



Reg. No. : 9901118



Certificate No. 1495

CONTENTS

	Page
Company Profile	02
Corporate Vision/Mission Statement	03
Notice of Meeting	04
Directors' Report to Shareholders	05
Six Year at a Glance	09
Statement of Compliance with the Code of Corporate Governance	10
Review Report to the Members on Statement of Compliance with best practices of Code of Corporate Governance	12
Auditors' Report to the Members	13
Balance Sheet	14
Profit & Loss Account	15
Statement of Changes in Equity	16
Cash Flow Statement	17
Notes to the Account	18
Statement of Purchase & Sale of Shares, Pattern of Shareholdings	39
Proxy Form	

COMPANY PROFILE

Board of Directors

Shaikh Mohammad Muneer	Chairman / Chief Executive
Shaikh Mohammad Naseer	Director
Shaikh Mohammad Jawed	Director
Shaikh Mohammad Pervez	Director
Shaikh Mohammad Tariq	Director
Shaikh Mohammad Tanveer	Director
Mr. Shahzad Naseer	Director
Mr. S. M. Naveed	Director
Mr. Irfan Muneer	Director
Mr. Fawad Jawed	Director

Secretary

Mr. Islam Ahmed

Auditors

Mushtaq & Co.
Chartered Accountants

Bankers

Meezan Bank Ltd.
Citibank N.A.
ABN Amro Bank N.V
Union Bank Ltd.
Standard Chartered Bank Ltd.
Faysal Bank Ltd.
Habib Bank AG Zurich
Habib Bank Ltd.
United Bank Ltd.
The Hong Kong and Shanghai Banking Corporation Ltd.

Registered Office

Din House, 35-A/1, Lalazar Area,
Opp. Beach Luxury Hotel, Karachi.

Audit Committee

Shaikh Mohammad Jawed	Chairman
Shaikh Mohammad Pervez	Member
Mr. Shahzad Naseer	Member

Chief Financial Officer

Mr. Noman Ahmed

Mills

Unit-I & II Kot Akbar Khan, 70km Multan Road, Tehsil Pattoki,
District Kasur, Punjab.
Unit-III Revenue State, Bhai Kot, Tablighi Chowk, Raiwind Road, Tehsil & Distt. Lahore.

CORPORATE VISION / MISSION STATEMENT

Vision

We aim at transforming Din Textile Mills Ltd. (DTML) into a complete Textile unit to further explore international market of very high value products. Our emphasis would be on product and market diversification, value addition and cost effectiveness. We intend to fully equip the Company acquire pioneer role in the economic development of the Country.

Mission

The Company should secure and provide a rewarding return on investment to its shareholders and investors, quality products to its customers, a secured and friendly environment place of work to its employees and present itself as a reliable partner to all business associates.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of Din Textile Mills Limited will be held on Tuesday the 12th September, 2006 at 4:30 p.m. at Beach Luxury Hotel, Off: M. T. Khan Road, Karachi to transact the following business.

1. To confirm the minutes of the 18th Annual General Meeting of the Company held on 29th October, 2005.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2006 together with Directors' and Auditors' Reports thereon.
3. To appoint Auditors, and fix their remuneration
4. To transact any other business with the permission of the chair.

By Order of the Board

Karachi: August 12, 2006

ISLAM AHMED
Company Secretary

Notes:

1. The share transfer books of the Company will remain closed from 12th September, 2006 to 22nd September, 2006.
2. A Member entitled to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. A proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Members whose shares are deposited with Central Depository Company of Pakistan Limited are requested to bring their National Identity Cards along with the participants' I.D. number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of Annual General Meeting. In case of proxy an attested copy of proxy's Identity Card, Account & Participants I.D. number be enclosed. In case of corporate entity, the Board of Directors, resolution /power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless it has been provided earlier).
4. Shareholders are advised to notify immediately of any change in their addresses to our share department, Din Textile Mills Ltd., Din House, 35-A/1, Lalazar Area, Opp. Beach Luxury Hotel, M. T. Khan Road, Karachi-74000.

DIRECTORS' REPORT

The directors of your Company are pleased to place their report together with the auditor's report and audited financial statements of the Company for the year ended June 30th, 2006 before the 19th Annual General Meeting.

During the year under review, the Company has earned profit before taxation of Rs.34.58 million. Depreciation of Rs.213.8 million and financial charges of Rs. 142.65 million have been charged. Provision for taxation has been made of Rs. 15.14 million.

	2006 Rupees	2005 Rupees
Profit before taxation	34,581,102	22,700,703
Provision for taxation		
Current	13,153,566	6,535,731
Prior year	2,016,209	831,330
Deferred	(29,195)	136,000,000
	<u>15,140,580</u>	<u>143,367,061</u>
Profit after taxation	19,440,522	(120,666,358)
Un-appropriated Profit brought forward	520,141,804	640,808,164
Un-appropriated Profit carried forward	<u>539,582,326</u>	<u>520,141,806</u>
Earning per share	1.05	(6.51)

The directors have not recommended any dividend for the year due to tight liquidity position resulting from heavy repayment of long term liability of financial institutions and substantial capital investment during the year.

Operational Analysis

The key business performance indices for the year of your company are as follows:

	2005-2006	Nine months shown on Annualized basis 2004-2005	variance
	Rupees	Rupees	
Total Sales	2,510,860,532	1,742,861,690	+ 44.06
Local Sales	1,532,081,690	1,419,136,580	+ 7.95
Export Sales	978,778,842	323,725,110	+202.35
Gross Profit	233,523,238	158,805,359	+ 47.05

Sales and gross profit analysis

2006 has been a difficult year for textile industry. Overall sales of your company on annualized basis increased by 44.06% mainly due to full year production given by the new unit III of premium priced yarn. Export sales have improved by 202.35% and local sales also improved by 7.95%.

The prices of raw cotton in the local market during the season 2005-2006 were 15% to 25% higher as compared to the preceding year, which caused adverse impact on the textile sector. In addition to purchase of raw cotton from local market your company has also imported raw cotton from abroad for production of fine quality yarn,

After coming into full production, unit III comprising of 24,192 spindles, the Company's power requirement and cost has increased. Increase in oil prices in the international market and local market has affected every sector of economy. Fuel and power cost of the existing units of your company has also increased.

As such this is the first complete year of our new unit after production commenced, hence, depreciation expense on annualized basis was higher by 80%.

In spite extra ordinary increases in costs, the Company has been able to generate gross profit to Rs 233.523 million as compared to Rs 119.104 million during the prior nine month period. This improvement was possible due to aggressive marketing efforts in local and international market, which made it possible to fetch maximum price for the Company's products under most competitive market conditions.

Salient features of the accounting results

The achievement of the year under review may be compared on annualized basis against preceding period of nine months in percentage as follows:

- Sales-net of the year Rs. 2,453 million increased by 44% (2005: Rs. 1,707 million)
- Cost of sales Rs. 2,220 million increased by 43% (2005: Rs.1,548 million)
- Gross profit rate has improved by 0.22 % to Rs.233 million @ 9.52% (2005: Rs. 159 million @ 9.30%).
- Administrative expenses Rs. 35.154 million increased by 2.67% (2005: 34.24 million)
- Selling expenses Rs. 27.35 million increased by 64% (2005: 16.69 million).
- Finance cost Rs. 142.64 million increased by 81% (2005: Rs. 78.65 million)
- Profit before taxation increased by 14.27% Rs. 34.58 million (2005: Rs. 30.26 million)
- The period of Trade Debts (receivable) has reduced to 32 days.
- The inventory of Raw material has reduced from 207 days to 134 days,
- The Finished goods inventory has reduced from 15 days to 10 days.

Net profit before taxation went up despite substantial increase in finance cost during the year under review.

Future Prospects

Our Country's textile industry is facing unfair competition from its neighboring countries, India, China and Bangladesh. The Governments of neighboring countries are providing rebates, subsidies and facilities to their industry to sustain growth in the international market. Our Government should also come up in front to provide equivalent rebates, subsidies and facilitates to bring our industry at par with our regional competitors.

