

## Company profile

### Board of Directors

1	Mian Mohammad Ahmed	Chairman
2	Mr. Shahzad Ahmed	Chief Executive
3	Mian Riaz Ahmed	
4	Mr. Naveed Ahmed	
5	Mr. Kashif Riaz	
6	Mr. Irfan Ahmed	
7	Mr. Shafqat Masood	
8	Mr. Shahwaiz Ahmed	
9	Sheikh Nishat Ahmed	
10	Mr. Farooq Hassan	Nominee N.I.T.

### Audit committee

1	Mian Riaz Ahmed	Chairman
2	Mr. Kashif Riaz	Member
3	Mr. Irfan Ahmed	Member

### Human resource and remuneration committee

1	Sheikh Nishat Ahmed	Chairman
2	Mr. Irfan Ahmed	Member
3	Mr. Shahwaiz Ahmed	Member

### Company secretary

Mr. Ahmed Faheem Niazi

### Chief financial officer

Mr. Arif Abdul Majeed

### Chief Internal auditor

Mr. Yaseen Hamidia

### Legal Advisor

Mr. M. Yousuf Naseem ( Advocates & Solicitors )

**Registered office**

Office # 508, Tel. 111 - 404 - 404  
5th floor, Beaumont Plaza, Fax. 35693593 - 94  
Civil Lines Quarters, Karachi.

**Symbol of the company** IDYM

**Website**

[www.indus-group.com/web/download.htm](http://www.indus-group.com/web/download.htm)

**Auditors**

M/s Yousuf Adil Saleem & Co.  
Chartered Accountants

**Registrar & Share Transfer Office**

Evolution Factor ( Pvt ) Ltd.  
( Formerly Corporate Support Services ( Pvt ) Ltd.)  
407-408, Al - Ameera Centre, Tel. 35662023 - 24  
Shahrah-e-Iqbal, Saddar, Karachi. Fax. 35221192

**Factory location**

- 1 P 1 S.I.T.E. Tel. 0223 - 880219 & 252  
Hyderabad, Sindh.
- 2 Plot # 3 & 7, Sector - 25, Tel. 021- 35061577 - 9  
Korangi Industrial Area, Karachi.
- 3 Muzaffargarh, Bagga Sher, Tel. 0662 - 490202 - 205  
District Multan.
- 4 Indus Lyallpur Limited. Tel. 041 - 4689235 - 6  
38th Kilometre, Shaikhupura Road,  
District Faisalabad.

## Directors' Report

Dear Shareholders,

We are pleased to present the first quarterly consolidated condensed accounts ( un-audited ) for the period ended September 30, 2013. Your company earned net profit of **Rs. 576.634 million**. Earning per share is **Rs. 31.90** ( par value Rs. 10/= per share )

Better cost control measures and timely procurement of raw material helped the company to achieve these good results.

Your management is trying hard to get better results in coming quarter, but due to increase in utilities and other costs it will be a tough target.

In order to fully utilize the business potential we are continuing BMR plan to get optimum results.

Keeping in view the good profits the management is pleased to announce 50% cash dividend i.e., Rs. 5.00 per share.

We further state that :

- a The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flow & changes in equity.
- b Proper books of accounts have been maintained.
- c Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d International Accounting Standards, as applicable in Pakistan have been followed in preparation of these financial statements.
- e There are no significant doubts upon the company's ability to continue as a going concern.
- f Internal auditor is continuously reviewing the existing system of internal control and other procedures. The process of review will continue and any weakness in controls will have immediate attention of the management.
- g There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

The labour management relations remained cordial and we would like to thanks to the employees of the Company for their hard work and Company's Bankers for their co-operation.

For and behalf of Board  
Shahzad Ahmed  
Chief Executive Officer

Karachi : the 31st October, 2013

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2013**

Sept 30,                      June 30,  
 2013                              2013  
 (Unaudited)                      (Audited)  
 Note                      ----- Rupees in '000' -----

**SHARE CAPITAL AND RESERVES**

Authorised 45,000,000 ordinary shares of Rs. 10 each	450,000	450,000
Issued, subscribed and paid up 18,073,732 ordinary shares of Rs. 10 each	180,737	180,737
Reserves	5,022,432	5,022,432
Un-appropriated profit	3,773,651	3,213,758
	8,976,820	8,416,927

**NON-CURRENT LIABILITIES**

Long-term financing	859,420	690,369
Deferred liabilities	126,981	112,239
	986,401	802,608

