



organic yarn
CU 813709
Din Textile Mills Ltd.
Pakistan



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CORPORATE INFORMATION

Board of Directors

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

Company Secretary

Mr. Islam Ahmed

Chief Financial Officer

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

Auditors

Mushtaq & Co.,
Chartered Accountants

s Allied Bank Ltd.
r Barclays Bank PLC .
e Dubai Islamic Bank Pakistan Ltd.
k Faysal Bank Ltd.
n Habib Bank Ltd.
a Habib Metropolitan Bank Ltd.
B MCB Bank Ltd.
Meezan Bank Ltd.
National Bank of Pakistan
Pak Oman Investment Co. Ltd.
Standard Chartered Bank (Pakistan) Ltd.

Audit Committee

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

Human Resource and Remuneration Committee

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

Registered Office

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

Mills

Unit-I and II: Kot Akbar Khan, 70 Km Multan Road, Tehsil Pattoki,
District Kasur, Punjab.
Unit-III: Revenue Estate, Bhai Kot, Tablighi Chowk, Raiwind Road,
Tehsil and District Lahore - Punjab.
Unit-IV: 48 Km Multan Road, Bhai Pheru, District Kasur, Punjab.

Website

www.dingroup.com

DIRECTORS' REPORT

Dear shareholders

The Board of Directors take great pleasure to present the un-audited financial statements of the Company along with observation on the performance of the Company for the 1st Quarter ended Sep 30,2013, are hereby presented to you in compliance with requirements of the section 245 of the Companies Ordinance, 1984.

Financial Results

During the 1st Quarter ended under review, the major highlights of the Company's financial results are as follows:

		30-Sep-13	30-Sep-12	Inc. / (Dec.) % age
Sales	Rupees in '000'	2,237,605	1,910,324	17
Gross Profit	Rupees in '000'	308,997	267,752	15
Pre-tax Profit	Rupees in '000'	156,284	135,127	16
After Tax Profit	Rupees in '000'	129,710	74,630	74
Gross Profit	Percentage	13.81	14.02	
After Tax Profit	Percentage	5.80	3.91	
Earning per share	Rupees	6.36	3.66	

During the 1st quarter ended review the operating result shown a considerable growth in the turnover and the profit of the company. The turnover of the company is constantly improving as compared to the corresponding period of the preceding year, which is resulting in overall improvement in gross profit and ratios during the quarter although factor involve in shape of high cost of fuel and power and interrupted of power supply and gas. The factors contributing the improvements coupled with the efforts by the managements are:

- The textile sector is fighting hard to remain competitive in local and international market due to high energy and fuel prices and high inflation in all other items being consumed in manufacturing. Continuous weakness of Pak rupees has further added to the worsening situation.
- Although the overall economy continues showing downward profitability trend, the management of your company expects that they will remain successful in improving the situation in the remaining period of the financial year by strategic planning modernization and diversification of yarn market from local to export and reduce the per unit input cost.

General Market Conditions

The EU and the US represent the most important destinations of Pakistan exports and their markets absorb 31 percent and 23 percent of exports. While China represents the third most important destination with an 11.5 percent share. UAE, Afghanistan, Oman and Turkey have recently become important destinations. Therefore, slow down in US and European economies and weak demand have significant impact on Pakistan's export growth. In spite of various challenges faced by economy, our trade

has shown consistent improvement. Our exports increased by 27 percent in the year 2010-11 and touched a record level of US \$ 25.4 billion. There was a slight fall of 4.7 percent in exports during 2011-12, due to external factors like shrinkage in global demand in wake of the global financial crisis and lower prices of cotton in the international market etc. The second Strategic Trade Policy Framework (STPF) for next three-year period, 2012-15 essentially build on the STPF 2009-12 and seeks to identify those aspects of Pakistan's export competitiveness which have been relatively less attended such as focusing on regional trade, promotion of export of services sector, facilitating export industry by overcoming energy crises and many more.

Energy outages hampered economic growth of Pakistan for last few years. Sincerely 2000s, the energy sector (especially its sub sector electricity) received greater attention because of the faster rate of growth in its demand. The crisis has affected every one, thus resolving energy crisis got immediate priority in manifestos of all political parties which competed in the election 2013. There is no doubt that there exists high correlation between growth rate of GDP and that of energy consumption.

Punjab CM Shahbaz Sharif has granted approval to the project of setting up Garments City near Kala Shah Kaku Motorway. The City would be set up over 1000 acres of land where Pak-China industrial zone would also be established. The Garment City would provide all facilities to the industrialists under one-roof. The City will also get a labor colony, hospital and infra structural facilities on priority basis. While addressing the meeting, the Chief Minister said the project of Garments City is of vital importance and would be implemented expeditiously. He said that all matters regarding the glorious project of Garments City would be settled in a transparent manner. The Japanese Ambassador expressed his pleasure over visit to the City and lauded the efforts of the Chief Minister Shahbaz Sharif towards the development of the province. He said that measures will be taken for cooperation in technical education and other sectors.