The management is planning to install two Gas generators of 1.7 MW each in unit I and II in place of existing generators. Installation of these generators has been estimated to result in saving of Rs. 50 million per annum.

The Company's focus is towards production and exports of value added yarns.

The new unit, having most modern technology of Reiter, imported from Switzerland and Germany, is producing valuable compact yarn which is fetching premium price. In future our premium price/value-added products are expected to help to improve the solvency, liquidity and profitability position of your company

Despite adverse factors like rising trend of mark-up rates prevailing in the financial market, increase of fuel prices and depressed yarn prices, your management is still making its best effort to improve its results in line with the history of the Company.

Related Parties

The Board of Directors has approved the policy for transaction/contract between Company and its related Parties on an arm's length basis and relevant rates are to be determined as per the "comparable un-controlled price method".

Finance cost

During the year under review finance cost has increased from Rs. 58.99 million to Rs. 142.64 million. Mark-up on long-term financing increased from Rs. 23.8 million to 70 million due to reason that in preceding period this expense was only booked for last two months on the long-term loan acquired for new Unit III. Rate of mark-up in the financial market has sharply increased; this change in the financial market has also affected the finance cost of your company.

Taxation

Provision for taxation in respect of export proceeds and other income has been fully provided.

Statement of compliance with the best practices on Transfer Pricing

The Company has fully complied with the best practices of transfer pricing as contained in the listing regulation No. 38 of Karachi Stock Exchange (Guarantee) Ltd., and in the listing regulation No. XIII of Lahore Stock Exchange (Guarantee) Ltd.

Environment, Health, Safety and Social Actions

Din Textile Mills Ltd provides and maintains, so far as reasonably practicable, plant equipment, systems and working conditions which are safe and without risk to the health of all employees and public. Management has maintained safe environment in all its operations throughout the year .

CORPORATE AND FINANCIAL REPORTING FRAMEWORK**(Code of Corporate Governance)**

The Board of Directors has pleasure to inform you that the Company has taken necessary steps to comply with the provisions of the Code of Corporate Governance as incorporated in the listing regulations of the Karachi and Lahore Stock Exchanges. Statement of Compliance with the Code of Corporate Governance is annexed. The Company complies with the Code in the following manner.

- (a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (b) Proper books of account of the Company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates (except as mentioned in note No. 4.1) and are based on reasonable and prudent judgment.
- (d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no significant doubts upon the Company's ability to continue as a going concern.
- (g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- (h) During the year Four (4) meetings of the Directors were held and attendance position was as under:-

Sr. No.	Name of Director	No. of Meeting Attended
1.	Shaikh Mohammad Muneer	1
2.	Shaikh Mohammad Naseer	4
3.	Shaikh Mohammad Jawed	4
4.	Shaikh Mohammad Pervez	4
5.	Shaikh Mohammad Tariq	4
6.	Shaikh Mohammad Tanveer	4
7.	Mr. Shahzad Naseer	4
8.	Mr. S. M. Naveed	4
9.	Mr. Irfan Muneer	4
10.	Mr. Fawad Jawed	4

(i) There has been no trading during the year in the shares of the Company carried out by the directors, CEO, CFO, and Company Secretary and their spouses and minor children.

(j) **Audit committee**

- ▶ The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee. The names of its members are given in the Company profile.
- ▶ The terms of reference of the Audit Committee is based on the scope as defined by the Securities & Exchange Commission of Pakistan (SECP) and the guidelines given by the Board of Directors from time to time to improve the system and procedures.
- ▶ Within the framework of terms of reference determined by the Board of Directors, the Audit Committee, among other things, will recommend appointment of external auditors and review of periodical statements.

(k) For outstanding taxes and levies. Please refer note 34 to the annexed audited accounts.

PATTERN OF SHAREHOLDINGS

The pattern of shareholdings of the Company is attached to this report.

AUDITORS

The present auditors M/s Mushtaq and Company, Chartered Accountants, Karachi, retire and being eligible, offer themselves for re-appointment under the terms of the Code of Corporate Governance, they have been recommended by Audit Committee for the re-appointment as auditors until the conclusion of the next Annual General Meeting.

In the end, the Board would like to record its appreciation for ongoing support and confidence of all our bankers and for technical assistance and hard work of the advisors and employees of the Company.

On behalf of the Board of Directors

(SHAIKH MOHAMMAD MUNEER)
CHAIRMAN/CHIEF EXECUTIVE

KARACHI
12th August, 2006

**SIX YEAR AT A GLANCE
FOR THE YEAR ENDED JUNE 30, 2006**

(Rs. in '000)

	2001	2002	2003	2004	2005	2006
Sales	1,666,322	1,513,765	1,540,195	1,656,202	1,280,166	2,453,338
Cost of Sales	1,245,367	1,256,231	1,317,050	1,524,665	1,161,062	2,219,815
Gross Profit	420,955	257,534	223,145	131,537	119,104	233,523
Administration & Selling	43,830	57,668	56,949	66,236	38,197	62,507
Financial Charges	84,842	56,036	37,841	28,781	58,989	142,646
Other Charges	14,932	7,715	6,497	1,962	2,758	1,820
Other Income	1,422	9,448	1,529	2,723	3,542	(8,031)
Profit before Taxation	278,772	145,563	123,387	37,281	22,700	34,581
Taxation	32,000	23,000	(144,53)	18,628	143,367	15,140
Profit after Taxation	246,722	122,563	137,840	18,653	(1,206,66)	19,441
Balance Sheet						
Share Capital	154,419	154,419	154,419	154,419	185,303	185,303
Reserve	452,762	546,082	683,923	671,692	520,142	539,582
Share Holder Equity	607,181	700,501	838,342	826,111	705,445	724,885
Long Term Obligations	114,939	186,959	61,248	230,481	1,451,312	1,371,295
Current Liability & Provision	541,593	299,658	389,386	770,783	1,081,426	951,651
Total	1,263,713	1,187,118	1,288,976	1,827,375	3,238,183	3,047,831
Fixed Assets-Tangible	554,292	621,529	692,743	822,974	2,153,547	2,120,557
Long Term Security Deposit	14,688	12,892	9,424	1,066	3,593	3,850
Current Assets	694,733	552,697	586,809	1,003,334	1,081,043	923,424
Total	1,263,713	1,187,118	1,288,976	1,827,375	3,238,183	3,047,831

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate governance contained in Regulation No.37 and XIII of listing regulations of Karachi and Lahore Stock Exchange (Guarantee) Limited., for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principle contained in the Code in the following manner;

1. The Company encourages representation of independent non-executive directors. At present the Board includes at least five independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. There was no casual vacancy of directors during the year.
5. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Company.
6. The Board has developed vision and mission statement, over all corporate strategy and significant policies of the company. Which have been approved by the board in its meeting.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors have been taken by the Board.
8. The meeting of the Board were presided over by the Chairman and in his absence by a director elected by the board for this purpose and the Board met at least once in every quarter. The Board held four meetings during the year. Written notices of the Board meeting, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors of the company attended the orientation courses for their duties and responsibilities.
10. The Company Secretary was appointed prior to the implementation of the Code of Corporate Governance. Remuneration, terms and conditions in case of future appointments on this position will be approved by the Board. The Board has approved the appointment, remuneration and terms and conditions of employment of Chief Financial Officer and Head of Internal Audit.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises three members, of whom two are non-executive directors including the chairman of the committee.
16. The meeting of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has set up an internal audit function.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accounts (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board of Directors

KARACHI:

DATED: August 12, 2006

(SHAIKH MOHAMMAD MUNEER)
DIRECTOR

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the Best Practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2006 prepared by the Board of Directors of Din Textile Mills Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited and Chapter XIII of Lahore Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2006.

Karachi:
DATED: August 12, 2006

MUSHTAQ & COMPANY
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Din Textile Mills Limited as at June 30, 2006 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verifications, we report that:

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion;
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with the approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2006 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion, we report that direct expenses incurred on sales have been deducted from sales (refer to note 27) for presentation in profit and loss account. It has no effect on profit for the year.