**CURRENT LIABILITIES**

Trade and other payables	802,915	739,152
Interest / mark-up payable	47,140	25,707
Short-term borrowings	2,562,917	1,097,290
Current portion of: long-term financing liabilities against assets subject to finance lease	350,198	231,345
	-	2,222
	3,763,170	2,095,716

**CONTINGENCIES AND COMMITMENTS**

7-8	13,726,391	11,315,251
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**NON-CURRENT ASSETS**

Property, plant and equipment	9	5,317,263	4,260,111
Long term investments	10	2,201,560	2,201,111
Long-term deposits		4,165	4,165
		7,522,988	6,465,387

**CURRENT ASSETS**

Stores, spares and loose tools	240,339	194,400
Stock-in-trade	4,150,760	3,268,400
Trade debts	1,293,194	1,016,100
Loans and advances	147,311	83,500
Trade deposits and short-term prepayments	31,542	6,800
Other receivables	35,897	24,900
Other financial assets	14,194	13,400
Tax refundable	105,590	99,200
Cash and bank balances	184,576	142,200
	6,203,403	4,849,300

13,726,391	11,315,251
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The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Note	Three months period ended	
		Sept.30 2013	Sept.30 2012
----- Rupees in '000' -----			
Sales		4,393,914	4,231,326
Cost of goods sold	11	(3,584,725)	(3,593,355)
Gross profit		<u>809,189</u>	<u>637,971</u>
Other operating income / ( loss )		3,550	4,660
		<u>812,739</u>	<u>642,631</u>
Distribution cost		(86,409)	(95,697)
Administrative expenses		(59,195)	(45,932)
Other operating expenses		(42,355)	(28,742)
Financial cost		(64,887)	(53,420)
		<u>(252,846)</u>	<u>(223,791)</u>
Profit before taxation		<u>559,893</u>	<u>418,840</u>
Taxation	6	-	(34,951)
Profit after taxation		<u>559,893</u>	<u>383,889</u>
Earnings per share - Basic and diluted		<u>30.98</u>	<u>21.24</u>

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Three months period ended	
	Sept.30 2013	Sept.30 2012
	----- Rupees in '000' -----	
Profit for the period	559,893	383,889
Other comprehensive income	-	-
Total comprehensive income for the period	559,893	383,889

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial information.

**CHIEF EXECUTIVE OFFICER** **DIRECTOR**

INDUS DYEING & MANUFACTURING COMPANY LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013

	Reserves					Total
	Share Capital	Capital		Revenue		
		Share Premium	Merger Reserve	General Reserve	Un-appropriated Profit	
	180,737	10,920	11,512	5,000,000	1,861,555	7,064,724
<b>Balance at July 01, 2012</b>						
Profit for the period ended June 30, 2013	-	-	-	-	2,333,606	2,333,606
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	180,737	10,920	11,512	5,000,000	4,195,161	9,398,330
<b>Transaction with owners:</b>						
Final cash dividend for the year ended June 30, 2012 @ Rs. 20 per share	-	-	-	-	(361,475)	(361,475)
Interim dividend in specie for the period ended December 31, 2012 in 100:09 ratio	-	-	-	-	(439,191)	(439,191)
Interim cash dividend for the period ended March 31, 2013 @ Rs. 10 per share	-	-	-	-	(180,737)	(180,737)
<b>Balance as at June 30, 2013</b>	180,737	10,920	11,512	5,000,000	3,213,758	8,416,927
Profit for the period ended September 30, 2013	-	-	-	-	559,893	559,893
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	559,893	559,893
<b>Balance as at September 30, 2013</b>	180,737	10,920	11,512	5,000,000	3,773,651	8,976,820

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Three months period ended	
	Sept.30 2013	Sept.30 2012
	-----Rupees in '000' -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	559,893	418,840
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	105,399	93,062
Provision for gratuity	19,102	20,917
Loss on derivative financial instruments	-	4,414
Unrealized gain on other financial assets	(731)	-
Gain on disposal of property, plant and equipment	(843)	(44)
Finance cost	64,887	53,420
Dividend income	(113)	(292)
	187,701	171,477
<b>Operating profit before working capital changes</b>	<b>747,594</b>	<b>590,317</b>
<b>Working capital changes :</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(45,911)	(8,874)
Stock in trade	(882,336)	170,068
Trade debts	(277,051)	(197,177)
Loans and advances	(31,239)	15,054
Trade deposits and short-term prepayments	(24,700)	(9,519)
Other receivables	(10,951)	(8,356)
Tax refundable	(6,295)	(23,960)
Other financial assets	-	2,001
Increase / ( decrease ) in current liabilities		
Trade and other payables	89,330	88,318
	(1,189,153)	27,555
<b>Cash used in operations</b>	<b>(441,559)</b>	<b>617,872</b>
Income taxes paid - net	(32,533)	(101,518)
Finance cost paid	(43,453)	(50,773)
Gratuity paid	(4,360)	(3,432)
<b>Net cash used in operating activities</b>	<b>(521,905)</b>	<b>462,149</b>



