



The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

DTM/PSX/152/2019
17th December 2019

Dear Sirs.

Re: **Declaration of Right Shares**

In accordance with the requirement of the applicable provisions of the Securities Act, 2015 and PSX Rule Book, we are pleased to inform you that the Board of Directors of [Din Textile Mills Limited (the "Company")] in their meeting held on 17th December, 2019, at the registered office of the Company, has approved the increase in the ordinary paid up share capital of the Company by issue of a further 23,318,555 ordinary shares, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act 2017, at a price of PKR 42/- each per share, in the ratio of approximately 4 right shares for every 5 existing ordinary share of PKR 10/- each (i.e. 80%), which shares shall rank pari passu in all respect with the existing ordinary shares of the Company ("Right Issue").

In this respect the share transfer books of the Company will be closed from 9th January, 2020 till 15th January, 2019 (both days inclusive) to determine the entitlements of the shareholders of the Company with respect to the Right Issue. Physical transfers/CDS Transaction IDs received at the Company's Shares Registrar Messers. Central Depository Company Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shakra-e-Faisal, Karachi, by close of business on 8th January, 2020 will be treated in time for the purpose of entitlement to right shares to the transferees.

We enclosed herewith the following information/ documents.

- i. Statement with respect to the details of the Right Issue, including the purpose, benefits, use of funds and risk factor associated with the same, along with financial plan, as approved by the Board of Directors (Annexure 'A').
- ii. Financial Projections duly approved by the Board of Directors (Annexure 'B').
- iii. Certified true copy of the extract of the resolutions passed by the Board of Directors dated 17th December, 2019. (Annexure 'C').
- iv. Draft copy of the Notice of the Right Issue and the book closure dates to the shareholders prior to its publication in the newspapers (Annexure 'D').

Din Textile Mills Ltd.

Din House, 35-A/1, Lalazar Area, Opp. Beach Luxury Hotel, P.O. Box No. 4696 Karachi-74000, Pakistan.
Tel: +92-21 3561 0001-3, Fax: +92-21 3561 0009 & 3561 0455, E-mail: dingroup@dingroup.com, Website: www.dingroup.com



You may please inform to the TRF Certificate Holders of the Exchange accordingly.

Yours truly.

Islam Ahmed
Company Secretary



Enclosed as above.

Copy to:

The Director/HOD
Surveillance, Supervision and Enforcement Department,
The Securities and Exchange Commission of Pakistan
NIC Building, 63- Jinnah Avenue. Blue Area,
Islamabad.

Share Registrar. Central Depository Company
Share Registrar Services Limited,
CDC House. 99-B, Block-B, S.M.C.H.S.,
Main Shahrah-e-Faisal,
Karachi.

Din Textile Mills Ltd.

Din House, 35-A/1, Lalazar Area, Opp. Beach Luxury Hotel, P.O. Box No. 4696 Karachi-74000, Pakistan.
Tel: +92-21 3561 0001-3, Fax: +92-21 3561 0009 & 3561 0455, E-mail: dingroup@dingroup.com, Website: www.dingroup.com

DIN TEXTILE MILLS LIMITED

Annexure A

Statement pertaining to Quantum of Issue, Issue Price, Purpose and benefits, Use of funds, Risk Factors and Financial Plan under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2018.

(a) Quantum of Issue i.e. as percentage of existing paid up capital

Approximately 80% i.e. 80 shares, for every 100 shares of the shareholders of the Company.

(b) Issue Size

23,318,555 Ordinary shares with a face value of PKR 10/- each.

(c) Issue Price Per Share

PKR 42/- per share (with Premium).

(d) Purpose of Right Issue

In order to reduce current debt levels and to improve debt/equity leverage, the Board of Directors has decided to raise a sum of Rs. 979.379 million through right issue. This will help the Company to mitigate the adverse impact on profitability on account of rising interest costs.

Therefore, it is being proposed to issue 80% Right Shares by offering 23,318,555 Right Shares of Rs. 10/- each to the existing ordinary shareholders of the Company at a price of Rs. 42/- per share (including premium of Rs.32/- per share) in proportion of 80 Right Shares for every 100 ordinary shares held.

(e) Benefits to the Company and shareholders and underlying risks, if any

The proceed of 80% Right Shares will augment the Company's liquidity resulting in reduction in debt burden. This will support the Company to maintain an optimum level of debt and will also result in increase in profit available for distribution to the shareholders by way of dividend and to meet any future capital expenditure requirement. This proposed increase in profitability will enhance the expected returns to the valued shareholders of the Company.