Karachi:
DATED: August 12, 2006

MUSHTAQ & COMPANY
Chartered Accountants

**BALANCE SHEET
AS AT JUNE 30, 2006**

	Note	June 30, 2006 Rupees	June 30, 2005 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment	5	2,107,863,245	2,073,315,069
Capital work in progress	6	12,694,287	80,232,531
		<u>2,120,557,532</u>	<u>2,153,547,600</u>
Long term deposits	7	3,850,235	3,592,989
CURRENT ASSETS			
Stores, spare parts & loose tools	8	88,084,540	81,589,981
Stock in trade	9	538,258,530	653,968,222
Trade debts	10	213,028,850	248,295,749
Loans and advances	11	43,166,402	73,830,565
Trade deposits and short term prepayments	12	1,018,094	858,195
Other receivables	13	13,987,103	3,674,315
Cash and bank balances	14	25,880,618	18,825,585
		<u>923,424,137</u>	<u>1,081,042,612</u>
TOTAL ASSETS		<u>3,047,831,904</u>	<u>3,238,183,201</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital			
50,000,000 ordinary shares of Rs. 10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital	15	185,303,210	185,303,210
Reserves	16	539,582,326	520,141,804
		<u>724,885,536</u>	<u>705,445,014</u>
NON CURRENT LIABILITIES			
Long term financing from banking companies	17	662,500,000	1,200,000,000
Long term loan from directors	18	500,000,000	-
Liabilities against assets subject to finance lease	19	2,778,590	49,883
Long term morabaha	20	-	50,000,000
Deferred liabilities			
Staff retirement benefit - gratuity	21	33,545,824	28,761,720
Taxation	22	172,470,805	172,500,000
		<u>206,016,629</u>	<u>201,261,720</u>
CURRENT LIABILITIES			
Trade and other payables	23	117,276,525	141,943,389
Accrued mark up and interest	24	20,226,274	23,576,869
Short term borrowings	25	684,576,031	744,974,896
Current portion of			
Long term borrowings		125,000,000	120,000,000
Liabilities against assets subject to finance lease		4,572,319	931,430
Long term morabaha		-	50,000,000
		<u>951,651,149</u>	<u>1,081,426,584</u>
CONTINGENCIES AND COMMITMENTS	26	-	-
TOTAL EQUITY AND LIABILITIES		<u>3,047,831,904</u>	<u>3,238,183,201</u>

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

SHAIKH MOHAMMAD MUNEER
Chief Executive

SHAHZAD NASEER
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2006

	Note	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
Sales - Net	27	2,453,337,735	1,280,166,563
Cost of sales	28	2,219,814,497	1,161,062,544
Gross profit		233,523,238	119,104,019
Distribution cost	29	27,352,174	12,517,057
Administrative expenses	30	35,154,815	25,680,539
Other operating expenses	31	1,820,058	2,757,921
Other operating income	32	(8,030,563)	(3,541,620)
Finance cost	33	142,645,652	58,989,419
Profit before taxation		34,581,102	22,700,703
Taxation	34	15,140,580	143,367,061
Profit/(Loss) for the year/period		19,440,522	(120,666,358)
Earning per share - basic & diluted	35	1.05	(6.51)

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

SHAIKH MOHAMMAD MUNEER
Chief Executive

SHAHZAD NASEER
Director

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2006**

	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
Cash Flow From Operating Activities		
Cash generated from operations (Note: 36)	500,952,376	954,794
Finance cost paid	(145,996,248)	(39,587,029)
Taxes (paid)/refunded - Net	22,247,844	9,980,259
Dividend paid	(26,821)	(54,425)
Staff retirement benefit - gratuity paid	(4,265,264)	(2,874,083)
Net cash generated/(used) in operating activities	372,911,887	(31,580,484)
Cash Flow From Investing Activities		
Proceeds from sale of property, plant & equipment	9,637,584	14,173,000
Fixed capital expenditure	(163,133,020)	(1,436,477,254)
Long term deposits	(257,246)	(2,526,349)
Net cash used in investing activities	(153,752,682)	(1,424,830,603)
Cash Flow From Financing Activities		
<i>Proceeds net-off repayments from</i>		
Long term finances from banking companies	(532,500,000)	1,170,909,095
Long term loan from directors	500,000,000	-
Liability against asset subject to finance lease	(19,205,307)	(830,887)
Long term morabaha	(100,000,000)	-
Net cash generated/(used) in financing activities	(151,705,307)	1,170,078,208
Net increase/(decrease) in cash & cash equivalents	67,453,898	(286,332,879)
Cash & cash equivalents at the beginning of the year	(726,149,311)	(439,816,432)
Cash & cash equivalents at the end of the year	(658,695,413)	(726,149,311)
Cash & cash equivalents		
Cash & bank balances (Note: 14)	25,880,618	18,825,585
Short term borrowings (Note: 25)	(684,576,031)	(744,974,896)
	(658,695,413)	(726,149,311)

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

SHAIKH MOHAMMAD MUNEER
Chief Executive

SHAHZAD NASEER
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2006

	Share Capital	Reserves			Total	Total
		Capital	Revenue			
		Merger reserve	General	Unappropriated Profit		
← R u p e e s →						
Balance as at September 30, 2004	154,419,340	10,376,660	550,000,000	111,315,372	671,692,032	826,111,372
Profit/(Loss) for the period	-	-	-	(120,666,358)	(120,666,358)	(120,666,358)
Transfer from general reserve	-		(150,000,000)	150,000,000	-	-
Issue of bonus share at rate of 20% of issued share capital	30,883,870	-	-	(30,883,870)	(30,883,870)	-
Balance as at June 30, 2005	185,303,210	10,376,660	400,000,000	109,765,144	520,141,804	705,445,014
Profit for the year	-	-	-	19,440,522	19,440,522	19,440,522
Balance as at June 30, 2006	185,303,210	10,376,660	400,000,000	129,205,666	539,582,326	724,885,536

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

SHAIKH MOHAMMAD MUNEER
Chief Executive

SHAHZAD NASEER
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

1 STATUS AND ACTIVITIES

The Company is limited by shares, incorporated in Pakistan on June 13, 1988 and is quoted on stock exchanges at Karachi and Lahore. The principal business of the Company is manufacture and sale of yarn. The Mills are located at Pattoki & Raiwind in the province of Punjab. The registered office of the Company is situated at 35-A/1Lalazar area, opposite Beach Luxury Hotel, Karachi in the province of Sindh, Pakistan.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Whenever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that certain financial instrument and staff retirement benefits have been valued at fair value and present value respectively.

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

Judgments and estimates made by the management that may have significant risk of material adjustments to the financial statements in subsequent years are discussed in note 41.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipments - owned

Property, plant and equipment except free-hold land are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost.

Depreciation is charged to income applying the reducing balance method at the rates specified in the respective note.

Depreciation on additions during the year is charged on pro-rata basis when the asset is available for use. Similarly the depreciation on deletion is charged on prorata basis up to the period when the asset is derecognized. Previously full year depreciation was charged on additions and no depreciation was charged on deletion during the period. This change is brought in compliance with International Accounting Standard (IAS) 16 "Property, plant and equipment". The change in estimate is dealt under International Accounting Standard (IAS) 8 "Accounting Policies, Changes in Accounting Policies, Changes in Accounting Estimates and Errors". Had the previous method of depreciation used profit for the year would have been reduced by Rs. 16,345,385 and the written down value of property, plant & equipment would have been reduced by the same amount.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gain or loss on disposal of property, plant and equipment are charged to income during the period in which they are incurred.

4.2 Accounting for leases and assets subject to finance leases

Assets held under finance leases are recognized as assets of the company at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged at rates used for similar owned assets, so as to depreciate the assets over their estimated useful lives in view of certainty of ownership of the assets at the end of the lease term.

Income arising from sale and lease back transactions, if any, is deferred and amortized equally over the lease period.

Lease rentals payable on assets held under operating leases are charged to income in arriving at operating profits.