Fiscal year 2011-12 (July 2011-June 2012) was indeed a very difficult year for the Pakistan's textile industry. Extremely precarious energy situation, poor law and order and the deteriorating economic conditions put a great stress on the textile industry. Almost all the sectors of textile industry suffered in this period except spinning industry. Exports of yarn increased by 100% while all other downstream sectors suffered small decline or stagnancy at best. This increase in yarn exports was spurred by the low price of Pakistani yarn in international market and emergence of China as a key buyer. China is moving out of basic textiles and this has benefitted our spinning industry. But yarn is a low margin commodity and the textile industry cannot thrive on exports of yarn, when the rest of the value added sectors are suffering due to unavailability of yarn and other challenges such as energy shortage. This was the scenario until June 2012. Now the good news is that the value added sectors have also started to show positive signs as indicated by the statistics for the first six months (July 2012- Dec 2012) of the fiscal year. Cotton yarn continued to show remarkable increase of 39% over the same period last year. However the encouraging signs are 12% increase in cotton fabrics exports, almost 13.3% for woven garments and 12.7% increase in towel exports. The sectors which continued to show decline were bed wear (-7.16%) and synthetic textiles (-51%).

Pak rupee declined to reach almost Rs. 105/US\$. This slide of rupee can be accounted for the renewed exports. However the positive signal is that those categories which showed increase also registered increase in the unit value with an increase in both quantity as well as value. This means that Pakistani garments received better export price, an encouraging sign indeed.

Future Outlook

Despite of the challenges faced, there are number of factors favoring bright future ahead. Large agriculture base, developing industrialization, abundance of natural resources, proximity of emerging economic powers, like China, Russia, India and young population are some of the factors which indicate that Pakistan has a huge economic potential. At the centre of the Asian growth, Pakistan could potentially become one of Asia's premier trade, energy and transport's corridor. Geographical location suits transit trade with proximity to the Middle-East, West Asia, Central Asia, China and South Asia. Recent developments to realize this vision include Gwadar port to be linked by road & rail to Afghanistan, Iran and China and onwards to Central Asia, Middle East.

The textile industry of the country organized itself in 1957 and soon it became the premier industry of the country. Nowadays, the textile industry is the mainstay of Pakistan's economy. Besides, the spinning industry, being the sole consumer of cotton, sustains the largest cash crop of Pakistan. Post-quota scenario has dramatically changed the global trade patterns and increased the competition.

It is fortunate recent monsoon did a little damage to the standing cotton crop in Sindh and Punjab, Pakistan is expected to produce around 14.50 million bales of cotton during crop season 2013-14 by the end of season in April 2014. The better cotton output would help textile export value addition exports to greater extent as country would get Generalized System of Preferences (GSP) plus status of exports to European Union (EU) nations by 40 percent and would generate significant economic activity in the country. Pakistan is in dire need of enhancing exports to provide some cushion to its sagging economy. The grant of GSP plus status was expected to provide strong impact to the value-added exports, which has a 50 to 55 percent share in the total value of textile exports. Cotton Outlook's supply and demand estimates for the 2013-14 season indicate an addition to world stocks of 1,724,000 tones, in comparison to the 3,357,000 tones added during the current season. The global production forecast for 2013-14 stands at 25 million tones, displaying an increase to around 702,000 tones, owing principally to higher figures for China and the United States. Consumption has been raised to 23,724,000 tones while production in the current 2012-13-season was now placed at 26.14 million tones while consumption has been raised to 23.724 million tones.

Acknowledgment

Under these very difficult challenges, your directors would like to assure you that every effort will be made to achieve better results in the coming years. Your company remain committed to business growth and opportunity for new investment. We are hopeful that economic prospects of the country will improve in the future. We

remain confident in the strong potential of Pakistan specially related to its growing and youthful population.

The directors commenced the resilience, commitment and drive of your personnel show through, 1st quarter ended 30th Sep 2013. We appreciate the efforts of our employees, customers, suppliers, and all other stake holders in supporting the company through difficult times in its journey of progress and growth "**In Allah We Believe & In People We Trust**" we will always conduct ourselves with integrity and strive to be the best.

At the end I would like to place deepest gratitude to all the shareholders, customers, supplier, banker, other business partners and employees of company for their unstinting support has contribute towards the stellar performance of Din Textile Mills Limited.

On behalf of the Board of Directors

Karachi:

Dated : October 31, 2013

SHAIKH MOHAMMAD TANVEER
Chief Executive

ACCOUNTS

Financial Statements (Un-Audited)
1st Quarter ended September 30, 2013



DIN TEXTILE MILLS LTD.