(f) Justification of the Right Issue at premium

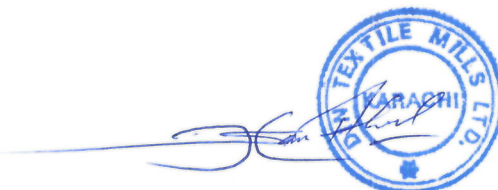
The premium charge over the par value is in line with market practice, keeping in view lucrative breakup value of the Company's shares based on the accounts for the Quarter ended September 30, 2019.

(g) Risk Factors

Right Issue of the Company is being made at a price which is less than current share price in the market and hence there is no major investment risk associated with the Right Issue. Normal risks associated with the business will remain. The Company is well placed in the market with proven track record which will help to mitigate such risk factors.

(h) Financial Plan

The funds raised will be used for working capital as well as for capital expenditure requirements of the Company.



The image shows a handwritten signature in blue ink over a circular blue stamp. The stamp contains the text "DIN TEXTILE MILLS LTD." around the perimeter and "KARACHI" in the center. There is a small star symbol at the bottom of the stamp.

DIN TEXTILE MILLS LIMITED

ANNEXURE B

FINANCIAL PROJECTIONS FOR FIVE YEAR

In PKR Million	FY2020	FY2021	FY2022	FY2023	FY2024
Sales – Net	12,138,505,930	15,929,871,784	16,262,888,611	16,773,014,155	17,343,071,550
Profit before taxation	456,931,091	692,498,460	730,503,813	791,202,956	858,192,231
Profit for the year	311,269,020	501,339,999	535,349,150	589,926,786	650,075,372
Profit per share – basic and diluted	5.93	9.56	10.20	11.24	12.39

The Financial projections mentioned above are subject to change depending on the business future performance, current business environment and macro-economic of the country and global market trends. The Company and / or its directors shall accept no liability for any investment decisions or conclusion drawn by any person on the basis of the foregoing financial projections.




DIN TEXTILE MILLS LIMITED

ANNEXURE C

Extracts from the Minutes of Meeting of the Board of Directors of Din Textile Mills Limited held on 17th December 2019 at the registered office of the Company.

A meeting of a Board of Directors of the Company held on 17th December 2019 at 10 a.m. at the registered office of the Company.

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further ordinary shares by the Company by way of Right Issue. The Board of Directors of the Company confirmed that all requirements of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2018 have been considered by the Board of Directors and shall be duly complied with.

In this respect, the management has also received the requisite confirmation / undertaking from all directors and Sponsors of the Company.

Accordingly, the following resolutions were passed by the Board of Directors:

“RESOLVED that pursuant to requirement of provisions of section 83 the Companies Act, 2017 approval of the Board be and is accorded to offer 23,318,555 Right shares in proportion of 80 ordinary Rights Shares for every 100 shares held (at the rate 80%) of Rs. 10/- each at a price of Rs. 42 per share (inclusive of premium of Rs. 32 per share) through letters of offer to the existing shareholders of the Company.

FURTHER RESOLVED that the quantum of the size, issue size, issue price, purpose of the Right Issue, the benefits of the same to the Company and the risk factors associated with the Right Issue and justification for issue of shares at par as per the following detail are hereby approved:

Quantum of Issue i.e. as percentage of existing paid up capital

Approximately 80% i.e. 80 shares for every 100 share held by the Shareholders of the Company.

Issue Size

23,318,555 Ordinary shares with a face value of PKR 10/- each

Issue Price per Share

PKR 42 - per share (par value Rs. 10/- plus premium Rs. 32/-)

“FURTHER RESOLVED that the Chief Executive of the Company be and is hereby singly authorized to approach statutory auditor of the Company for obtaining certificate of free reserves based on quarterly financial statement for the Quarter ended September 30, 2019 pursuant to requirement of the Company (Further Issue of Shares) Regulations, 2018 and for onward submission to the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited.”

FURTHER RESOLVED that the purpose of Right Issue, justification of issue at premium, benefits to the Company, use of funds, risk associated with the issue and financial projection for five years be and are hereby approved.”

Purpose of Right Issue

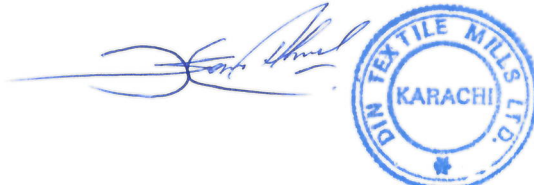
The proceeds of the Right Issue shall be utilized for meeting working capital as well as capital expenditure requirements of the Company,

Benefits to the Company and shareholders and underlying risks, if any

As the funds of the Right Issue will be utilized for working capital requirements, the same is expected to enable the Company to improve its performance in terms of profitability hereby resulting in better returns to the shareholder.