4.3 Capital work in progress

Capital work in progress is stated at cost. Transfers are made to relevant fixed assets category as and when assets are available for use.

4.4 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined by moving average method. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

4.5 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except waste which is valued at NRV, cost is determined as follows:

Raw material	Weighted average cost except those in transit which are stated at cost comprising invoice value plus other charges incurred thereon
--------------	---

Finished goods and work in process	Raw material cost plus appropriate manufacturing overheads
------------------------------------	--

Net realizable value signifies the selling prices prevailing in the market less selling expenses incidental to sales.

4.6 Trade debts

Trade debts originated by the Company are recognized and carried at original invoice value less any allowance for uncollectible amounts. An estimated provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

4.7 Cash and cash equivalents

Cash in hand, cash at bank and short term deposits, which are held to maturity, are carried at cost. For the purpose of cash flow statements, cash and cash equivalent are short term highly liquid instrument that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

4.8 Staff retirement benefits

Defined benefit plan

The company operates an unfunded gratuity scheme covering for all its permanent employees who have attained the minimum qualifying period for entitlement to the gratuity.

Provision is made annually to cover the obligation on the basis of actuarial valuation and charged to income currently. The most recent actuarial valuation was carried out effective from June 30, 2006 using the Projected Unit Credit Method.

Actuarial gains and losses are recognized immediately.

4.9 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any.

Deferred

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry forward-of unused assets can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting not taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.10 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

4.11 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.12 Borrowing cost

All mark up, interest and other charges incurred are charged to current income on an accrual basis.

4.13 Revenue recognition

Revenue is recognized on dispatch of goods or on performance of services. Return on deposits is recognized on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.14 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

4.15 Financial instruments

All the financial asset and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account currently.

4.16 Offsetting of financial assets and liabilities

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and the liabilities simultaneously.

4.17 Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

4.18 Related party transactions

All transactions with related parties are carried out by the company at arms' length price using the method prescribed under the Companies Ordinance, 1984 with the exception of loan taken from related parties which is interest/ mark up free.

4.19 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost		Rate	Depreciation		Written down value as at 30.06.2006 -----Rupees-----	
	As at 1.07.2005	Addition/(Deletion) Transfer in/(out)		As at 1.07.2005	Charge/(deletion) for the year Transfer in/(out)		As at 30.06.2006
	-----Rupees-----			-----Rupees-----			-----Rupees-----
OWNED							
Freehold Land	58,114,138	73,884	-	-	-	58,188,022	
Building on Freehold Land	292,728,688	124,112,639	10%	104,215,241	20,039,647	292,586,439	
Plant & Machinery	2,256,079,757	86,572,932 (7,501,567)	10%	531,834,116	176,064,417 (2,563,994)	1,629,816,583	
Electric Installation	76,361,949	9,612,467	10%	32,217,806	4,905,122	48,851,488	
Tools & Equipment	36,697,333	3,645,975	10%	6,812,347	3,279,399	30,251,562	
Furniture & Fixtures	3,838,128	2,642,631	10%	2,038,717	321,043	4,120,999	
Office Equipment	1,889,338	103,700	10%	1,015,322	102,160	875,556	
Computer	5,434,920	1,202,933	30%	3,191,777	1,031,602	2,414,474	
Vehicles	39,459,266	2,704,103 (7,652,862)	20%	17,503,492	4,939,747 (4,714,617)	17,808,855	
LEASED							
Plant & Machinery	-	17,550,900	10%	-	1,431,553	16,119,347	
Vehicles	1,812,200	8,024,000	20%	271,830	1,707,480	6,829,920	
Total Rupees 2006	2,772,415,717	256,246,164 (15,154,429)		699,100,648	213,822,170 (7,278,611)	2,107,863,245	
Total Rupees 2005	1,310,693,693	1,520,755,340 (59,033,316)		650,416,917	91,980,900 (43,297,169)	2,073,315,069	

**For Nine Months
Ended June 30,
2005
Rupees**

**For the Year
Ended June 30,
2006
Rupees**

5.1 Depreciation for the period has been allocated as under:

Cost of Sales (Note: 28)	87,700,729
Administrative Expenses (Note: 30)	4,280,171
	<u>91,980,900</u>

5.2 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost	Accumulated Depreciation	Rupees		Name of Buyer	Address	Mode of Disposal
			Written Down Value	Sale Proceeds			
Vehicles	2,813,111	2,328,367	484,744	850,000	Ali Khan	Sindhi Muslim Society Karachi	Negotiation
	1,058,923	145,608	913,315	879,000	EFU General Insurance Co. Ltd.	Karachi	Insurance Claim
	1,105,800	564,400	541,400	602,000	Syed Gul Darvesh	8/388 Sherkhanabad S.I.T.E Khi.	Negotiation
	461,770	441,990	19,780	86,957	Muhammad Saleem	Baloch Road Liary Karachi	Negotiation
	177,000	111,524	65,476	80,000	Mrs. Imrana Kamran	160 / E Nawab Town Lahore	Negotiation
	560,000	397,525	162,475	194,969	Din Leather (Pvt.) Ltd.	Din House Lalazar Area Karachi	Related party - (market value)
	1,201,600	678,664	522,936	650,000	Raheem Dad Khan	S.I.T.E Karachi	Negotiation
	274,658	46,539	228,119	274,658	EFU General Insurance Co. Ltd.	Karachi	Insurance Claim
	<u>7,652,862</u>	<u>4,714,617</u>	<u>2,938,245</u>	<u>3,617,584</u>			
Plant & Machinery	204,000	117,506	86,494	20,000	Muhammad Asif	Faisalabad	Negotiation
	941,667	498,047	443,620	400,000	Zahid Jee Textile Mills Ltd.	32 - KM Sheikhpura Road Fsd.	Negotiation
	1,759,400	1,402,606	356,794	400,000	Zahid Jee Textile Mills Ltd.	32 - KM Sheikhpura Road Fsd.	Negotiation
	4,596,500	545,835	4,050,665	5,200,000	ICC Textile (Pvt.) Ltd.	Mall Road Lahore	Negotiation
	<u>7,501,567</u>	<u>2,563,994</u>	<u>4,937,573</u>	<u>6,020,000</u>			

DIN TEXTILE MILLS LIMITED

	June 30, 2006	June 30, 2005
	Rupees	Rupees
6 CAPITAL WORK IN PROGRESS		
Building - civil work	11,865,530	79,685,342
Plant & machinery	828,757	547,189
	12,694,287	80,232,531
7 LONG TERM DEPOSITS		
Security deposits		
Electricity	887,600	2,945,240
Leasing company	1,308,495	647,749
Others	1,654,140	-
	3,850,235	3,592,989
8 STORES, SPARE PARTS & LOOSE TOOLS		
Stores	46,351,946	44,828,814
Spare parts	41,598,962	36,629,992
Loose tools	133,632	131,175
	88,084,540	81,589,981
9 STOCK IN TRADE		
	June 30, 2006	June 30, 2005
	Rupees	Rupees
Raw material	461,136,416	572,148,828
Work in process	15,142,278	19,001,325
Finished goods	58,364,668	60,068,311
Waste	3,615,168	2,749,758
	538,258,530	653,968,222
10 TRADE DEBTS		
Considered good		
Secured	48,722,326	16,665,904
Unsecured	164,306,524	231,629,845
	213,028,850	248,295,749
11 LOAN AND ADVANCES		
Considered good		
Loan due from		
Executive (Note: 11.1)	-	38,000
Employees	4,363,732	4,143,881
Advances to		
Suppliers/against expenses	15,159,967	10,399,800
Suppliers against letter of credit	21,644,292	20,410,089
Advance income tax - net	1,998,411	38,838,795
	43,166,402	73,830,565

11.1 Maximum aggregate balance at the end of any month during the year is Nil (2005: Rs. 38,000)

	June 30, 2006 Rupees	June 30, 2005 Rupees
12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits	1,018,094	842,500
Prepayments	-	15,695
	<u>1,018,094</u>	<u>858,195</u>
13 OTHER RECEIVABLES		
Considered good		
Export rebate	421,292	421,292
Sales tax	13,565,811	3,253,023
	<u>13,987,103</u>	<u>3,674,315</u>
14 CASH AND BANK BALANCES		
Cash with banks		
In current accounts	25,306,766	4,665,761
In saving accounts (Note: 14.1)	573,852	14,159,824
	<u>25,880,618</u>	<u>18,825,585</u>

14.1 It carries mark up at the rate of 3.5 percent (2005: 1.0 percent) per annum.

15 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2006	2005			
Number of shares				
13,479,600	13,479,600	Ordinary shares of Rs. 10 each fully paid in cash.	134,796,000	134,796,000
1,962,334	1,962,334	Ordinary shares of Rs. 10 each fully paid for consideration other than cash.	19,623,340	19,623,340
3,088,387	3,088,387	Ordinary shares of Rs. 10 each issued as fully paid bonus shares.	30,883,870	30,883,870
<u>18,530,321</u>	<u>18,530,321</u>		<u>185,303,210</u>	<u>185,303,210</u>

Reconciliation of number of ordinary shares of Rs. 10 each.