Condensed Interim Balance Sheet (Un-Audited) as at September 30, 2013

(Amounts in Thousand)

		(Un-audited)	(Audited)
	Note	30-Sep-13 Rupees	30-Jun-13 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	1,705,642	1,635,532
Long term deposits		11,935	15,099
Long term investment	6	44,681	44,681
Deferred tax assets	7	139,624	139,625
		1,901,882	1,834,937
CURRENT ASSETS			
Stores, spare parts and loose tools		375,690	267,028
Stock in trade	8	1,409,935	1,636,247
Trade debts		1,693,849	1,579,248
Loans and advances		1,118,806	755,278
Trade deposits and short term prepayments		9,013	5,982
Other receivables		9,537	42,365
Tax refunds due from the Government		150,427	166,888
Cash and bank balances		99,751	54,000
		4,867,008	4,507,036
CURRENT LIABILITIES			
Trade and other payables		2,753,204	2,627,435
Accrued mark up / interest		95,865	81,063
Short term borrowings		299,492	182,332
Current portion of			
Long term financing from banking companies - secured		188,227	185,826
Liabilities against assets subject to finance lease		37,535	33,090
		3,374,323	3,109,746
WORKING CAPITAL			
		1,492,685	1,397,290
TOTAL CAPITAL EMPLOYED			
		3,394,567	3,232,227
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		859,629	820,967
Liabilities against assets subject to finance lease		5,973	19,910
Deferred liabilities			
Staff retirement benefits - gratuity		99,018	91,112
		964,620	931,989
CONTINGENCIES AND COMMITMENTS			
Net Worth	9	2,429,947	2,300,238
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
50,000,000 ordinary shares of Rs. 10/- each		500,000	500,000
Net Worth Represented by:			
Issued, subscribed and paid up capital			
20,383,353 ordinary shares of Rs. 10/- each		203,833	203,833
Reserves		2,226,114	2,096,405
		2,429,947	2,300,238

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEEB
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Condensed Interim Profit and Loss Account
(Un-Audited)
for the 1st Quarter ended September 30, 2013**
(Amounts in Thousand except earning per share)

	30-Sep-13 Rupees	30-Sep-12 Rupees
Sales	2,237,605	1,910,324
Cost of sales	(1,928,608)	(1,642,572)
Gross Profit	308,997	267,752
Distribution cost	(26,805)	(30,442)
Administrative expenses	(27,876)	(25,895)
Other operating expenses	(8,667)	(6,721)
Finance cost	(89,377)	(69,568)
	(152,725)	(132,626)
	156,272	135,126
Other operating income	12	1
Profit before taxation	156,284	135,127
Provision for taxation	(26,574)	(60,497)
Profit for the period	129,710	74,630
Earning per share - basic and diluted	6.36	3.66

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Condensed Interim Statement of Comprehensive Income
(Un-Audited)**

for the 1st Quarter ended September 30, 2013

(Amounts in Thousand)

	30-Sep-13 Rupees	30-Sep-12 Rupees
Profit for the period	129,710	74,630
Other comprehensive income for the period	-	-
Total comprehensive Income for the period	129,710	74,630

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Condensed Interim Cash Flow Statement (Un-Audited)
for the 1st Quarter ended September 30, 2013**

(Amounts in Thousand)

	30-Sep-13 Rupees	30-Sep-12 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	156,284	135,127
Adjustments for		
Depreciation	41,463	41,230
Staff retirement benefits - gratuity	11,973	8,196
Workers' profit participation fund	8,225	6,722
Finance cost	89,377	69,568
Gain on disposal of property, plant and equipment	(3)	-
	151,035	125,716
Profit before working capital changes	307,319	260,843
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(108,662)	(22,816)
Stock in trade	226,312	341,893
Trade debts	(114,601)	29,318
Loans and advances	(363,528)	(68,233)
Trade deposits and short term prepayments	132	(6,242)
Other receivables	32,828	3,373
	(327,519)	277,293
(Decrease) / Increase in current liabilities		
Trade and other payables	145,596	37,072
Cash generated from operations	125,396	575,208
Finance cost paid	(74,575)	(86,947)
Taxes paid	(3,138)	(19,241)
Dividend paid	(28)	-
Workers' profit participation fund paid	(35,000)	-
Staff retirement benefits - gratuity paid	(4,067)	(2,869)
Net cash generated from operating activities	8,588	466,151
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	125	-
Fixed capital expenditure	(111,693)	(36,657)
Long term deposits	-	(1,563)
Net cash used in investing activities	(111,568)	(38,220)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	41,063	(72,491)
Liabilities against assets subject to finance lease	(9,492)	(9,638)
Net cash generated from / (used) in financing activities	31,571	(82,129)
Net increase / (decrease) in cash and cash equivalents	(71,409)	345,802
Cash and cash equivalents at the beginning of the period	(128,332)	(427,101)
Cash and cash equivalents at the end of the period	(199,741)	(81,299)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	99,751	70,845
Short term borrowings	(299,492)	(152,144)
	(199,741)	(81,299)

