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**DIN TEXTILE MILLS LIMITED**

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**DIN TEXTILE MILLS LIMITED**

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**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**

Faysal Bank Ltd.  
Citibank N.A.  
ABN Amro Bank N.V  
Meezan Bank Ltd.  
Standard Chartered Bank Ltd.  
Habib Metropolitan Bank Ltd.  
Habib Bank Ltd.  
United Bank Ltd.  
Dubai Islamic Bank (Pakistan) 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.

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**DIN TEXTILE MILLS LIMITED**

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**DIRECTORS' REPORT**

Dear shareholders

The directors of your Company are pleased to present the un-audited financial statements of the Company for the nine months ended 31<sup>st</sup> March, 2007.

During the period of nine months under review, the company has earned profit before tax of Rs.67.65 million after charging depreciation of Rs. 156.75 million and finance cost of Rs.102.73 million.

During the period under review, your company has been able to maintain growth in sales and the rate of gross profit. Financial cost increased due to increase in average short term borrowing rate to 10% p.a.

During the nine months under review, the operating results of your company were as follows.

PARTICULARS	Nine months ended March 31,		Inc./(Dec.) % ages
	2007	2006	
Net Sales ('000' Rs)	1,988,341	1,786,082	11.32
Gross Profit ('000' Rs)	215,954	186,745	15.64
Pre-tax Profit ('000' Rs)	67,654	32,763	106.50
After Tax Profit ('000' Rs)	64,057	32,937	94.49
Gross Profit (%)	10.86	10.45	
After Tax Profit (%)	3.22	1.84	
Earning Per Share (Rs)	3.45	1.78	

The management of your company has been constantly making effort to increase sale volume and the price in order to improve the profitability of the Company. It is always our endeavor that to increase production to the maximum level and seek diversification in market strategy in order to sell the increased production. Reduction in overall cost of production specially in raw material, stores & spares and fuel and power in given high priority. The management is also constantly exploring for availing fund from the cheapest source of financing for running the business of the company economically.

We are confident that by the end of current year, the profitability and liquidity position of your company will improve.

In the end, I would like to thank the customers for their patronage and to express sincere appreciation to the bankers for their continuous support and to the employees of the company for their dedication and hard work.

For & on behalf of the Board of Directors

**(SHAIKH MOHAMMAD MUNEER)**

**CHAIRMAN / CHIEF EXECUTIVE**

KARACHI.

DATE: April 27, 2007

**DIN TEXTILE MILLS LIMITED**

**BALANCE SHEET (UN-AUDITED)  
AS AT MARCH 31, 2007**

EQUITY AND LIABILITIES	Note	UN-AUDITED MARCH 31 2007	AUDITED JUNE 30 2006
(Rupees in '000')			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised 50,000,000 ordinary shares of Rs. 10/= each		500,000	500,000
Issued, Subscribed & Paid up 18,530,321 ordinary shares of Rs. 10/= each		185,303	185,303
Reserves		603,639	539,582
		788,942	724,885
<b>LONG TERM LOANS</b>			
From banks - secured		614,050	662,500
From directors - un secured		500,000	500,000
<b>LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>			
		2,647	2,779
<b>DEFERRED LIABILITIES</b>			
Staff Gratuity		33,935	33,546
Taxation		165,242	172,471
		199,177	206,017
<b>CURRENT LIABILITIES</b>			
Short term bank borrowings		987,192	684,576
Current portion of long term loans		125,000	125,000
Current portion of liabilities against assets subject to finance lease		1,453	4,572
Interest / Markup accrued on loans		32,544	20,226
Trade and other payables		155,291	117,277
		1,301,480	951,651
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	4.	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,406,296</b>	<b>3,047,832</b>
<b>ASSETS</b>			
<b>TANGIBLE FIXED ASSETS</b>			
Property, plant and equipment	5.	2,026,076	2,107,863
Capital work in progress		34,157	12,694
		2,060,233	2,120,557
<b>LONG TERM DEPOSITS</b>			
		4,348	3,850
<b>CURRENT ASSETS</b>			
Stores, spares & loose tools		92,417	88,085
Stock in trade		823,282	538,259
Trade debtors		360,552	213,029
Loans and advances		27,903	43,166
Trade deposits and prepayments		5,362	1,018
Other receivables		6,895	13,987
Cash and bank balances		25,304	25,881
		1,341,715	923,425
<b>TOTAL ASSETS</b>		<b>3,406,296</b>	<b>3,047,832</b>

