹائل انڈسٹری کو مسلسل لیکویڈیٹی بحران کا سامنا ہے کیونکہ بڑی رقوم کی واپسی اب بھی باقی ہے اور اربوں روپے سیلز ٹیکس اور انکم ٹیکس کی رقوم کی واپسی میں پھنسے ہوئے ہیں۔

مستقبل کا نقطہ نظر

پاکستان KANNUP (137 MW)، چشمہ I (325 MW) اور چشمہ II (325 MW) میں موجودہ نیوکلیئر پاور پلانٹس سے بجلی پیدا کر رہا ہے۔ اضافی بجلی گھروں کی تعمیرات چشمہ III (340 MW) اور IV (340 MW) کا آغاز ہو چکا ہے۔ K-3 (1,100 MW) اور K-4 (1,100 MW)، کراچی میں نیوکلیئر پاور پلانٹس (KANUPP) کی تعمیر بھی جاری ہے، دونوں منصوبے 2019 تک مکمل ہونے کی امید ہے، K-3 اور K-4 منصوبوں کو چین کے ایکزم بینک اور

مجلس نظماء کی رپورٹ

"شروع اللہ کے بابرکت نام سے جو رحمن اور بڑا رحم کرنے والا ہے"

محترم حصص یافتگان

"بورڈ آف ڈائریکٹرز کمپنیز آرڈیننس 1984 کے تقاضوں کے مطابق 31 دسمبر 2016ء کو اختتامہ ششماہی میں کمپنی کے

ان آڈیٹڈ مالی حسابات پیش کرتے ہوئے خوشی محسوس کر رہا ہے"

مالیاتی نتائج

"زیر جائزہ ششماہی کے دوران کمپنی نے گذشتہ اختتامہ ششماہی کے مقابلے کی کارجمان ظاہر کیا ہے۔"

فیصدی اضافہ / (کمی)	31 دسمبر 2015	31 دسمبر 2016	روپے '000	فروخت
3	3,692,118	3,812,677	روپے '000	مجموعی منافع
(16)	295,940	248,706	روپے '000	قبل از ٹیکس منافع
67	90,652	30,156	روپے '000	بعد از ٹیکس منافع
60	61,293	24,533	روپے '000	مجموعی منافع
	8.02	6.52	فیصد	بعد از ٹیکس منافع
	1.66	0.64	فیصد	نی شیئر آمدن
	2.73	1.09	روپے	

کمپنی کے نتائج بجلی کے بحران، حکومت کی پالیسی کے مطابق تنخواہوں اور اجرت میں اضافہ، گیس کی ٹیرف میں اضافہ، یارن کی قیمت فروخت میں کمی، مال برداری اور نقل و حمل کی لاگت میں اضافہ کی وجہ سے تقسیم ہو گئے ہیں۔ پیداوار کی لاگت میں اضافہ حالیہ توانائی کے بحران اور مارکیٹ کی کم طلب کی وجہ سے ہوا۔

عام مارکیٹ کے حالات

پاکستان میں ٹیکسٹائل کے شعبے گذشتہ دہائی کے دوران غیر موزوں مارکیٹ اور مقامی عوامل کی وجہ سے جمود کا شکار رہے جیسا کہ کئی ممالک میں کپاس کے کاشتکاروں اور دیگر ٹیکسٹائل مصنوعات کو سبسڈی دی گئی ہے جس کے ذریعے قیمتوں میں بگاڑ، مارکیٹنگ کی کمیابی، عالمی کساد بازاری، اور تیزی سے خریداروں کے سخت حالات پیدا ہوئے ہیں۔ گھریلو لحاظ سے، کپاس کی پیداوار سالانہ تقریباً 13 ملین گانٹھیں جمود اور جنرل اور سپرنرزی کی طرف سے گریڈنگ اور کپاس گانٹھوں کی معیار بندی مزاحمت کا شکار رہیں۔ کپاس کا ہماری معیشت میں ایک اہم کردار ہے۔ کپاس کی پیداوار اور پروسیسنگ کے 10 ملین سے زائد افراد ملازم ہیں اور یہ فارم کی

==== This Page left blank intentionally ====

ACCOUNTS

Financial Information (Un-Audited)
Half year ended December 31, 2016



DIN TEXTILE MILLS LTD.