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Condensed Interim Statement of Changes in Equity
(Un-Audited)
for the 1st Quarter ended September 30, 2013**

(Amounts in Thousand)

Particulars	Share capital	Reserves			Sub total	Total
		Capital	Revenue			
		Merger reserve	General	Unappropriated profit		

Rupees

Balance as at July 01, 2012	203,833	10,377	400,000	952,377	1,362,754	1,566,587
Total comprehensive Income for the 1st quarter ended September 30, 2012	-	-	-	74,630	74,630	74,630
Balance as at September 30, 2012	203,833	10,377	400,000	1,027,007	1,437,384	1,641,217
Balance as at July 01, 2013	203,833	10,377	400,000	1,686,027	2,096,404	2,300,237
Total comprehensive income for the 1st quarter ended September 30, 2013	-	-	-	129,710	129,710	129,710
Balance as at September 30, 2013	203,833	10,377	400,000	1,815,737	2,226,114	2,429,947

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

Selected Notes to the Condense Interim Financial Statements (Un-Audited) for the 1st Quarter ended September 30, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 The company is limited by shares, incorporated in Pakistan on June 13, 1988 and is quoted on stock exchanges at Karachi and Lahore. The registered office of the company is situated at 35-A/1, Lalazar area, opposite Beach Luxury Hotel, M. T. Khan road, Karachi in the province of Sind, Pakistan.
- 1.2 The principal business of the company is to manufacture and sale of yarn. The manufacturing units are located at Pattoki, Raiwind and Bhai pheru in the province of Punjab.
- 1.3 The company entered into an agreement during the year ended June 30, 2011 with Brother Textile Mills Limited having registered office at 135 Upper mall, Lahore (Manufacturing unit located at 48 Km Multan Road, Bhai Pheru) and obtained a license to use the site and spinning unit with installed capacity of 17,280 spindles. During the year ended 30 June 2013, the license was renewed and extended for a period of twelve months expiring on November 12, 2013. Upon expiry of the license period, the agreement may be extended for future periods at the option of both parties. The license fee is agreed at rupees 2,472,500 per month payable quarterly in advance.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the selected notes for the 1st quarter ended September 30, 2013 which have not been audited.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation which have been used in the preparation of these condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2013.

3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by management in the preparation of these condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2013.

4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.

5 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
	Note	30-Sep-13	30-Jun-13
		-----Rupees in '000'-----	
Operating assets	5.1	1,689,222	1,620,275
Capital work in progress - at cost	5.2	16,420	15,257
		1,705,642	1,635,532

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

	30-Sep-13		30-Sep-12	
	Acquisition Cost	Disposal	Acquisition Cost	Disposal
	-----Rupees in '000'-----		-----Rupees in '000'-----	
Owned Assets				
Building	-	-	-	-
Plant and machinery	105,210	-	112,771	-
Electric installation	1,952	-	2,073	-
Tools and equipment	-	-	446	-
Furniture and fixture	951	-	599	-
Office equipment	145	-	342	-
Computers	45	-	2,190	-
Vehicles	9	(1,304)	137	-
Leased Assets				
Plant and machinery	-	-	-	-
Vehicles	2,218	-	1,411	-
	110,530	(1,304)	119,969	-

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-13	30-Jun-13
	-----Rupees in '000'-----	
Building	15,929	15,257
Plant and machinery	491	-
	16,420	15,257

6 LONG TERM INVESTMENT

Investment in Subidiray company

Ihsan Raiwind Mills (Pvt) Limited

27,017,996 (June 30, 2013: 27,017,996)

ordinay shares of Rs. 10 each.

Equity Interest Held 100%

44,681 44,681

44,681 **44,681**

7 DEFERRED TAXASSETS

In view of applicability of presumptive tax regime, deferred tax assets has been worked out after taking effect of income covered under presumptive tax regime. During the period net deferred tax assets amounted to Rs. 270,587,255 has arised. The increase in the amount of deferred tax asset has not been recognized because proportion of export sales for the year exceeds the thresholds of 80 percent of total sales, therefore, the assessment of the

company for the period will be finalized under final tax regime under section 169 of the income tax ordinance 2001.

8 STOCK IN TRADE

- 8.1 Finished goods amounting to Rs. Nil (June 30, 2013 : Rs. 5,177,560) stated at their net realizable value aggregating Rs. Nil (June 30, 2013 : Rs. 4,968,866). The amount charged to profit and loss in respect of stocks written down to their net realizable value is Rs. Nil (June 30, 2013 : Rs. 208,694).

9 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 9.1, 9.2 and 9.3 respectively.

- 9.1 The Company has issued post dated cheques amounting to Rs. 104.352 million (June 30, 2013: Rs. 77.474 million) in favor of Collector of Customs in lieu of custom levies against various statutory notification. The indemnity bonds furnished by the company are likely to be released after the fulfillment of term of related SROs.