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

**(S.M. MUNEER)**  
Chief Executive

**(S.M. PERVEZ)**  
Director

KARACHI.  
DATE: April 27, 2007

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**DIN TEXTILE MILLS LIMITED**

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**PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THIRD QUARTER ENDED MARCH 31, 2007**

	<u>Nine Months ended</u>		<u>Quarter ended</u>	
	<u>March</u> 31, 2007	<u>March</u> 31, 2006	<u>March</u> 31, 2007	<u>March</u> 31, 2006
.....(Rupees in '000').....				
Sales-net	<b>1,988,341</b>	1,786,082	<b>669,532</b>	599,017
Cost of goods sold	<b>1,772,387</b>	1,599,337	<b>599,348</b>	530,415
<b>Gross profit/(loss)</b>	<b>215,954</b>	186,745	<b>70,184</b>	68,602
Selling & Distribution cost	<b>24,667</b>	18,837	<b>7,909</b>	6,845
Administrative expenses	<b>21,748</b>	29,522	<b>7,135</b>	9,287
Other operating expenses	<b>3,604</b>	1,724	<b>840</b>	699
Other operating income	<b>(4,457)</b>	(5,248)	<b>(1,017)</b>	(1,332)
<b>Profit/(loss) from operation</b>	<b>170,392</b>	141,910	<b>55,317</b>	53,103
Finance cost	<b>102,738</b>	109,147	<b>39,623</b>	39,816
<b>Profit/(loss) before taxation</b>	<b>67,654</b>	32,763	<b>15,694</b>	13,287
Taxation	<b>3,597</b>	(174)	<b>10,714</b>	1,952
<b>Profit after taxation</b>	<b>64,057</b>	32,937	<b>4,980</b>	11,335
Earning per share-basic and diluted	<b>3.46</b>	1.78	<b>0.27</b>	0.61

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

(S.M. MUNEER)  
Chief Executive

(S.M. PERVEZ)  
Director

KARACHI.  
DATE: April 27, 2007

**DIN TEXTILE MILLS LIMITED**

**CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THIRD QUARTER ENDED MARCH 31, 2007**

	Nine months ended	
	MARCH 31, 2007	MARCH 31, 2006
	(Rupees in '000')	
<b>a. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	67,654	32,764
<i>Adjustments for:</i>		
Depreciation	156,750	152,565
Provision for employee benefits	4,620	3,248
Loss/(gain) on sale of property, plant and equipment	28	(202)
Finance cost	102,738	109,147
<b>Operating cash flows before working capital changes</b>	<b>331,790</b>	<b>297,522</b>
<i>(Increase)/Decrease in current assets:</i>		
Stores spares and loose tools	(4,332)	8,246
Stock in trade	(285,023)	(25,272)
Trade debts	(147,523)	12,339
Advances, deposits & prepayments	10,406	(53,189)
Other receivables	7,092	(1,525)
	<b>(419,380)</b>	<b>(59,401)</b>
<i>Increase/(Decrease) in current liabilities:</i>		
Trade and other payable	34,940	(49,065)
	<b>(384,440)</b>	<b>(108,466)</b>
<b>Cash generated from operations</b>	<b>(52,650)</b>	<b>189,056</b>
Finance cost paid	(90,420)	(99,584)
Gratuity paid	(4,231)	(2,260)
Taxes Refund / (Paid)	(7,239)	45,423
	<b>(101,890)</b>	<b>(56,421)</b>
<b>Net cash used in operating activities</b>	<b>(154,540)</b>	<b>132,635</b>
<b>b. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales proceed of fixed assets	410	3,593
Fixed asset acquired	(75,402)	(67,719)
Capital work in progress	(21,463)	(21,625)
Long term deposits	(498)	223
<b>Net cash used in investing activities</b>	<b>(96,953)</b>	<b>(85,528)</b>
<b>c. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan obtained	139,050	500,000
Repayment of long term loan	(187,500)	(520,000)
Finance lease obtained	1,175	-
Repayment of liability against assets subject to finance lease	(4,426)	(4,406)
<b>Net cash flow from financing activities</b>	<b>(51,701)</b>	<b>(24,406)</b>
Net increase/(decrease) in cash and cash equivalents (a+b+c)	<b>(303,193)</b>	<b>22,701</b>
Cash and cash equivalents at the beginning of the period	<b>(658,695)</b>	<b>(726,149)</b>
Cash and cash equivalents at the end of the period	<b>(961,888)</b>	<b>(703,448)</b>
<b>Cash and cash equivalents</b>		
Short term borrowings	(987,192)	(725,244)
Cash and bank balances	25,304	21,796
	<b>(961,888)</b>	<b>(703,448)</b>