	No. of shares	
At the beginning of the year/period	18,530,321	15,441,934
Add: Issued during the period as bonus shares	-	3,088,387
At the end of the year/period	<u>18,530,321</u>	<u>18,530,321</u>

15.1 Associated Company [Din Leather (Pvt) Limited] held 6,000 (2005: 6,000) ordinary shares of the Company.

15.2 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.

16 RESERVES	June 30, 2006 Rupees	June 30, 2005 Rupees
<i>Capital</i>		
Merger reserve (Note: 16.1)	10,376,660	10,376,660
<i>Revenue</i>		
General	400,000,000	400,000,000
Unappropriated profit	129,205,666	109,765,144
	<u>539,582,326</u>	<u>520,141,804</u>

16.1 This represent book difference of capital under scheme of arrangement for amalgamation with Din power limited in the year 2001.

17 LONG TERM FINANCING	June 30, 2006 Rupees	June 30, 2005 Rupees
Secured - From banking companies		
Citi Bank N.A - 1 (Note: 17.1)	-	200,000,000
ABN Amro Bank N.V (Note: 17.2)	87,500,000	100,000,000
Citi Bank N.A - 2 (Note: 17.3)	-	70,000,000
Habib Bank Limited (Note: 17.4)	700,000,000	800,000,000
United Bank Limited (Note: 17.5)	-	150,000,000
	<u>787,500,000</u>	<u>1,320,000,000</u>
Less: Current portion	(125,000,000)	(120,000,000)
	<u>662,500,000</u>	<u>1,200,000,000</u>

17.1 This is secured against first pari passu charge over all fixed assets (other then land and building), and is repayable in 8 equal semi annual installments of Rs. 25 million each commencing from July 07, 2005. It carried mark-up at the rate of 7.15 percent per annum payable semi-annually. The said loan is fully paid on September 06, 2005 prematurely.

17.2 This loan is secured against first pari passu of Rs. 134 million over plant & machinery and equipment of the company inclusive of 25 % of margin. This loan is repayable in 8 equal semi annual installments of Rs. 12.5 million each commencing from May 29, 2006. It carries mark up at rate of six months KIBOR plus 0.8 % payable semi annually.

17.3 This is secured against first pari passu hypothecation charge over all present and future fixed assets, and is repayable in 10 equal semi-annual installments of Rs. 10 million each commencing from May 04, 2004. It carried mark-up at the rate of 9.49 percent payable semi annually. This loan is fully paid on September 12, 2005 prematurely.

17.4 This is secured against first pari passu hypothecation charge over all present and future overall existing and future fixed and floating assets of the Company excluding land, and is repayable in 8 equal semi annual installments of Rs. 100 million each commencing from May 26, 2006 except the third and fourth installment which are due on July 26, 2007 and January 26, 2008 respectively. It carries mark up at the rate of 6 percent per annum payable quarterly.

17.5 This is secured against first pari passu hypothecation charge over Rs. 200 million present and future fixed assets and is repayable in 8 equal semi annual installments of Rs. 18.75 million each commencing from February 25, 2005. It carried mark up at the rate of 9.77 percent per annum payable semi annually. This loan is fully paid on September 13, 2005 prematurely.

18 LONG TERM LOAN FROM DIRECTORS

This is unsecured, interest free and not repayable in next twelve months.

June 30, 2006
Rupees **June 30, 2005**
Rupees

19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Minimum lease payment		
Up to one year	4,767,825	957,339
More than one year but less than five years	2,844,076	53,151
	7,611,901	1,010,490
Less: Financial charges not yet due		
Up to one year	195,506	25,909
More than one year but less than five years	65,486	3,268
	260,992	29,177
Present value of minimum lease payment		
Up to one year	4,572,319	931,430
More than one year but less than five years	2,778,590	49,883
	7,350,909	981,313
Less: Current portion shown under current liabilities	4,572,319	931,430
	<u>2,778,590</u>	<u>49,883</u>

19.1 These represent finance leases which have been obtained under the lease arrangement for vehicles and plant & machinery. The total minimum lease payments are payable in 36 monthly installments. The internal rate of return of 6.75 (2005: 6.75) percent per annum and 7 (2005: 7) percent per annum are used as discounting factor. The company intend to exercise the option of purchasing the leased assets upon completion of lease term. These are secured against demand promissory notes and security deposits

June 30, 2006
Rupees **June 30, 2005**
Rupees

20 LONG TERM MORABAHA

Faysal Bank Limited (Note: 20.1)	-	100,000,000
Less: Current portion	-	(50,000,000)
	<u>-</u>	<u>50,000,000</u>

20.1 Long term morabaha from Faysal Bank is secured against first pari passu floating charge over machinery and is repayable in 3 equal yearly installments of Rs. 50 million each commencing from February 16, 2005. It carried mark up at the rate of 6 months KIBOR plus 1.5 %. This loan is fully paid on February 16, 2006.

	June 30, 2006 Rupees	June 30, 2005 Rupees
21 STAFF RETIREMENT BENEFIT - GRATUITY		
21.1 Movement in the net liability recognized in the balance sheet		
Opening net liability	28,761,720	23,981,249
Expense for the year (Note: 21.2)	9,049,368	7,654,554
	37,811,088	31,635,803
Contribution paid during the year	(4,265,264)	(2,874,083)
Closing net liability	33,545,824	28,761,720
21.2 Expense recognized in the profit and loss account		
Current service cost	6,634,666	6,213,115
Interest cost	2,414,702	1,441,439
	9,049,368	7,654,554

21.3 General description

The scheme provides for terminal benefits for all of its permanent employees who attain the minimum qualifying period. Annual charges is made using the actuarial technique of Projected Unit Credit Method.

	June 30, 2006 Rupees	June 30, 2005 Rupees
21.4 Reconciliation		
Present value of defined benefit obligation	35,879,565	27,799,444
Unrecognized actuarial gain / (loss)	(2,333,565)	962,276
	33,546,000	28,761,720

21.5 Principal actuarial assumption

Following are a few important actuarial assumption used in the valuation.

	%	%
Discount rate	9	9
Expected rate of increase in salary	7	8

	June 30, 2006 Rupees	June 30, 2005 Rupees
22 DEFERRED TAX LIABILITY		
The liability of deferred taxation comprises of temporary differences.		
<i>Taxable temporary differences</i>		
Accelerated tax depreciation allowance	178,341,324	177,500,000
<i>Deductible temporary differences</i>		
Provision for staff retirement benefit - gratuity	(5,870,519)	(5,000,000)
	<u>172,470,805</u>	<u>172,500,000</u>

22.1 In view of applicability of presumptive tax regime on major portion of taxable income. Deferred tax liability has been worked out after taking effect of income covered under presumptive tax regime.