	(Un-audited)	(Audited)
	30-Sep-13	30-Jun-13

9.2 Contingencies

Bills discounted with recourse	-	53,302
Bank guarantees issued in ordinary course of business	159,060	159,060

9.3 Commitments

Letters of credit for capital expenditure	38,695	140,495
Letter of credit for raw material	206,876	506,926
Letter of credit for stores and spares	6,793	40,858

10 TRANSACTIONS WITH RELATED PARTIES

		(Un-audited)	(Un-audited)
		30-Sep-13	30-Sep-12
		-----Rupees in'000'-----	
Transactions with related parties	Relationship		
MCB Bank Limited	Associated company		
Deposits		63,788	61,490
Withdrawals		61,836	61,417
Din Farm Product (Pvt) Limited	Associated company		
Sale of electricity		3,609	-
Ihsan Raiwind Mills (Pvt) Limited	Subsidiary		
Sales		199,486	-
Advance		115,714	-
Salaries and other employees benefits	Key management personnel	19,017	18,462
Staff retirement benefits	Key management personnel	605	451
		(Un-audited)	(Audited)
		30-Sep-13	30-Jun-13
		-----Rupees in'000'-----	
Balances outstanding at the period end			
MCB Bank Limited		20,373	18,421
Din Farm Products (pvt) Ltd		1,460	1,047
Ihsan Raiwind (Pvt) Ltd		1,300,609	1,004,822

11 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The board of directors have proposed cash dividend for the year ended June 30, 2013 of Rs 5 per share i-e (50%) amounting to Rs.101,916,765/- and bonus share issue Rs 1 per share i-e (10%) amounting to Rs. 20,383,353/- at their meeting held on October 03, 2013 for approval of the members at the Annual General Meeting to be held on October 26, 2013. These financial statements do not reflect this impact.

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 31, 2013 by the board of directors of the company.

13 GENERAL

Figures have been rounded off to the nearest thousand rupees.

Karachi:
Dated : October 31, 2013

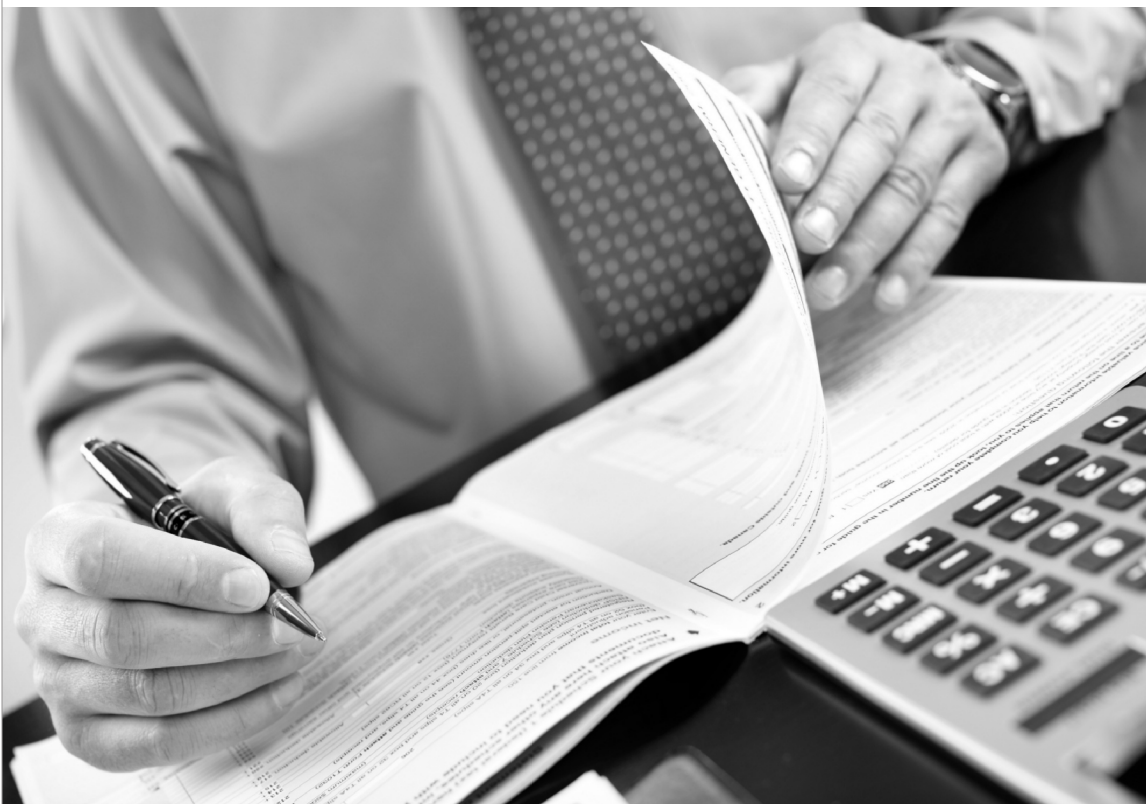
SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

