
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
Union Bank Ltd.
Standard Chartered 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. Salman A. Zaidi

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.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Din Textile Mills Limited is pleased to present the financial statements for the half year ended December 31, 2005 which have been reviewed by the Auditors.

During the half year under review, the turnover of the company increased substantially as compared to the corresponding period of the preceding year. Cotton prices were higher as compared to the corresponding period of the last year. Cost of power increase due to increase in oil prices. Depreciation charges increased, due to the addition of the new unit, from Rs.32.359 million to 106.134 million. Your company earned a gross profit of Rs. 118.143 million (GP rate 9.95%).

Finance cost for the period was substantially higher due to increase in the rate of mark-up and additional financing obtained for new unit and the working capital requirements. Nevertheless, your company has been able to earn a profit before tax of Rs. 19.476 million.

After the reversal in deferred taxation and provision of taxation for current year, your Company has earned a profit after taxation of Rs. 21.602 million

The harvest of the cotton crop is lower than the original estimated cotton crop of 150 million bales. As such, it is expected that the prices of cotton will remain high.

All possible efforts have been made to establish a market of our new product of unit-III "Compact Yarn" in local and international market and to introduce our existing products in the new market. The result of the remaining half year will depend, to a greater extent, on the fluctuation of cotton prices and the tough competition in the export market.

In the end, the Board would like to appreciate assistance extended by all the bankers, advisors, technical staff and hard work of employees of the Company in the running of the Company's business.

For & on behalf of the Board

(SHAIKH MOHAMMAD PERVEZ)
DIRECTOR

KARACHI.
DATE: February 24, 2006

MUSHTAQ & CO.
CHARTERED ACCOUNTANTS

407-Commerce Centre,
Hasrat Mohani Road,
Karachi-74200,
Pakistan

Branch Office:
19-B, Block-G,
Gulberg-III,
Lahore.

Affiliated with:
SINCLAIRS, Registered Auditors
England.

Tel: 2638521-4 Fax:2639843 Tel:5884926, 5865618
E.mail: hmi@cyber.net.pk

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of **Din Textile Mills Limited** as at December 31, 2005 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements"), for the half year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagement 2400. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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

MUSHTAQ & COMPANY
CHARTERED ACCOUNTANTS

Karachi:
DATE: February 24, 2006

DIN TEXTILE MILLS LIMITED

**BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2005**

	Notes	UN-AUDITED DEC 31 2005	AUDITED JUNE 30 2005
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		541,744	520,142
		727,047	705,445
LONG TERM LOANS			
From banks - secured		725,000	1,250,000
From directors - unsecured		500,000	-
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
		3,255	50
DEFERRED LIABILITIES			
Staff gratuity		29,337	28,762
Taxation		164,300	172,500
		193,637	201,262
CURRENT LIABILITIES			
Short term bank borrowings		985,054	744,975
Current portion of long term loans		275,000	170,000
Current portion of liabilities against assets subject to finance lease		14,356	931
Interest / Mark-up on loans		17,342	23,577
Trade and other payables		226,300	138,874
Unclaimed dividend		3,067	3,069
		1,521,119	1,081,426
CONTINGENCIES & COMMITMENTS			
	4	3,670,058	3,238,183
PROPERTY AND ASSETS			
TANGIBLE FIXED ASSETS			
Property, plant and equipment	5	2,037,224	2,073,315
Capital work in progress		128,298	80,233
		2,165,522	2,153,548
LONG TERM DEPOSITS			
		3,665	3,593
CURRENT ASSETS			
Stores, spares and loose tools		68,519	81,590
Stock in trade		871,987	653,968
Trade debtors		281,030	248,296
Loans and advances		9,975	73,830
Trade deposits and short term prepayments		236,764	858
Other receivables		490	3,674
Cash and bank balances		32,106	18,826
		1,500,871	1,081,042
		3,670,058	3,238,183

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

(SHAHZAD NASEER)
Director

(S.M. PERVEZ)
Director

DIN TEXTILE MILLS LIMITED

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2005**

	Half Year Ended December 31, 2005	Half Year Ended December 31, 2004	Quarter Ended December 31, 2005	Quarter Ended December 31, 2004
.....(Rupees in '000').....				
Sales	1,187,065	802,887	589,999	392,811
Less: Cost of sales	1,068,922	716,935	531,628	329,281
Gross profit	118,143	85,952	58,371	63,530
Distribution cost	11,992	15,051	5,989	7,384
Administrative expenses	20,235	16,422	10,303	6,704
Other operating expenses	1,025	1,733	430	1,902
Other operating income	(3,916)	(741)	(1,845)	(637)
	29,336	32,465	14,877	15,353
Profit from operation	88,807	53,487	43,494	48,177
Finance cost	69,331	20,552	34,378	12,075
Net profit/(loss) before taxation	19,476	32,935	9,116	36,102
Provision for taxation	(2,126)	9,577	(164)	3,175
Net profit/(loss) after taxation	21,602	23,358	9,280	32,927
Earnings per share - basic and diluted	1.17	1.26	0.50	1.78