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

(S.M. MUNEEB)  
Chief Executive

(S.M. PERVEZ)  
Director

KARACHI.  
DATE: April 27, 2007

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**DIN TEXTILE MILLS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THIRD QUARTER ENDED MARCH 31, 2007**

	Reserves					Total
	Capital	Revenue			Total	
	Merger Reserve	General	Unappropriated Profit / (Loss)	Total		
-----Rupees '000'-----						
<b>Balance as at July 01, 2005</b>	185,303	<b>10,377</b>	400,000	109,765	520,142	705,445
Net Profit/(loss) for the nine months ended March 31, 2006	-	-	-	32,937	32,937	32,937
<b>Balance as at March 31, 2006</b>	185,303	<b>10,377</b>	400,000	142,702	553,079	738,382
<b>Balance as at July 01, 2006</b>	185,303	<b>10,377</b>	400,000	129,205	539,582	724,885
Net Profit/(loss) for the nine months ended March 31, 2007	-	-	-	<b>64,057</b>	<b>64,057</b>	<b>64,057</b>
	-	-	-	-	-	-
<b>Balance as at March 31, 2007</b>	185,303	<b>10,377</b>	400,000	<b>193,262</b>	<b>603,639</b>	<b>788,942</b>

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

**(S.M. MUNEER)**  
Chief Executive

**(S.M. PERVEZ)**  
Director

KARACHI.  
DATE: April 27, 2007

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**DIN TEXTILE MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE THIRD QUARTER ENDED MARCH 31,2007.****1 THE COMPANY AND ITS OPERATIONS**

The company is limited by shares incorporated in Pakistan and is quoted at Stock Exchanges at Karachi and Lahore. The principal business of the company is manufacture and sale of yarn. The mills are located at Tehsil Pattoki, District Kasur and District Lahore in the province of Punjab. The registered office of the company is situated at 35-A/1 , Lalazar Area Opp: Beach Luxury Hotel, M.T. Khan Road, Karachi, Pakistan

**2 BASIS OF PREPARATION**

These financial statements have been prepared in compliance with the International Accounting Standard 34 Interim Financial Reporting and the section 245 of the Companies Ordinance 1984.

**3 ACCOUNTING POLICIES**

The accounting policies and methods of computation followed in the preparation of the nine months financial statements are the same as those of published annual financial statements for the year ended June 30, 2006.

**4 CONTINGENCIES AND COMMITMENTS**

There has been no significant change in the contingencies and commitments since the last audited financial statements except as disclosed in note 4.1 and 4.2

	<b>MARCH 31, 2007</b>	<b>JUNE 30, 2006</b>
	<b>(Rupees in '000')</b>	
<b>4.1 Contingencies</b>		
Bills discounted with recourse	<b>104,532</b>	35,389
Bank guarantees issued in ordinary course of business	<b>49,309</b>	30,309
<b>4.2 Commitments</b>		
Capital commitments in respect of civil work	<b>17,739</b>	2,996
Letter of credit for raw material	<b>78,009</b>	23,084
Letter of credit for others	<b>9,938</b>	-

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**DIN TEXTILE MILLS LIMITED**

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**5 ACQUISITIONS AND DISPOSAL OF FIXED ASSETS**

	March 31, 2007 Acquisition -----Rupees in '000'-----	March 31, 2007 Disposal	June 30, 2006 Acquisition -----Rupees in '000'-----	June 30, 2006 Disposal
Land - free hold	-	-	74	-
Building	745	-	124,113	-
Plant and machinery	70,841	-	104,124	7,502
Electric installation	1,639	-	9,612	-
Tools & equipment	59	-	3,646	-
Office equipment	82	-	104	-
Furniture & fixture	696	-	2,643	-
Computers	47	-	1,203	-
Vehicles	1,293	1,471	10,728	7,653
	<u>75,402</u>	<u>1,471</u>	<u>256,247</u>	<u>15,155</u>

**6 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on April 27, 2007 by the Board of Directors of the company.

**7 GENERAL**

- Figures have been rounded off to the nearest thousand rupees.
- Corresponding figures have been re-arranged, where ever necessary, for the purpose of comparison.

(S.M. MUNEER)  
Chief Executive

(S.M. PERVEZ)  
Director

KARACHI.  
DATE: April 27, 2007