CONSOLIDATED

FINANCIAL STATEMENTS

1st Quarter ended September 30, 2013



Consolidated Condensed Interim Balance Sheet (Un-Audited) as at September 30, 2013

(Amounts in Thousand)

		(Un-audited) 30-Sep-13 Rupees	(Audited) 30-Jun-13 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	2,479,475	2,413,942
Long term deposits		13,926	17,089
Intangibles	6	16,043	16,043
Deferred tax assets	7	139,624	139,625
		2,649,068	2,586,699
CURRENT ASSETS			
Stores, spare parts and loose tools		395,671	286,131
Stock in trade	8	1,643,299	1,713,102
Trade debts		1,348,770	1,356,977
Loans and advances		373,821	112,169
Trade deposits and short term prepayments		11,228	5,982
Other receivables		11,935	43,172
Other financial assets		86	86
Tax refunds due from The Government		185,746	194,954
Cash and bank balances		114,175	76,706
		4,084,731	3,789,279
CURRENT LIABILITIES			
Trade and other payables		2,868,465	2,745,075
Accrued mark up / interest		95,865	84,658
Short term borrowings		299,492	182,332
Current portion of			
Long term financing from banking companies - secured		188,227	185,826
Liabilities against assets subject to finance lease		37,535	33,090
		3,489,584	3,230,981
WORKING CAPITAL			
		595,147	558,298
TOTAL CAPITAL EMPLOYED			
		3,244,215	3,144,997
NON CURRENT LIABILITIES			
Long term financing from banking companies - secured		859,629	820,967
Liabilities against assets subject to finance lease		5,973	19,910
Deferred liabilities			
Staff retirement benefits - gratuity		107,323	98,487
		972,925	939,364
CONTINGENCIES AND COMMITMENTS			
Net Worth	9	2,271,290	2,205,633
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
50,000,000 ordinary shares of Rs. 10/- each		500,000	500,000
Net Worth Represented by:			
Issued, subscribed and paid up capital			
20,383,353 ordinary shares of Rs. 10/- each		203,833	203,833
Reserves		2,067,457	2,001,800
		2,271,290	2,205,633

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Consolidated Condensed Interim Profit and Loss Account
(Un-Audited)**

for the 1st Quarter ended September 30, 2013

(Amounts in Thousand except earning per share)

	30-Sep-13 Rupees	30-Sep-12 Rupees
Sales	2,472,606	1,910,324
Cost of sales	(2,220,667)	(1,642,572)
Gross Profit	251,939	267,752
Distribution cost	(32,562)	(30,442)
Administrative expenses	(28,409)	(25,895)
Other operating expenses	(8,667)	(6,721)
Finance cost	(89,697)	(69,568)
	(159,335)	(132,626)
	92,604	135,126
Other operating income	310	1
Profit before taxation	92,914	135,127
Provision for taxation	(27,257)	(60,497)
Profit for the period	65,657	74,630
Earning per share - basic and diluted	3.22	3.66

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Consolidated Condensed Interim Statement of Comprehensive Income
(Un-Audited)
for the 1st Quarter ended September 30, 2013**
(Amounts in Thousand)

	30-Sep-13 Rupees	30-Sep-12 Rupees
Profit for the period	65,657	74,630
Other comprehensive income for the period	-	-
Total comprehensive Income for the period	65,657	74,630

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

Consolidated Condensed Interim Cash Flow Statement (Un-Audited)
for the 1st Quarter ended September 30, 2013
(Amounts in Thousand)

	30-Sep-13 Rupees	30-Sep-12 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	92,914	135,127
Adjustments for		
Depreciation	57,708	41,230
Staff retirement benefits - gratuity	13,510	8,196
Workers' profit participation fund	8,225	6,722
Finance cost	89,697	69,568
Gain on disposal of property, plant and equipment	(3)	-
	169,137	125,716
Profit before working capital changes	262,051	260,843
(Increase) / Decrease in current assets		
Stores, spare parts and loose tools	(109,540)	(22,816)
Stock in trade	69,803	341,893
Trade debts	8,207	29,318
Loans and advances	(261,652)	(68,233)
Trade deposits and short term prepayments	132	(6,242)
Other receivables	31,237	3,373
	(261,813)	277,293
(Decrease) / Increase in current liabilities		
Trade and other payables	120,790	37,072
	121,028	575,208
Cash generated from operations	121,028	575,208
Finance cost paid	(78,490)	(86,947)
Taxes paid	(3,138)	(19,241)
Dividend paid	(28)	-
Workers' profit participation fund paid	(35,000)	-
Staff retirement benefits - gratuity paid	(4,067)	(2,869)
	305	466,151
Net cash generated from operating activities	305	466,151
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	125	-
Fixed capital expenditure	(111,693)	(36,657)
Long term deposits	-	(1,563)
	(111,568)	(38,220)
Net cash used in investing activities	(111,568)	(38,220)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	41,063	(72,491)
Liabilities against assets subject to finance lease	(9,492)	(9,638)
	31,571	(82,129)
Net cash generated from / (used) in financing activities	31,571	(82,129)
Net increase / (decrease) in cash and cash equivalents	(79,692)	345,802
Cash and cash equivalents at the beginning of the period	(105,625)	(427,101)
Cash and cash equivalents at the end of the period	(185,317)	(81,299)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	114,175	70,845
Short term borrowings	(299,492)	(152,144)
	(185,317)	(81,299)