The Right issue of the Company is being made at a price which is less than the current market price and hence there is no major investment risk associated with the Right Issue.

Normal risks associated with the business will remain, however, the Company is well equipped and positioned in the market to mitigate such risk factors,



The image shows a handwritten signature in blue ink on the left, followed by a blue circular stamp on the right. The stamp contains the text "DIN TEXTILE MILLS LTD." around the perimeter and "KARACHI" in the center.

DIN TEXTILE MILLS LIMITED

Justification for issue of shares at Premium

Considering the financial projections and current market price of the Company's shares, the directors have decided to issue right shares with premium, which price is expected to attract public shareholders to further invest in the Company.

FURTHER RESOLVED THAT the Chief Executive Officer, Mr. Farhad Shaikh Mohammad, Director and the Company Secretary be and are hereby authorized singly or any two jointly to take all necessary actions (including execution and delivery of all necessary instruments, notices and letters) (i) to ensure compliance of the requirements of Companies Act 2017, the Companies (Further Issue of Shares) Regulations 2018 (" Regulation 2018"), the Central Depository Company of Pakistan Limited Regulation and the Pakistan Stock Exchange Regulations; (ii) for issuance of letters of offer under section 83 of the Companies Act, 2017; and (iii) to file the requisite returns / notices with the Securities and Exchange Commission of Pakistan ("SECP") and the Pakistan Stock Exchange (PSX")

FURTHER RESOLVED THAT the financial plan, along with the financial projections for five years as presented to the Board be and is hereby approved and the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to submit the same to the relevant authorities.

FURTHER RESOLVED THAT the Company be and is hereby authorized to close its share transfer books from 9th January, 2020 to 15th January, 2020 (both days inclusive) to determine entitlements of the shareholders of the Company with respect to the Right Issue and the Company Secretary is hereby authorized to announce the book closure dates along with publication of notices in the News Papers.

FURTHER RESOLVED THAT the Chief Executive Officer, the Chief Financial Officer and / or the Company Secretary be and are hereby jointly authorized to take any and all necessary steps for issuance of letters of offer under Section 83 of the Companies Act, 2017 (the "Act") and related Circular along with terms and Conditions therein, obtain signatures under the Act and file the requisite returns / notices in the Company Registration Office and / or to the Securities and Exchange Commission of Pakistan ("SECP") and PSX, as the case may be.

FURTHER RESOLVED THAT Shaikh Mohammad Muneer, Chairman and Mr. Farhad Shaikh Mohammad , Director be and are hereby jointly authorized to sign the letter of offer for right shares in accordance with Section 83(2) of the Act.

FURTHER RESOLVED THAT the Chief Executive Officer and Mr. Farhad Shaikh Mohammad, Director be and are hereby jointly authorized to approach any bank(s) for appointment as banker to the Right Issue in order to collect the right subscription money against right shares and to open an account with any banks so appointed and give instruction for transfer or proceeds form right subscription to the Company's account.

FURTHER RESOLVED that the Chief Executive Officer, Mr. Farhad Shaikh Mohammad, Director and / or the Company Secretary be and are hereby authorized singly to approached any bank or banks for appointment as banker to the Right Issue in order to collect the right subscription money against Right Shares and open an account with any bank or banks so appointed and give inactions for transfer of proceeds from Right Subscription to the Company's Account.

FURTHER RESOLVED THAT the Chief Executive Officer and Mr. Farhad Shaikh Mohammad, Director and / or the Company Secretary be and are hereby jointly authorized to appoint consultant(s) / advisor(s) to the Right Issue and potential underwriter(s), and to negotiate and finalize the terms and conditions as they deem fit and appropriate and enter into underwriting agreements relating to the Right Issue.

FURTHER RESOLVED that Mr. Farhad Shaikh Mohammad and / or Shaikh Mohammad Pervez Directors of the Company be and are hereby singly authorized to appoint consultant and potential underwriter(s), finalized terms and condition and signed underwriting agreement and settle / finalized fees, commission, take up commission and third party expenses and / or any other expenses relating to the Right Issue.



The image shows a handwritten signature in blue ink on the left, followed by a blue circular stamp on the right. The stamp contains the text "DIN TEXTILE MILLS LTD." around the perimeter and "KARACHI" in the center.