==== This Page left blank intentionally ====

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

A Member Firm of:



PrimeGlobal

An Association of
Independent Accounting Firms

1st Floor, Modern Motors House
Beaumont Road, Karachi-Pakistan.
Tel: +92 21-35671909,35673754
Fax: +92-21-35210626
E-mail:khi@nzaj.com.pk
Web:www.nzaj.com.pk

**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED
INTERIM FINANCIAL INFORMATION TO THE MEMBERS
For The Half Year Ended December 31, 2016**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Din Textile Mills Limited** ("the Company") as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity for the half year then ended together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months period ended December 31, 2016 and December 31, 2015 have not been reviewed and we do not express a conclusion on them.

Karachi

Dated : February 24, 2017

Naveed Zafar Ashfaq Jaffery & Co

Chartered Accountants
Engagement Partner: **Ahsan Elahi Vohra – FCA**

Other Offices: | 3-B, ATS Centre, 30-West, Fazal-Ul-Haq Road, Blue Area, Islamabad-Pakistan. Ph: +92-51-2878530-32 Fax: +92-51-2206283 E-mail:is@nzaj.com.pk
201-Regency Plaza, M.M. Alam Road, Gulberg-II, Lahore-Pakistan. Ph: +92-42-37321969,37249053 Fax: +92-42-37324103 E-mail: lhr@nzaj.com.pk

**Condensed Interim
Balance Sheet (Un-Audited)
as at December 31, 2016**

(Amounts in Thousand)

		(Un-audited)	(Audited)
	Note	31-Dec-16 Rupees	30-Jun-16 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	2,799,081	2,585,435
Long term deposits		15,469	14,965
Deferred tax assets		16,856	19,353
		2,831,406	2,619,753
CURRENT ASSETS			
Stores, spare parts and loose tools		430,341	405,010
Stock in trade	6	2,280,192	1,130,453
Trade debts		1,012,963	799,369
Advances		83,020	57,600
Trade deposits		1,466	1,199
Other receivables		2,951	23,383
Tax refunds due from Government		571,030	519,795
Cash and bank balances		56,355	72,843
		4,438,318	3,009,652
CURRENT LIABILITIES			
Trade and other payables		2,708,457	1,613,488
Accrued mark up / interest		49,273	36,664
Short term borrowings		1,469,979	942,852
Current portion of Long term financing from banking companies - secured		423,482	447,430
		4,651,191	3,040,434
WORKING CAPITAL			
		(212,873)	(30,782)
TOTAL CAPITAL EMPLOYED			
		2,618,533	2,588,971
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		765,257	741,209
Deferred liabilities Staff retirement benefits - gratuity		109,082	100,074
		874,339	841,283
CONTINGENCIES AND COMMITMENTS			
	7		
Net Worth		1,744,194	1,747,688
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		1,519,977	1,523,471
		1,744,194	1,747,688

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

Karachi:

Dated : February 24, 2017

Shaikh Mohammad Pervez

Director

Mr. Farhad Shaikh Mohammad

Director

These financial information have been signed by two directors, as the chief executive is out of country.

**Condensed Interim
Profit and Loss Account (Un-Audited)
for the Quarter & Half year ended December 31, 2016**

(Amounts in Thousand except earning per share)