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEEB
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Consolidated Condensed Interim Statement of Changes in Equity
(Un-Audited)
for the 1st Quarter ended September 30, 2013**

(Amounts in Thousand)

Particulars	Share capital	Reserves					Sub total	Total
		capital		Revenue				
		Merger reserve	General	Un realized gain /(loss) on remeasurement of available for sale	Unappropriated profit			
Rupees								
Balance as at July 01, 2012	203,833	10,377	400,000	-	952,377	1,362,754	1,566,587	
Total comprehensive income for the 1st quarter ended September 30, 2012	-	-	-	-	74,630	74,630	74,630	
Balance as at September 30, 2012	203,833	10,377	400,000	-	1,027,007	1,437,384	1,641,217	
Balance as at July 01, 2013	203,833	10,377	400,000	19	1,591,404	2,001,800	2,205,633	
Total comprehensive income for the 1st quarter ended September 30, 2013	-	-	-	-	65,657	65,657	65,657	
Balance as at September 30, 2013	203,833	10,377	400,000	19	1,657,061	2,067,457	2,271,290	

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

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive

**Selected Notes to the Consolidated Condensed Interim Financial Statements
(Un-Audited)
for the 1st Quarter ended September 30, 2013**

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Din Textile Mills Limited, the holding company, is limited by shares, incorporated in Pakistan on June 13, 1988 and is quoted on stock exchanges at Karachi and Lahore. The registered office of the company is situated at 35 - A/ 1 Lalazar Area, Opposite Beach Luxury Hotel, Karachi in the province of Sindh, Pakistan.
- 1.2 The principal business of the holding company is to manufacture and sale of yarn. The manufacturing units are located at Pattoki, Raiwind and Bhai Pheru in the province of Punjab.
- 1.3 The holding company entered into an agreement during the year ended June 30, 2011 with Brother Textile Mills Limited having registered office at 135 Upper mall, Lahore (Manufacturing unit located at 48 Km Multan Road, Bhai Pheru) and obtained a license to use the site and spinning unit with installed capacity of 17,280 spindles. During the year ended 30 June 2013, the license was renewed and extended for a period of twelve months expiring on November 12, 2013. Upon expiry of the license period, the agreement may be extended for future periods at the option of both parties. The license fee is agreed at rupees 2,472,500 per month payable quarterly in advance.
- 1.4 **IHSAN RAIWIND MILLS (PVT) LIMITED (subsidiary company)**

The subsidiary company was incorporated in Pakistan on February 28, 2001 as a private limited group under the Companies Ordinance, 1984. During the year the entire share capital was acquired by the holding company. The company became a subsidiary in the group with effect from March 15, 2013. The financial results of the subsidiary are incorporated in these consolidated financial statements since the date it became the part of the group. The group is engaged in the manufacturing, sale and trading of yarn and textile products. Registered Office of the group is situated at 35-A/1 Lalazar Area, Opposite Beach Luxury Hotel, Karachi in the province of Sindh, Pakistan with effect from March 15, 2013. Previously it was situated at F-207, Textile Avenue, of polytechnic site Karachi. The production facility is located at Dars Road, Off Raiwind Road, Bachuki Mujha District, Kasur in the province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting

Standards (IFRS) issued by the International Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of The Companies Ordinance, 1984 or the requirements of the said directives prevail.

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

These consolidated condensed interim financial statements comprise of consolidated condensed interim balance sheet, consolidated condensed interim profit and loss accounts, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flow and consolidated condensed interim statement of changes in equity together with the selected notes for the 1st quarter ended September 30, 2013 which have not been audited.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation which have been used in the preparation of these consolidated condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2013.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by management in the preparation of these consolidated condensed interim financial informations are the same as those that were applied to the financial statements as at and for the year ended June 30, 2013.