	June 30, 2006 Rupees	June 30, 2005 Rupees
23 TRADE AND OTHER PAYABLES		
Creditors	25,637,752	53,891,812
Bills payable	-	2,860,304
Accrued charges	53,553,543	36,825,787
Advances from customers	1,490,514	-
Security deposit	2,683,074	16,967,180
Retention money	8,992,296	7,595,416
Excise duty on loans (Note: 23.1)	4,429,581	4,429,581
Sales tax claim payable (Note: 23.2)	14,759,965	14,759,965
Withholding tax payable	854,965	277,730
Workers' profit participation fund (Note: 23.3)	1,832,859	1,228,827
Unclaimed dividend	3,041,976	3,068,797
Others	-	37,990
	<u>117,276,525</u>	<u>141,943,389</u>

23.1 The company has provided for excise duty payable on loans from banks/financial institutions. The High Court of Sindh has decided the case in favour of the company. The Federation of Pakistan filed an appeal before the Supreme Court of Pakistan where it is pending for adjudication.

23.2 The company has filed appeal in high court of Sindh at Karachi against the order of custom/excise and sales tax appellate tribunal Karachi regarding penalty and additional tax.

	June 30, 2006 Rupees	June 30, 2005 Rupees
23.3 Workers' profit participation fund		
Opening balance	1,228,827	1,998,339
Interest on fund utilized in company's business (Note:33)	12,801	34,053
	<u>1,241,628</u>	<u>2,032,392</u>
Paid during the year	(1,228,827)	(1,998,339)
	12,801	34,053
Allocation for the year	1,820,058	1,194,774
	<u>1,832,859</u>	<u>1,228,827</u>

	June 30, 2006 Rupees	June 30, 2005 Rupees
24 ACCRUED MARK-UP AND INTEREST		
<i>Mark up/interest accrued on secured loans</i>		
Long term financing	5,121,210	16,088,949
Short term borrowings	14,780,620	7,486,670
Finance lease	324,444	1,250
	20,226,274	23,576,869
25 SHORT TERM BORROWINGS		
<i>From banking companies</i>		
<i>Secured</i>		
Running finance (Note: 25.1)	404,464,540	319,000,000
Term finance (Note: 25.1)	63,734,637	285,738,183
Morabaha (Note: 25.1)	216,376,854	50,525,351
	684,576,031	655,263,534
<i>Unsecured</i>		
Temporary book overdraft (Note: 25.2)	-	39,711,362
<i>From related parties</i>		
<i>Unsecured</i>		
Directors (Note: 25.3)	-	50,000,000
	684,576,031	744,974,896

25.1 Total credit limits available for short term bank borrowings are Rs 2,640 million (2005: Rs. 2,330 millions). These borrowings were secured against pledge of raw cotton, first pari passu charge over company's' stocks and book debts and lien on export documents. Mark up is payable on quarterly basis and mark up ranges from 6 to 12.61 percent (2005: 2.20 to 9.25 percent) per annum. These facilities are expiring on various dates by April 30, 2007.

25.2 This represent temporary book overdraft due to issuance of cheques in excess of balances in bank accounts.

25.3 This is unsecured and interest free. This is repayable on demand.

	June 30, 2006 Rupees	June 30, 2005 Rupees
26 CONTINGENCIES AND COMMITMENTS		
<i>Contingencies</i>		
Bills discounted with recourse	35,388,900	-
Bank guarantees issued in the ordinary course of business	30,309,200	23,629,200
<i>Commitments</i>		
Capital commitment in respect of civil work	2,995,540	38,343,295
Letters of credit for capital expenditure	-	7,774,000
Letters of credit for other	23,083,598	22,960,974

DIN TEXTILE MILLS LIMITED

27 SALES - NET	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
<i>Yarn</i>		
Export (Note: 27.1)	972,388,818	242,793,832
Indirect export	6,390,024	-
Local	1,453,760,537	1,157,196,714
Raw Cotton	7,729,944	-
<i>Waste</i>	70,591,209	43,027,571
	<u>2,510,860,532</u>	<u>1,443,018,117</u>
Less:		
Sales tax	-	(135,871,849)
Commission and claims	(57,522,797)	(26,979,705)
	<u>(57,522,797)</u>	<u>(162,851,554)</u>
	<u>2,453,337,735</u>	<u>1,280,166,563</u>

27.1 This includes net exchange loss and export rebate received amounting to Rs. 5,989,022 (2005: Rs.1,663,842) and Rs. 2,346,501 (2005: Rs. 201,427) respectively.

28 COST OF GOODS SOLD	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
Cost of goods manufactured (Note: 28.1)	2,101,950,546	1,111,063,804
<i>Finished goods</i>		
Opening stock	62,818,069	62,222,019
Purchases	117,025,718	50,594,790
Closing stock	(61,979,836)	(62,818,069)
	<u>2,219,814,497</u>	<u>1,161,062,544</u>
28.1 Cost of goods manufactured		
Raw material consumed (Note: 28.1.1)	1,354,141,805	753,061,384
Packing material consumed	31,857,949	15,719,864
Stores and spares consumed	48,990,793	24,363,526
Salaries, wages and other benefits (Note: 28.1.2)	162,294,124	85,223,943
Fuel and power	251,883,007	124,567,561
Insurance	18,655,046	6,742,390
Repairs and maintenance	377,122	2,791,062
Depreciation (Note: 5.1)	209,732,872	87,700,729
Vehicle running and maintenance	3,744,605	1,749,903
Books and periodicals	536,796	109,187
Postage and telephone	437,826	311,949
Travelling and conveyance	1,697,375	831,897
Legal and professional	175,400	180,000
Rent, rates and taxes	1,319,913	464,216
Other overheads	12,246,866	5,844,516
	<u>2,098,091,499</u>	<u>1,109,662,127</u>
Work in process		
Opening stock	19,001,325	20,403,002
Closing stock	(15,142,278)	(19,001,325)
	<u>3,859,047</u>	<u>1,401,677</u>
	<u>2,101,950,546</u>	<u>1,111,063,804</u>

DIN TEXTILE MILLS LIMITED

	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
28.1.1 <i>Raw material consumed</i>		
Opening stock	572,148,828	351,841,645
Purchases and purchase expenses - net of sales and claims	1,176,341,500	930,846,975
	<u>1,748,490,328</u>	<u>1,282,688,620</u>
Closing stock	(461,136,416)	(572,148,828)
	<u>1,287,353,912</u>	<u>710,539,792</u>
Dyeing charges	66,787,893	42,521,592
	<u>1,354,141,805</u>	<u>753,061,384</u>

28.1.2 Salaries, wages and other benefits include Rs. 8,600,997 (2005: Rs.7,124,554) in respect of staff retirement benefit.

	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
29 DISTRIBUTION COST		
Ocean freight	13,271,281	3,504,604
Air freight	175,355	20,417
Local freight	6,544,010	2,795,561
Clearing and forwarding	2,787,231	715,616
Export development surcharge	1,732,566	1,040,849
Samples and others	2,393,974	990,445
Travelling and conveyance	447,757	3,449,565
	<u>27,352,174</u>	<u>12,517,057</u>
30 ADMINISTRATIVE EXPENSES		
Director's remuneration (Note: 37)	7,740,000	5,805,000
Staff salaries and other benefits (Note: 30.1)	8,629,472	5,977,375
Travelling and conveyance	1,606,345	1,280,543
Vehicle running and maintenance	3,053,303	1,948,699
Rent, rates and taxes	348,775	88,127
Electricity, gas and water	1,147,989	490,717
Printing and stationery	537,252	719,635
Fees, subscription and periodicals	343,200	740,093
Legal and professional	503,745	431,913
Auditors' remuneration (Note: 30.2)	310,000	260,000
Repairs and maintenance	1,493,684	704,493
Communication	3,086,158	2,542,367
Entertainment	207,823	154,045
Advertisement	24,655	154,458
Donation (Note: 30.3)	632,860	-
Depreciation (Note: 5.1)	4,089,298	4,280,171
Others	1,400,256	102,903
	<u>35,154,815</u>	<u>25,680,539</u>