	Note	Half Year Ended		Quarter Ended	
		31-Dec-16 Rupees	(Restated) 31-Dec-15 Rupees	31-Dec-16 Rupees	(Restated) 31-Dec-15 Rupees
Sales		3,812,677	3,692,118	1,907,899	1,882,485
Cost of sales		(3,563,971)	(3,396,178)	(1,819,592)	(1,695,094)
Gross Profit		248,706	295,940	88,307	187,391
Distribution cost		(26,867)	(27,392)	(15,053)	(14,261)
Administrative expenses		(66,748)	(63,439)	(33,838)	(29,916)
Other operating expenses		(2,772)	(4,867)	1,387	(3,808)
Finance cost		(124,456)	(109,628)	(69,052)	(66,192)
		(220,843)	(205,326)	(116,556)	(114,177)
		27,863	90,614	(28,249)	73,214
Other operating income		2,293	38	2,292	26
Profit / (Loss) before taxation		30,156	90,652	(25,957)	73,240
Provision for taxation		(5,623)	(29,359)	3,191	(19,696)
Profit / (Loss) for the period		24,533	61,293	(22,766)	53,544
Earning / (Loss) per share - basic and diluted-Rupee per share	9	1.09	2.73	(1.02)	2.39

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

Karachi:

Dated : February 24, 2017

Shaikh Mohammad Pervez
Director

Mr. Farhad Shaikh Mohammad
Director

These financial information have been signed by two directors, as the chief executive is out of country.

**Condensed Interim
Statement of Comprehensive Income (Un-Audited)
for the Quarter & Half year ended December 31, 2016**
(Amounts in Thousand)

	Half Year Ended		Quarter Ended	
	31-Dec-16 Rupees	(Restated) 31-Dec-15 Rupees	31-Dec-16 Rupees	(Restated) 31-Dec-15 Rupees
Profit / (Loss) for the period	24,533	61,293	(22,766)	53,544
Other comprehensive income for the period	-	-	-	-
Total comprehensive Income / (Loss) for the period	24,533	61,293	(22,766)	53,544

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

Karachi:
Dated : February 24, 2017

Shaikh Mohammad Pervez
Director

Mr. Farhad Shaikh Mohammad
Director

These financial information have been signed by two directors, as the chief executive is out of country.

**Condensed Interim
Cash Flow Statement (Un-Audited)
for the Half year ended December 31, 2016**
(Amounts in Thousand)

	31-Dec-16 Rupees	(Restated) 31-Dec-15 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	30,156	90,652
Adjustments for		
Depreciation	134,341	125,419
Staff retirement benefits - gratuity	26,601	20,820
Workers' profit participation fund	1,646	4,694
Workers' welfare fund	626	-
Finance cost	124,456	109,832
(Gain) / Loss on disposal of property, plant and equipment	(2,292)	139
	<u>285,378</u>	<u>260,904</u>
Profit before working capital changes	315,534	351,556
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(25,331)	(39)
Stock in trade	(1,149,739)	(860,088)
Trade debts	(213,594)	(296,318)
Advances	(25,420)	(35,607)
Other receivables	20,432	(4,596)
	<u>(1,393,652)</u>	<u>(1,196,648)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	1,095,988	1,009,357
Cash generated from operations	<u>17,870</u>	<u>164,265</u>
Finance cost paid	(111,847)	(107,512)
Taxes paid	(53,873)	(20,472)
Dividend paid	(28,004)	(179)
Workers' profit participation fund paid	(3,801)	-
Staff retirement benefits - gratuity paid	<u>(17,593)</u>	<u>(19,849)</u>
	<u>(197,248)</u>	<u>16,253</u>
Net cash (Used) in / generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	5,556	2,870
Fixed capital expenditure	(351,251)	(179,387)
Long term deposits	(772)	97
	<u>(346,467)</u>	<u>(176,420)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	100	(26,201)
	<u>100</u>	<u>(26,201)</u>
Net cash generated from / (used) in financing activities		
Net decrease in cash and cash equivalents	(543,615)	(186,368)
Cash and cash equivalents at the beginning of the period	(870,009)	(927,232)
Cash and cash equivalents at the end of the period	<u>(1,413,624)</u>	<u>(1,113,600)</u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	56,355	23,180
Short term borrowings	(1,469,979)	(1,136,780)
	<u>(1,413,624)</u>	<u>(1,113,600)</u>

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

Karachi:
Dated : February 24, 2017

Shaikh Mohammad Pervez
Director

Mr. Farhad Shaikh Mohammad
Director

These financial information have been signed by two directors, as the chief executive is out of country.