4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		30-Sep-13	30-Jun-13
		-----Rupees in '000'-----	
Operating assets	5.1	2,443,679	2,377,244
Capital work in progress - at cost	5.2	35,796	36,698
		2,479,475	2,413,942

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

	30-Sep-13		30-Sep-12	
	Acquisition Cost	Disposal	Acquisition Cost	Disposal
		-----Rupees in '000'-----		
Owned Assets				
Building	3,884	-	-	-
Plant and machinery	114,920	-	112,771	-
Electric installation	1,952	-	2,073	-
Tools and equipment	-	-	446	-
Furniture and fixture	995	-	599	-
Office equipment	145	-	342	-
Computers	45	-	2,190	-
Vehicles	9	(1,304)	137	-
Leased Assets				
Plant and machinery	-	-	-	-
Vehicles	2,218	-	1,411	-
	124,168	(1,304)	119,969	-

5.2 CAPITAL WORK IN PROGRESS

	(Un-audited)	(Audited)
	30-Sep-13	30-Jun-13
		-----Rupees in '000'-----
Building	15,929	17,405
Plant and machinery	19,867	19,293
	35,796	36,698
6 INTANGIBLES		
Goodwill	16,043	16,043
	16,043	16,043

This represents excess of the amount paid by the holding company over fair value of net assets of Ihsan Raiwind Mills (Private) Limited on its acquisition. The recoverable amount of goodwill was tested for impairment by allocating the amount of goodwill to respective assets on which it arose, based on value in use in accordance with 'IAS-36 Impairment of Assets'. Based on the calculations no impairment is required to be accounted for against the carrying amount of goodwill.

7 DEFERRED TAX ASSETS

- 7.1 In view of applicability of presumptive tax regime, deferred tax assets has been worked out after taking effect of income covered under presumptive tax regime. During the period net deferred tax assets amounted to Rs. 270,587,255 has arised. The increase in the amount of deferred tax asset has not been recognized because proportion of export sales for the year exceeds the thresholds of 80 percent of total sales, therefore, the assessment of the company for the period will be finalized under final tax regime under section 169 of the income tax ordinance 2001.

8 STOCK IN TRADE

- 8.1 Finished goods amounting to Rs. Nil (June 30, 2013 : Rs. 30,880,756) stated at their net realizable value aggregating Rs. Nil (June 30, 2013 : Rs. 29,630,817). The amount charged to profit and loss in respect of stocks written down to their net realizable value is Rs. Nil (June 30, 2013 : Rs. 1,249,939).

9 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 9.1, 9.2 and 9.3 respectively.

- 9.1 The holding company has issued post dated cheques amounting to Rs. 104.352 million (June 30, 2013: Rs. 77.474 million) in favor of Collector of Customs in lieu of custom levies against various statutory notification. The indemnity bonds furnished by the company are likely to be released after the fulfillment of term of related SROs.

	(Un-audited)	(Audited)
	30-Sep-13	30-Jun-13
	-----Rupees in '000'-----	
9.2 Contingencies		
Bills discounted with recourse	-	53,302
Bank guarantees issued in ordinary course of business	159,060	159,060
9.3 Commitments		
Letters of credit for capital expenditure	38,695	140,495
Letter of credit for raw material	206,876	506,926
Letter of credit for stores and spares	6,793	40,858

10 **TRANSACTIONS WITH RELATED PARTIES**

		(Un-audited)	(Un-audited)
		30-Sep-13	30-Sep-12
		-----Rupees in '000'-----	
Transactions with related parties	Relationship		
MCB Bank Limited	Associated company		
Deposits		63,788	61,490
Withdrawals		61,836	61,417
Din Farm Product (Pvt) Limited	Associated company		
Sale of electricity		3,609	-
Salaries and other employees benefits	Key management personnel	19,017	18,462
Staff retirement benefits	Key management personnel	605	451
		(Un-audited)	(Audited)
		30-Sep-13	30-Jun-13
		-----Rupees in '000'-----	
Balances outstanding at the period end			
MCB Bank Limited		20,373	18,421
Din Farm Products (pvt) Ltd		1,460	1,047

11 **NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE**

The board of directors of the holding company have proposed cash dividend for the year ended June 30, 2013 of Rs 5 per share i-e (50%) amounting to Rs. 101,916,765/- and bonus share issue Rs 1 per share i-e (10%) amounting to Rs. 20,383,353/at their meeting held on October 03, 2013 for approval of the members at the Annual General Meeting to be held on October 26, 2013. These financial statements do not reflect this impact.

The management of the holding group intends to amalgamate and merge together the holding group and subsidiary group into a single legal entity. The provisions and legal requirements in this regards are under way and the management is committed in filling a merger application to the court under section 284 to 287 of the Companies Ordinance, 1984.

12 **DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements have been authorized for issue on October 31, 2013 by the board of directors of the company.

13 **GENERAL**

Figures have been rounded off to the nearest thousand rupees.

Karachi:
Dated : October 31, 2013

SHAIKH MOHAMMAD MUNEER
Chairman

SHAIKH MOHAMMAD TANVEER
Chief Executive