30.1 Staff salaries and other benefits includes Rs. 448,371 (2005: Rs. 530,000) in respect of staff retirement benefits

	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
30.2 Auditors' remuneration		
Audit fee	250,000	200,000
Half yearly review fee	60,000	60,000
	310,000	260,000
30.3 No directors or their spouses had any interest in the donee funds.		
31 OTHER OPERATING EXPENSES		
Loss on sale of property, plant & equipment	-	1,563,147
Workers' profit participation fund (Note 23.3)	1,820,058	1,194,774
	1,820,058	2,757,921
32 OTHER OPERATING INCOME		
Income from non financial assets		
Scrap sales	6,268,801	3,541,620
Gain on sale of property, plant & equipment	1,761,762	-
	8,030,563	3,541,620
33 FINANCE COST		
<i>Mark up/interest on</i>		
Long term financing	70,158,664	23,895,071
Finance lease	946,625	34,976
Short term borrowings	65,796,359	30,910,806
Workers' profit participation fund (Note: 23.3)	12,801	34,053
Bank charges and commission	5,731,203	4,114,513
	142,645,652	58,989,419
34 TAXATION		
Provision for taxation		
Current	13,153,566	6,535,731
Prior year	2,016,209	831,330
Deferred	(29,195)	136,000,000
	15,140,580	143,367,061
34.1 The assessment of the company will be finalized in respect of export proceeds under presumptive tax regime under section 169. Other than export income, assessment will be finalized under the universal self assessment scheme of Income Tax Ordinance, 2001.		
34.2 The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income of the company falls under sections 154 and 169 of the Income Tax Ordinance, 2001. Assessment has been finalized up to Tax year 2005. There is no outstanding Income Tax liability		

		For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
35 EARNING PER SHARE			
Basic earning per share			
Profit / (Loss) after taxation	Rupees	19,440,522	(120,666,358)
Weighted average number of ordinary shares outstanding during the year	Numbers	18,530,321	18,530,321
Earning per share - Basic	Rupees	1.05	(6.51)
Diluted earning per share			
There is no dilutive effect on the basic earnings per share of the Company.			
36 CASH GENERATED FROM OPERATIONS			
Profit before taxation		34,581,102	22,700,703
<i>Adjustments for</i>			
Depreciation		213,822,170	91,980,900
Staff retirement benefit - gratuity		9,049,368	7,654,554
Finance cost		142,645,652	58,989,419
Loss/(Gain) on disposal of property, plant & equipment		(1,761,762)	1,563,149
		363,755,428	160,188,022
Profit before working capital changes		398,336,530	182,888,725
(Increase)/decrease in current assets			
Stores, spare parts and loose tools		(6,494,559)	(40,190,156)
Stock in trade		115,709,692	(219,501,556)
Trade debts		35,266,899	91,933,106
Loans and advances		(6,176,221)	30,612,876
Deposits and short term prepayments		(159,899)	37,500
Other receivables		(10,312,788)	(859,124)
		127,833,124	(137,967,354)
(Decrease)/increase in current liabilities			
Trade and other payables		(25,217,278)	(43,966,577)
Cash generated from operations		500,952,376	954,794

37 REMUNERATION TO DIRECTORS AND EXECUTIVES

	For the Year Ended June 30, 2006		For Nine Months Ended June 30, 2005	
	Directors	Executive	Directors	Executive
	-----Rupees-----			
Remuneration	5,811,000	8,224,934	4,358,250	3,974,540
House rent allowance	1,350,000	3,289,973	1,012,500	1,704,213
Utility allowance	579,000	822,493	434,250	397,314
	<u>7,740,000</u>	<u>12,337,400</u>	<u>5,805,000</u>	<u>6,076,067</u>
Number of persons	5	12	5	5

37.1 The chief executive of the Company has waived off his remuneration.

38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

	2006						Total
	Interest/Mark up bearing			Non Interest/Mark up bearing			
	Within one year	More than one year	Sub Total	Within one year	More than one year	Sub Total	
Rupees							
FINANCIAL ASSETS							
Long term deposits	-	-	-	-	3,850,235	3,850,235	3,850,235
Trade debts	-	-	-	213,028,850	-	213,028,850	213,028,850
Loans and advances	-	-	-	4,363,732	-	4,363,732	4,363,732
Trade deposits and short term prepayments	-	-	-	1,018,094	-	1,018,094	1,018,094
Other receivables	-	-	-	421,292	-	421,292	421,292
Cash and bank balances	573,852	-	573,852	25,306,766	-	25,306,766	25,880,618
	573,852	-	573,852	244,138,734	3,850,235	247,988,969	248,562,821
FINANCIAL LIABILITIES							
<i>Long term financing from</i>							
Banking companies	125,000,000	662,500,000	787,500,000	-	-	-	787,500,000
Directors	-	-	-	-	500,000,000	500,000,000	500,000,000
Finance lease	4,572,319	2,778,590	7,350,909	-	-	-	7,350,909
Long term morabaha	-	-	-	-	-	-	-
Trade and other payable	-	-	-	117,276,525	-	117,276,525	117,276,525
Accrued mark up & interest	-	-	-	20,226,274	-	20,226,274	20,226,274
Short term borrowings	684,576,031	-	684,576,031	-	-	-	684,576,031
	814,148,350	665,278,590	1,479,426,940	137,502,799	500,000,000	637,502,799	2,116,929,739
<i>On balance sheet gap</i>	(813,574,498)	(665,278,590)	(1,478,853,088)	106,635,935	(496,149,765)	(389,513,830)	(1,868,366,918)

	2005						Total
	Interest/Mark up bearing			Non Interest/Mark up bearing			
	Within one year	More than one year	Sub Total	Within one year	More than one year	Sub Total	
Rupees							
FINANCIAL ASSETS							
Long term deposits	-	-	-	-	3,592,989	3,592,989	3,592,989
Trade debts	-	-	-	248,295,749	-	248,295,749	248,295,749
Loans and advances	-	-	-	4,181,881	-	4,181,881	4,181,881
Trade deposits and short term prepayments	-	-	-	842,500	-	842,500	842,500
Other receivables	-	-	-	421,292	-	421,292	421,292
Cash and bank balances	14,159,824	-	14,159,824	4,665,761	-	4,665,761	18,825,585
	14,159,824	-	14,159,824	258,407,183	3,592,989	262,000,172	276,159,996
FINANCIAL LIABILITIES							
<i>Long term financing from</i>							
Banking companies	120,000,000	1,200,000,000	1,320,000,000				1,320,000,000
Directors							-
Finance lease	931,430	49,883	981,313				981,313
Long term morabaha	50,000,000	50,000,000	100,000,000				100,000,000
Trade and other payable				141,943,389	-	141,943,389	141,943,389
Accrued mark up & interest				23,576,869	-	23,576,869	23,576,869
Short term borrowings	694,974,896	-	694,974,896	50,000,000	-	50,000,000	744,974,896
	865,906,326	1,250,049,883	2,115,956,209	215,520,258	-	215,520,258	2,331,476,467
<i>On balance sheet gap</i>	(851,746,502)	(1,250,049,883)	(2,101,796,385)	42,886,925	3,592,989	46,479,914	(2,055,316,471)

	June 30, 2006 Rupees	June 30, 2005 Rupees
OFF BALANCE SHEET ITEMS		
Capital commitment in respect of civil work	2,995,540	38,343,295
Letter of credit for capital expenditures	-	7,774,000
Letter of credit for other than capital expenditures	23,083,598	22,960,974

The effective rate of interest/mark up for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

38.1 Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchange rates, market interest rates such as Karachi Inter-Bank Offered Rate and London Inter-Bank Offered Rate, credit and liquidity risk associated with various financial assets and liabilities respectively.

The company finances its operations through equity, borrowings and management of working capital with a view to maintain a reasonable mix between the various sources of finance to minimize risk.

(a) Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The company's credit risk is primarily attributable to its trade debts and balances with banks. The credit risk on liquid funds is limited because the counter parties are banks with reasonable high credit ratings. The company has no significant concentration of credit risk as exposure is spread over a large number of counter parties in the case of trade debts. Out of total financial assets of Rs. 248.562 million (2005: Rs. 276.160 million) financial assets which are subject to credit risk amount to Rs. 222.632 million (2005: Rs. 256.913 million). To manage exposure to credit risk, the company applies credit limits to its customer and also obtain collaterals and security deposits, where considered necessary.