**Condensed Interim
Statement of Changes in Equity (Un-Audited)
For the half year ended December 31, 2016**

(Amounts in Thousand)

Particulars	Share capital	Reserves			Total
		Revenue		Sub total	
		General	Unappropriated profit		
Rupees					
Balance as at July 01, 2015 (Restated)	224,217	400,000	1,051,305	1,451,305	1,675,522
Total comprehensive income for the half year ended December 31, 2015 (Restated)	-	-	61,293	61,293	61,293
Balance as at December 31, 2015	224,217	400,000	1,112,598	1,512,598	1,736,815
Balance as at July 01, 2016	224,217	400,000	1,123,471	1,523,471	1,747,688
Total comprehensive income for the half year ended December 31, 2016	-	-	24,533	24,533	24,533
Dividend for the year ended june 30, 2016 @ Rs 1.25/- per share			(28,027)	(28,027)	(28,027)
Balance as at December 31, 2016	224,217	400,000	1,119,977	1,519,977	1,744,194

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

Karachi:
Dated : February 24, 2017

Shaikh Mohammad Pervez
Director

Mr. Farhad Shaikh Mohammad
Director

These financial information have been signed by two directors, as the chief executive is out of country.

**Selected Notes to the
Condense Interim Financial Information (Un-Audited)
For the half year ended December 31, 2016**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The company is limited by shares, incorporated in Pakistan on June 13, 1988 and were previously quoted on stock exchanges at Karachi and Lahore. However, due to integration of these stock exchanges into Pakistan Stock Exchange effective January 11, 2016, the shares of the company are now quoted on Pakistan Stock Exchange. 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

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial information, and should be read in conjunction with the financial information of the company as at and for the year ended June 30, 2016.

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 information comprise of condensed interim balance sheet, 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 together with the selected notes for the half year ended December 31, 2016 which have been subject to a review but not audited. These condensed interim financial information also include condensed interim profit and loss, condensed interim statement of other comprehensive income for the quarter ended December 31, 2016.

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 information for the preceding

year ended June 30, 2016.

- 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, JUDGEMENTS 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 information are the same as those that were applied to the financial information as at and for the year ended June 30, 2016.

- 4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial information as at and for the year ended June 30, 2016.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		31-Dec-16	30-Jun-16
		-----Rupees in '000'-----	
Operating assets	5.1	2,764,508	2,562,010
Capital work in progress - at cost	5.2	34,573	23,425
		2,799,081	2,585,435

- 5.1 The cost of additions and deletions to property, plant and equipment during the half year ended were as follows.

	31-Dec-16		31-Dec-15		
	Acquisition	Disposal	Acquisition	Disposal	
		Cost		Cost	
		-----Rupees in '000'-----		-----Rupees in '000'-----	
Owned Assets					
Building	185	-	-	-	
Plant and machinery	336,571	17,384	166,843	3,650	
Electric installation	1,700	-	9,324	-	
Tools and equipment	-	-	-	467	
Furniture and fixture	996	-	660	-	
Office equipment	-	-	110	-	
Computers	282	-	157	-	
Vehicles	369	-	-	2,934	
	340,103	17,384	177,094	7,051	

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	31-Dec-16	30-Jun-16
	-----Rupees in '000'-----	
Building	23,071	14,128
Plant and machinery	2,205	-
Electric Installation	9,297	9,297
	34,573	23,425

6 STOCK IN TRADE

- 6.1 Finished goods amounting to Rs. 33.096 million (June 30, 2016 : Rs. 65.057 million) stated at their net realizable value aggregating Rs. 31.224 million (June 30, 2016 : Rs. 57.192 million). The amount charged to profit and loss in respect of stocks written down to their net realizable value is Rs. 1.872 million (June 30, 2016 : Rs. 7.865 million).