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

(SHAHZAD NASEER)
Director

(S.M. PERVEZ)
Director

DIN TEXTILE MILLS LIMITED

**CASH FLOW STATEMENT-UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2005.**

	DEC 31 2005	DEC 31 2004
	(Rupees in '000')	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	19,476	32,934
Adjustment for		
Depreciation	106,134	34,199
Provision for gratuity	2,066	6,387
Financial charges	69,331	20,552
Loss/(gain) on disposal of fixed assets	(188)	716
Operating profit before changes in working capital	196,819	94,788
Changes in working capital (Increase) / decrease in current assets		
Stores, spares and loose tools	13,071	13,733
Stock in trade	(218,019)	(461,311)
Trade debts	(32,734)	(108,458)
Loans and advances	29,820	33,819
Trade deposits and prepayments	(235,906)	-
Others receivables	3,184	(66)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	87,442	44,604
	(353,142)	(477,679)
Cash generated from operations	(156,323)	(382,891)
Financial charges paid	(75,566)	(18,145)
Taxes paid	27,961	(4,934)
Dividend paid	(2)	(119)
Gratuity paid	(1,490)	(1,252)
NET CASH USED IN OPERATING ACTIVITIES	(205,420)	(407,341)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds of fixed assets	3,238	5,636
Fixed capital expenditure	(121,175)	(1,042,199)
Long term deposits	(72)	2,195
NET CASH USED IN INVESTING ACTIVITIES	(118,009)	(1,034,368)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loan obtained	-	872,255
Repayment of long term loans	(420,000)	(19,091)
Long term sponsors loan obtained	500,000	-
Finance lease obtained	24,696	-
Repayment of lease liabilities	(8,066)	(8,654)
NET CASH FROM FINANCING ACTIVITIES	96,630	844,510
Net increase/(decrease) in cash and cash equivalents	(226,799)	(597,199)
Cash and cash equivalents at the beginning of the period	(726,149)	(387,172)
Cash and cash equivalents at the end of the period	(952,948)	(984,371)
CASH AND CASH EQUIVALENT		
Cash and cash equivalent	32,106	78,993
Short term bank borrowings	(985,054)	(1,063,364)
	(952,948)	(984,371)

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

(SHAHZAD NASEER)
Director

(S.M. PERVEZ)
Director

DIN TEXTILE MILLS LIMITED

**STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2005**

	Share Capital	Capital Reserve	General Reserve	Unappro- priated Profit	Total Reserve	Proposed divided	Total
 (Rupees in '000')						
Balance as at July 01, 2004	154,419	10,377	550,000	120,885	681,262		835,681
Profit for the half year				23,358	23,358		23,358
Proposed bonus shares @ 20%				(30,884)	(30,884)	30,884	-
Balance as at December 31, 2004	<u>154,419</u>	<u>10,377</u>	<u>550,000</u>	<u>113,359</u>	<u>673,736</u>	<u>30,884</u>	<u>859,039</u>
Balance as at July 01, 2005	185,303	10,377	400,000	109,765	520,142	-	705,445
Profit for the half year				21,602	21,602	-	21,602
Balance as at December 31, 2005	<u>185,303</u>	<u>10,377</u>	<u>400,000</u>	<u>131,367</u>	<u>541,744</u>	<u>-</u>	<u>727,047</u>

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

(SHAHZAD NASEER)
Director

(S.M. PERVEZ)
Director

**NOTES TO THE FINANCIAL STATEMENTS-UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31,2005.**

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 & 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 half yearly financial statements are the same as those of the published annual financial statements for the period ended June 30, 2005.

4 CONTINGENCIES AND COMMITMENTS

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

	DECEMBER 31, 2005	JUNE 30, 2005
	(Rupees in '000')	
4.1 Contingencies		
Bills discounted with recourse	172,224	-
Bank guarantees issued in ordinary course of business	23,629	23,629
4.2 Commitments		
Capital commitment in respect of civil work	-	38,343
Letter of credit for capital works	9,152	7,774
Letters of credit for other	45,743	22,961

DIN TEXTILE MILLS LIMITED

5 ACQUISITION AND DISPOSAL OF FIXED ASSETS

	DECEMBER 31, 2005 ACQUISITION	DECEMBER 31, 2005 DISPOSAL
	(Rupees in '000')	
Building	1,528	-
Plant and machinery	43,048	2,905
Electric Installation	4,988	-
Tools & Equipment	3,616	-
Furniture & Fixture	1,533	-
Computers	952	-
Vehicles	17,445	5,440
	<u>73,110</u>	<u>8,345</u>

6 LONG TERM FINANCING AND MURABAHA

During the half year, the following three long term loans having higher mark-up rates have been pre-maturely repaid.

	Rupees in '000'
City Bank Loan - 1	200,000
City Bank Loan - 2	70,000
United Bank Limited	150,000

7 SEASONALITY OF OPERATION

The textile business is an all year business, however, major raw martial purchases i.e. cotton, take place during the four months from October to January. This leads to higher figures being reflected in respect of stocks, bank borrowings and sales tax during the period.

8 DATED OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on February 24, 2006 by the Board of Directors of the Company.

Due to absence of Chairman/Chief Executive from the country the financial statements have been signed by two Directors, according to section 241(2) of the Companies Ordinance, 1984.

9 GENERAL

Figures have been rounded off to the nearest thousand rupees.

(SHAHZAD NASEER)
Director

(S.M. PERVEZ)
Director