**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(1,073,216)	(150,143)
Capital work in progress	(103,338)	45,883
Proceeds on disposal of property, plant and equipment	20,000	541
Purchase of other financial assets	-	38,059
Long-term deposits	(95)	-
Dividend received	113	292
<b>Net cash used in investing activities</b>	<b>(1,161,537)</b>	<b>(65,365)</b>

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Long-term financing obtained	297,681	78,000
Repayment of long-term financing	(9,776)	(9,138)
Loans from directors - net	(13)	(3,066)
Repayment of liabilities against assets subject to finance lease	(2,222)	(1,105)
Dividend paid	(25,568)	(20,023)
<b>Net cash (used in) / from financing activities</b>	<b>260,102</b>	<b>44,648</b>
<b>Net decrease in cash and cash equivalent</b>	<b>(1,423,340)</b>	<b>441,432</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>(945,524)</b>	<b>(1,227,017)</b>
<b>Cash and cash equivalent at end of the period</b>	<b>(2,368,864)</b>	<b>(785,585)</b>

**CASH AND CASH EQUIVALENTS**

Cash and bank balances	184,576	32,522
Short-term running finance	(2,553,440)	(818,107)
	<b>(2,368,864)</b>	<b>(785,585)</b>

The annexed notes from 1 to 16 form an integral part of this unconsolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**SELECTED EXPLANATORY NOTES**  
**TO THE UNCONSOLIDATED CONDENSED**  
**INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

**1. LEGAL STATUS AND NATURE OF BUSINESS :**

Indus Dyeing & Manufacturing Co. Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the Companies Act 1913 repealed by the Companies Ordinance, 1984. Registered office of the Company is situated at Office No. 508, 5th, floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on the Karachi Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company is also operating two ginning units including one on leasing arrangements in District Multan. The Company has the following group entities :

- Indus Lyallpur Limited - Wholly owned subsidiary
- Indus Home Limited - Joint Venture
- Sunrays Textile Mills Limited - Associated undertaking

**2. STATEMENT OF COMPLIANCE :**

These unconsolidated condensed interim financial statements are unaudited and have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ( IFRS ) issued by the International Accounting Standards 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 of or directives issued under the Companies Ordinance, 1984 shall prevail.

**3. BASIS OF PREPARATION :**

- 3.1 These unconsolidated condensed interim financial statements are unaudited and have been prepared under the historical cost convention.
- 3.2 The accounting policies and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are the same as those of the published annual audited financial statements for the year ended June 30, 2013. This unconsolidated condensed interim financial statements do not include all of the informations required for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2013.
- 3.3 The comparative balance sheet presented has been extracted from unconsolidated annual financial statements for the year ended June 30, 2013, whereas comparative condensed profit and loss account, condensed comprehensive income statement, condensed statement of changes in equity and condensed cash flow statements are stated from the unconsolidated condensed interim financial statements for the first quarter ended September 30, 2012.

**4. ACCOUNTING ESTIMATES AND JUDGMENTS**

- 4.1 The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 In preparing these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the audited financial statements as at and for the year ended June 30, 2013.

5. **FINANCIAL RISK MANAGEMENT**

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

6. **TAXATION**

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. For income covered under final tax regime, taxation is based on applicable tax rates under such regime.

**Sept 30,                  June 30,**  
**2013                      2013**  
**(Unaudited)            (Audited)**  
-----Rupees in '000'-----

7. **CONTINGENCIES :**

Claim of arrears of social security contribution not acknowledged, appeal is pending in Honourable High Court of Sindh. The management is hopeful for favourable outcome.