7 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial information 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. 197.988 million (June 30, 2016: Rs. 166.029 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)
	31-Dec-16	30-Jun-16
	-----Rupees in '000'-----	

7.2 Contingencies

Bills discounted with recourse	121,225	348,056
Bank guarantees issued in ordinary course of business	214,563	204,592

7.3 Commitments

Letters of credit for capital expenditure	390,373	273,073
Letter of credit for raw material	802,856	111,796
Letter of credit for stores and spares	44,840	37,202

8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

		(Un-audited)	(Audited)
31-Dec-16	30-Jun-16	31-Dec-16	30-Jun-16
Number of shares		-----Rupees in'000'-----	
13,479,600	13,479,600	134,796	134,796
1,962,334	1,962,334	19,623	19,623
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, 2016 : 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 AND DILUTED (RUPEE PER SHARE)

	Half Year Ended		Quarter Ended	
	(Restated)		(Restated)	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	-----Rupees in'000'-----		-----Rupees in'000'-----	
Profit / (Loss) for the period	24,533	61,293	(22,766)	53,544
Weighted average number of ordinary shares outstanding during the period	22,421,688	22,421,688	22,421,688	22,421,688
Earning/ (loss) per share - basic and diluted (Rupee per share)	1.09	2.73	(1.02)	2.39

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)
		31-Dec-16	31-Dec-15
		-----Rupees in '000'-----	
Transactions with related parties	Relationship		
MCB Bank Limited	Associated company		
Deposits		4	7
Withdrawals		10	157
Din Farm Products (Pvt) Ltd	Associated company		
Reimbursement of Expenses		-	200
Din Leather (Pvt) Limited	Associated company		
Reimbursement of Expenses		595	616
Din Industries Ltd	Associated company		
Reimbursement of Expenses		321	300
Sales of Fixed Assets		-	467
Salaries and other employees benefits	Key management personnel	62,398	34,040
Staff retirement benefits	Key management personnel	4,347	3,803
		(Un-audited)	(Audited)
		31-Dec-16	30-Jun-16
		-----Rupees in '000'-----	
Balances outstanding at the period end			
MCB Bank Limited		975	981
Din Farm Products (Pvt) Ltd.		-	79
Din Leather (Pvt) Ltd.		-	231
Din Industries Ltd.		209	265

11 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on February 24, 2017 by the board of directors of the company.

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

Karachi:

Dated : February 24, 2017

Shaikh Mohammad Pervez
Director

Mr. Farhad Shaikh Mohammad
Director

These financial information have been signed by two directors, as the chief executive is out of country.

سرمایہ کاری کی آگاہی کے لیے انقلابی اقدام



جہاں رہیے، آگاہ رہیے

SECP کی جانب سے پیش ہے "جمع پونجی" ایک ایسا ویب پورٹل جو آپ کو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے، تاکہ آپ ایک اچھی سرمایہ کاری کا فیصلہ کر سکیں۔ جمع پونجی میچل فنڈز، پنشن فنڈز، اسلامک فنانسنگ، کیپٹل مارکیٹ، لیزنگ کمپنیز اور انوسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپ کے سوالات کے جوابات فراہم کرتا ہے اور ساتھ ہی آن لائن ٹولز کے ذریعے کھیل ہی کھیل میں منافع بخش سرمایہ کاری کے سلسلے میں آپ کو رہنمائی بھی فراہم کرتا ہے۔

مفت آن لائن ٹولز:

- سکیم میٹر
- ماک ٹریڈنگ
- رسک پروفائلر
- نیوز لیٹر سبسکرپشن
- کیلکولیٹر
- نالچ سینٹر

**کھیل ہی کھیل
میں سیکھیں
سرمایہ کاری کا ہنر**



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan.



PRINTED MATTER
BOOK POST

UNDER
POSTAL
CERTIFICATE



If undelivered please return to:

DIN TEXTILE MILLS LTD.

Din House, 35-A/1, Lalazar Area, Opp. Beach Luxury Hotel,
P.O. Box No. 4696, Karachi-74000, Pakistan.
Tel: (92-21) 35610001-3, Fax: (92-21) 35610009, 35610455
E-mail: dingroup@dingroup.com

Last Leaf Communication. +92-42-37230519