FURTHER RESOLVED that the Chief Executive Officer, Mr. Farhad Shaikh Mohammad, Director and / or the Company Secretary be and are hereby jointly and / or singly authorized to take all necessary actions are required by the Central Depository Company of Pakistan Limited (the "CDC") including but not limited to induction of the offer for right shares in Central Depository System of the CDC and in this connection to sign all requisite application, forms, documents, undertakings and other papers on behalf of the Company.

FURTHER RESOLVED that the Chief Executive Officer, Mr. Farhad Shaikh Mohammad, Director and / or the Company Secretary be and is hereby singly authorized to prepare Right Issue Plan, make any amendment therein and get formal approval of the same from Pakistan Stock Exchange Limited.

FURTHER RESOLVED that the Chief Executive Officer, Mr. Farhad Shaikh Mohammad, Director and / or the Company Secretary be and are hereby singly authorized to allot / credit right shares and file returns required by SECP / PSX/ CDC along with Auditors Certificate or any other authority, and to take all other necessary steps and do all other acts, deeds and things, including any ancillary or incidental actions to give effect to the above resolution.

FURTHER RESOLVED that the unsubscribed portion of the Right Issue, if any, may be offered and allotted to such persons at the Board of Directors may deem fit in accordance with Section 83(I)(a)(iv) of the Companies Act 2017.

FURTHER RESOLVED that the Chief Executive Officer, Mr. Farhad Shaikh Mohammad, Director and the Company Secretary be and are hereby authorized singly or any two jointly to take all necessary steps for and in connection with the Rights Issue as may be required under the applicable laws or as deemed necessary for the Rights Issue.

FURTHER RESOLVED that the Chief Executive Officer, Mr. Farhad Shaikh Mohammad, Director or the Company Secretary be and are singly authorized to take any and all necessary steps for issuance of Letters of Offer under section 83 of the Companies Act, 2017 and related information along with terms and condition therein, get signature under the Act and file the requisite returns / notices in the Company Registration Office and / or to the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited as the case may be.

FURTHER RESOLVED that the Chief Executive Officer be and is hereby authorized to allowed un-subscribed portion of the Right Issue, if any, to the underwriters in accordance to the covenants of the underwriting agreement.

FURTHER RESOLVED that fractional entitlements and unpaid letters of right in respect thereof, if any, will be consolidated in the name of Company Secretary (under trust) and shall be sold on the PSX, the net proceeds from which, once realized, will be paid as charity to a charitable institution.



ANNEXURE C


DIN TEXTILE MILLS LIMITED
Registered Office: 35-A/1,
Lalazar Area, Opp. Beach Luxury Hotel, Karachi.
Tel. 021-35610001-3, Fax # 021-35610009

NOTICE OF RIGHT ISSUE & BOOK CLOSURE

Members are hereby notified that the Board of Director of Din Textile Mills Ltd., (the "Company") in their meeting held on December 17, 2019 has decided to issue further capital by offering 80% Ordinary Right Shares of Rs.10 each at price of Rs. 42/- per share (inclusive of premium of Rs. 32/- per share) in proportion of 80 Ordinary Right Shares for every 100 Ordinary Shares held.

The Share Transfer Book of the Company will remain closed from January 09, 2020 to January 15, 2020 (both days inclusive). Physical transfer/CDS transaction IDs received at the Company's Share Registrar, M/s. CDC Share Registrar Services Ltd., CDC House, 99-B, Block-B, S.M.C.H.S., Shakrahe-e-Faisal, Karachi at the close of business on January 08, 2020 will be considered in time for entitlement of Right Shares.

By Order of the Board


ISLAM AHMED
Company Secretary



Karachi: December ____, 2019



We, the Board of Directors of DIN TEXTILE MILLS LIMITED, have approved the announcement relating to Right issue including financial projections and all other details pertaining to the Right Issue, during the meeting held on December 17, 2019.

Shaikh Mohammad Muneer

Shaikh Mohammad Pervez

Shaikh Muhammad Tanveer

Shaikh Mohammad Naveed

Mr. Faisal Jawed

Mr. Farhad Shaikh Mohammad

Mr. Abdul Razzak

Mr. Ehtesham Maqbool Elahi

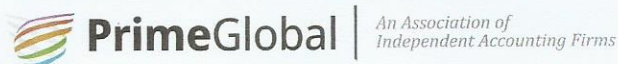
Mrs. Romisa Raffay

Dated: December 17, 2019
Karachi.

Din Textile Mills Ltd.