453	453
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Guarantees issued by banks on behalf of the Company

49,820	49,820
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Guarantees issued by banks in favour of gas distribution companies

19,306	19,306
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Guarantees against payment of infrastructure cess

100,042	98,042
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8. **COMMITMENTS :**

Letters of credit for raw material and stores and spares

336,723	112,569
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Letters of credit for property, plant and equipment

711,254	1,423,369
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Civil work contracts

52,325	176,350
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Foreign currency forward contracts

-	99,660
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9. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period, following additions and disposals were made: -

	Sept 30, 2013		Sept 30, 2012	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
<----- Rupees in '000'----->				
<b>Assets</b>				
Office building	15,026	-	-	-
Factory building	1,054	-	-	-
Plant and machinery	1,052,562	(19,157)	134,157	-
Power generator	-	-	5,350	-
Factory equipment	-	-	-	-
Office equipment	-	-	-	-
Furniture and fixtures	-	-	1,292	-
Vehicles	4,574	-	9,344	(447)
Plant and machinery - leased	19,573	-	-	-
Capital work in - progress	192,018	-	-	23,524
	<u>1,284,807</u>	<u>(19,157)</u>	<u>150,143</u>	<u>23,077</u>

**Sept 30,                  June 30,**  
**2013                        2013**  
**(Unaudited)              (Audited)**  
 -----Rupees (in '000')-----

**10. LONG TERM INVESTMENTS**

Investment in a joint venture	1,198,084	1,198,084
Investment in an associate	10.1    13,476	13,476
Investment in subsidiary	10.2    990,000	990,000
	<u>2,201,560</u>	<u>2,201,560</u>

**10.1 Investment in an associate**

Cost	-	42,382
Opening	13,476	290,386
	13,476	332,768
Specie dividend distributed	-	(319,292)
	<u>13,476</u>	<u>13,476</u>

**10.2 Investment in subsidiary**

Investment at cost	990,000	840,000
Investment made during the period	-	150,000
	<u>990,000</u>	<u>990,000</u>

		<u>Third quarter ended</u>	
		Sept 30, 2013	Sept 30, 2012
		-----Rupees in '000'-----	
<b>11 COST OF GOODS SOLD</b>	<b>Note</b>		
Raw material consumed		2,992,475	2,892,749
Manufacturing expenses	11.1	700,398	622,865
Outside purchase-yarn		48,346	98,304
		3,741,219	3,613,918
<b><u>Work in process</u></b>			
Opening stock		216,135	198,360
Closing stock		(270,393)	(217,052)
		(54,258)	(18,692)
<b>Cost of goods manufactured</b>		<b>3,686,961</b>	<b>3,595,226</b>
<b><u>Finished Goods</u></b>			
Opening stock		272,232	289,980
Closing stock		(374,468)	(291,851)
		(102,236)	(1,871)
		<b>3,584,725</b>	<b>3,593,355</b>
<b>11.1 <u>Manufacturing expenses</u></b>			
Salaries, wages and benefits		175,506	156,621
Fuel, water and power		262,014	219,117
Stores and spares consumed		89,221	82,224
Packing material consumed		56,493	62,177
Insurance		7,555	5,703
Repairs and maintenance		6,082	4,128
Rent, rate and taxes		1,372	1,036
Depreciation		98,093	88,894
Others		4,062	2,965
		<b>700,398</b>	<b>622,865</b>

## 12. AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of subsidiary (Indus Lyallpur Limited), associate (Sunrays Textiles Mills Limited), joint venture (Indus Home Limited) and entities with common directorship, key management personnel and post employment benefit scheme. The Company carries out transactions with related parties on agreed terms. Transactions with related parties during the period and balances with them at period end are as follows:

	Unaudited Sept 30 2013	Unaudited Sept 30 2012
	-----Rupees in '000'-----	
<b>12.1 Transactions during the period</b>		
<b>Relationship with Company</b>		
<b>Subsidiary</b>		
Sale of cotton yarn / fibre	23,496	370
Purchases of yarn	-	95,944
Contract manufacturing cost	-	9,254
Payments made on behalf of subsidiary	102,447	658,475
Payments made by subsidiary on behalf of the Company	48,869	648,589
<b>Associate</b>		
Sale of yarn	-	-
Purchases of yarn	-	-
Payments made on behalf of associate	14,495	14,562
Payments made by associate on behalf of the Company	16,333	10,236
<b>Joint venture</b>		
Sale of yarn	71,986	25,084
Conversion cost	-	-
Payments made on behalf of joint venture	180	756
Payments made by joint venture on behalf of the Company	80,481	756
<b>Key management personnel</b>		
Short term borrowing repaid	13	67,625
Short term borrowing received	-	64,289
Remuneration paid	9,060	11,160
<b>Other related parties</b>		
Expenses paid on behalf of entities where directors are common	-	-
Expenses adjusted / reimbursed	5	366