(b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rate. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. Payables exposed to foreign currency risk are covered through forward foreign exchange contracts.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instruments will fluctuate due to changes in market interest rates. The company usually borrows funds at fixed and market based rates and as such the risk is minimized. Significant interest rate and cash flow risk exposures are primarily managed by contracting floor and cap of interest rates.

(d) Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

38.2 Fair value of financial instruments

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

39 PLANT CAPACITY AND PRODUCTION

It is difficult to describe precisely the production capacity in textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed and twist. It would also vary according to the pattern of production adopted in a particular year.

	For the Year Ended June 30, 2006	For Nine Months Ended June 30, 2005
Total number of spindles installed	61,728	61,728
Total number of spindles worked	60,090	57,000
Number of shifts per day	3	3
Installed capacity converted into 20/1 count (Kgs)	22,036,361	9,370,591
Actual production converted into 20/1 count (Kgs)	20,941,578	8,932,870

Production is lower than capacity due to production of specialized melange yarn and normal repair & maintenance.

40 TRANSACTION WITH RELATED PARTIES

The related parties comprises associated companies, directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. Other transactions with the related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	For the Year Ended June 30, 2006 Rupees	For Nine Months Ended June 30, 2005 Rupees
<i>Transactions with related parties</i>		
Din Leather (Private) Limited - sale of yarn	-	334,596,516
Din Leather (Private) Limited - sale of vehicle	194,969	-
	June 30, 2006 Rupees	June 30, 2005 Rupees
<i>Balances with related parties</i>		
MCB Bank Limited		
Balance in bank accounts	23,342,356	16,817,073

The transaction between the Company and related parties are carried out on normal commercial terms except as disclosed in relevant notes.

41 ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes

The company takes into account the current income tax law and decisions taken by the appellate authorities. Instances where the company's view differs from the view taken by the income tax departments at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities. Furthermore, the company may be able to avail the benefit of the payment of turnover tax, provided sufficient taxable profits are available in next five years when this credit can be utilized.

Staff retirement benefit - gratuity

Certain actuarial assumptions have been adopted as disclosed in note 21 to the financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future year might affect unrecognized gains and losses in those years.

Property, plant and equipment

The company reviews the value of the assets for possible impairment on an annual basis. Any changes in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on August 12, 2006 by the Board of Directors of the Company.

43 CORRESPONDING FIGURES

Comparative figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant re-arrangement have been made.

As per SRO 684 (1) 2004 dated August 10, 2004 issued by Central Board of Revenue, the Company's accounting year is required to end on June 30, instead of September 30. In order to make the Company's accounting period consistent with aforementioned requirement, the Company prepared its financial statement covering period of nine months ended on June 30, 2005. Since the audited comparative figures are available for nine months ended June 30, 2005, same has been disclosed as comparative figures of profit and loss account, statement of changes in equity, cash flow statement and related notes and are therefore not entirely comparable.

44 GENERAL

Figures have been rounded off to the nearest Rupee.

SHAIKH MOHAMMAD MUNEEB
Chief Executive

SHAHZAD NASEER
Director

Pattern of share holdings CDC and physical as on June 30, 2006

Number of Shareholders	From	Share Holding To	Total Shares Held
68	1	100	4,770
231	101	500	55,272
343	501	1,000	214,320
110	1,001	5,000	225,360
22	5,001	10,000	144,140
10	10,001	15,000	125,320
1	15,001	20,000	15,800
1	20,001	25,000	22,080
2	25,001	30,000	52,700
1	35,001	40,000	36,600
2	45,001	50,000	98,500
1	60,001	65,000	64,000
1	70,001	75,000	71,000
1	75,001	80,000	77,086
1	85,001	90,000	85,440
1	205,001	210,000	208,200
1	220,001	225,000	222,600
1	430,001	435,000	433,729
1	470,001	475,000	470,027
1	585,001	590,000	587,500
1	605,001	610,000	609,396
1	780,001	785,000	783,380
1	845,001	850,000	848,038
1	895,001	900,000	896,412
1	980,001	985,000	984,792
1	1,010,001	1,015,000	1,014,528
1	1,030,001	1,035,000	1,031,114
2	1,565,001	1,570,000	3,133,519
1	1,700,001	1,705,000	1,703,238
1	2,095,001	2,100,000	2,096,672
1	2,210,001	2,215,000	2,214,788
812			18,530,321

Combined Pattern Of CDC & Physical Share Holding as at June 30, 2006

Category No.	Categories of Share Holders	No. of Shares Held	Category wise No. of Folios/CDC Accounts	Category wise Shareheld	Percentage %
1	Individuals	2,712,674	774	2,712,674	14.64
2	Investment of Companies	230,200	3	230,200	1.24
3	Joint Stock Companies	259,308	8	259,308	1.40
4	Directors, Chief Executive and their Spouses and Minor Children		14	14,581,283	78.69
	1. Shaikh Mohammad Muneer	470,027			
	2. Shaikh Mohammad Naseer	1,200			
	3. Shaikh Mohammad Jawed	1,703,238			
	4. Shaikh Mohammad Pervez	2,096,672			
	5. Shaikh Mohammad Tariq	2,214,788			
	6. Shaikh Mohammad Tanveer	783,380			
	7. Mr. Shahzad Naseer	1,566,760			
	8. Mr. S. M. Naveed	1,566,759			
	9. Mr. Irfan Muneer	848,038			
	10. Mr. Fawad Jawed	433,729			
	11. Mrs. Saeeda Parveen W/o Sh. M. Muneer	960			
	12. Mrs. Uneza Jawed W/o Sh. M. Jawed	984,792			
	13. Mrs. Ghazala Pervez W/o Sh. M. Pervez	1,014,528			
	14. Mrs. Amna Tariq W/o Sh. M. Tariq	896,412			
5	Executive				
6	NIT/ICP				
	National Bank of Pakistan Trustees Dept.	609,396	3	631,776	3.41
	Investment Corporation of Pakistan	22,380			
7	Associated Company and Related Parties				
	M/s Din Leather (Pvt.) Limited	6,000	1	6,000	0.03
8	Public Sector companies and Corporations				
9	Banks, DFIs, NBFIs, Insurance Companies				
	Modarabas and Mutual Funds	90,760	6	90,760	0.49
10	Foreign Investors	13,320	2	13,320	0.07
11	Co-operative Societies				
12	Charitable Trusts				
13	Others	5000	1	5000	0.03
	Total	18,530,321	-	18,530,321	100.00

Shareholders Holding ten percent or more voting interest in the listed company

Total Paid-up Capital of the Company 18,530,321 Shares
 10% of the Paid-up Capital 1,853,032 Shares

Name of Shareholders	Description	No. of Shares held	Percentage %
Shaikh Mohammad Pervez	Falls in category # 4	2,096,672	11.31
Shaikh Mohammad Tariq	Falls in category # 4	2,214,788	11.95

PROXY FORM

Folio No. _____ CDC Participants Identity Card No. _____ A/C No. _____

I/We _____

of _____ being

a member(s) of DIN TEXTILE MILLS LIMITED a holder of _____

Ordinary Shares as per Registered Folio No. _____

of _____

Shares Register Folio No. _____

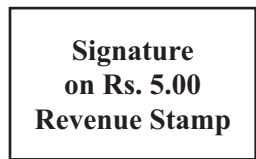
is also a member of DIN TEXTILE MILLS LIMITED, as my Proxy to vote for me on my behalf at the Nineteenth Annual General Meeting of the Company to be held on 12th September, 2006 and at any adjournment thereof.

Signed this _____ day of _____ 2006.

Witness

1.

2.



N.B. (Signed should agree with specimen signature registered with the Company)

NOTICE :

A member entitled to vote at this meeting may appoint a proxy. Proxies in order to be effective must be received at Registered Office of the Company duly stamped and signed not later that 48 hours before the time of meeting.