Din House, 35-A/1, Lalazar Area, Opp. Beach Luxury Hotel, P.O Box No. 4696 Karachi-74000, Pakistan.
Tel: +92-21 3561 0001-3, Fax: +92-21 3561 0009 & 3561 0455, E-mail: dingroup@dingroup.com, Website: www.dingroup.com

A member firm of



KHI-NZAJ/DTML/03/12/2019
December 17, 2019

The Board of Directors
Din Textile Mills Limited
Din House, 35-A/1
Lalazar, Opp. Beach Luxury Hotel
Karachi

Gentlemen

Din Textile Mills Limited
Factual Findings Report with respect to the free reserves per share of the Company
As at September 30, 2019

We have performed the procedures agreed upon with you vide our engagement letter number KHI-NZAJ/DTML/03/12/2019 dated December 11, 2019 with respect to the free reserves value per share of the Company as at September 30, 2019. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS)-4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" applicable to agreed-upon procedures engagements.

As mentioned in our above referred engagement letter, we were requested to provide our factual findings report related to the free reserves per share of the Company as at September 30, 2019 calculated in accordance with the requirements of regulation 3, clause 2 of the Companies (further issue of shares) Regulations, 2018 based on our agreed upon procedures. The procedures that we have performed were solely to assist you in evaluating the free reserves per share calculated by the management of the Company as at September 30, 2019 and are summarized as follows:

1. Compared the number of issued, subscribed and paid-up shares of the Company as mentioned in Annexure 'A' with the un-audited financial statements of the Company for the quarter ended September 30, 2019;
2. Compared the amount of accumulated profits, intangible assets, contingencies, commitments and dividend payable as mentioned in Annexure 'A' with the un-audited financial statements of the Company for the quarter ended September 30, 2019; and
3. Recalculated the free reserves per share, as mentioned in Annexure 'A'.

NZAJ

We report our findings below:

- a) With respect to item 1, we found the number of issued, subscribed and paid-up shares of the Company as mentioned in Annexure 'A' to be in accordance with the un-audited financial statements of the Company for the quarter ended September 30, 2019;
- b) With respect to item 2, we found the amount of accumulated profits, intangible assets, contingencies, commitments and dividend payable as mentioned in Annexure 'A' to be in accordance with the un-audited financial statements of the Company for the quarter ended September 30, 2019; and
- c) With respect to item 3, we found no exception in the calculation of free reserves per share of the Company as mentioned in Annexure 'A'.

Because the above procedures do not constitute either an audit or review made in accordance with International Standards on Auditing or international Standards on Review Engagements, we do not express any assurance thereon.

Had we performed additional procedures or had we performed an audit or review of financial statements of the Company in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

The management of the Company is responsible for the sufficiency and appropriateness of the agreed procedures for their purposes and we accept no responsibility with respect to sufficiency and appropriateness of such procedures. Further, we have no obligation to perform any procedures beyond those agreed.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties other than the Company and the Securities and Exchange Commission of Pakistan. This report relates only to the item specified above and does not extend any financial statements of the Company, taken as a whole.

It has been assumed that all the information and representation provided to us by the management of the Company are genuine without any omission.

Yours sincerely


Chartered Accountants



Annexure 'A'

Free reserves per ordinary share of Rs.10 each as at 30 September, 2019

Based on un-audited quarterly financial statements for the year ended 30 September 2019, we would like to furnish the statement for calculation of free reserves per ordinary share of Rs.10 each of the Company as follows:-

	Un-Audited 30 September 2019 (Rupees in Thousand)
Accumulated profits	1,937,402
Intangible assets	(7,546)
Contingencies	(474,842)
Commitments	(404,359)
Dividend payable	(72,870)
Free reserves	977,784
	No. of Shares
Number of ordinary shares of Rs.10 each of the Company In issue as at 30 September 2019	29,148,194
	(In Rupees)
Free reserves per ordinary share of Rs.10 each of the Company	33.55

For Din Textile Mills Limited

(Chief Executive)

December 17, 2019

N2M



DIN TEXTILE MILLS LTD.
Lahore Office : Din Tower, 1- Green Acres, 7-K.M. Raiwind Road, Lahore - 54770, Pakistan.
Tel : (+92-42) 35323611-14, Fax : (+92-42) 35323615 E-mail : dintextile@dingroup.com
Mills 1 & 2: 70 k.m. Kot Akbar Khan, Tehsil Pattoki, District Kasur Tel : 0333-4097600, 049-4511938
Mill 3 : 3.5 k.m., Raiwind By-pass Road, Village Bhai Kot, Raiwind, District Lahore. Tel : 0333-4096800
Head Office: Din House, 35-A/1, Lalazar Area, Opposite Beach Luxury Hotel, Karachi-74000, Pakistan.
Tel: 92-21-3561 0001-3, Fax: 92-21-3561 0009, E-mail : dingroup@dingroup.com, Website : www.dingroup.com