	Sept 30 2013 (Unaudited)	June 30, 2013 (Audited)
	-----Rupees in '000'-----	
<b>12.2 Balances with related parties</b>		
Subsidiary		
- Receivable	86,164	9,090
Associate		
- Payable	2,466	627
Joint Venture		
- Receivable	4,888	13,205
Directors and spouses		
- Payable	9,476	9,490
Other related parties		
- Payable	3,124	2,641

**13. SUBSEQUENT EVENTS**

In respect of the current period, the directors proposed to pay interim cash dividend of Rs. 90.369 million @ Rs. 5/= per ordinary share of Rs. 10/= each. The proposed dividend has not been included as a liability in these financial statements.

14. Allocation to taxation and WPPF is provisional. Final liability will be determined on the basis of annual results.

**15. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorised for issue on 31st October, 2013 by the Board of Directors of the Company.

**16. GENERAL**

Figures have been rounded off to the nearest thousand of Rupee.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**INDUS DYEING & MANUFACTURING  
COMPANY LIMITED**

**JULY 01, 2013  
to  
SEPTEMBER 30, 2013  
( Un - audited )**

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**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2013**

	Note	Sept 30, 2013 (Unaudited)	June 30, 2013 (Audited)
		----- Rupees in '000' -----	
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised 45,000,000 ordinary shares of Rs. 10 each		450,000	450,000
Issued, subscribed and paid up 18,073,732 ordinary shares of Rs. 10 each		180,737	180,737
Reserves		5,022,432	5,022,432
Un-appropriated profit		4,310,451	3,733,735
		9,513,620	8,936,904
Share of Associate's surplus on revaluation of property, plant and equipment - net of tax		2,612	2,610
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		859,420	690,369
Deferred liabilities		135,214	118,236
		994,634	808,605
<b>CURRENT LIABILITIES</b>			
Trade and other payables		929,465	838,134
Interest / mark-up payable		52,399	31,200
Short-term borrowings		3,286,631	1,847,512
Current portion of: long-term financing liabilities against assets subject to finance lease		350,198	231,345
		-	2,222
		4,618,693	2,950,413
<b>CONTINGENCIES AND COMMITMENTS</b>		6-7	
		<u>15,129,559</u>	<u>12,698,532</u>

	Note	Sept 30, 2013 (Unaudited)	June 30, 2013 (Audited)
		----- Rupees in '000' -----	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	6,506,693	5,470,655
Long term investments	9	1,364,891	1,396,305
Long-term deposits		5,135	5,039
		7,876,719	6,872,003

	Note	Sept 30, 2013 (Unaudited)	June 30, 2013 (Audited)
		----- Rupees in '000' -----	
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		281,938	231,354
Stock-in-trade		4,856,695	4,027,035
Trade debts		1,509,185	1,129,122
Loans and advances		184,820	114,251
Trade deposits and short-term prepayments		36,262	7,784
Other receivables		37,057	26,364
Other financial assets		14,194	13,464
Tax refundable		144,118	132,916
Cash and bank balances		188,571	144,239
		7,252,840	5,826,529
		<u>15,129,559</u>	<u>12,698,532</u>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Note	<u>Three months period ended</u>	
		Sept 30,	Sept 30,
		2013	2012
		( July - March )	
		----- Rupees in '000' -----	
Sales		5,201,982	4,699,542
Cost of goods sold	10	(4,303,610)	(3,995,192)
Gross profit		<u>898,372</u>	<u>704,350</u>
Other operating income / ( loss )		<u>3,671</u>	<u>4,835</u>
		902,043	709,185
Distribution cost		(101,842)	(104,085)
Administrative expenses		(67,014)	(47,172)
Other operating expenses		(46,083)	(28,742)
Financial cost		(78,972)	(61,231)
		<u>(293,911)</u>	<u>(241,230)</u>
Share of (loss) / profit from joint venture	9.1	(32,843)	27,959
Share of profit from Associate	9.2	1,345	28,609
Profit before taxation		<u>576,634</u>	<u>524,523</u>
Taxation	7	-	(39,349)
Profit after taxation		<u>576,634</u>	<u>485,174</u>
Earnings per share - Basic and diluted		<u>31.90</u>	<u>26.84</u>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Three months period ended	
	Sept 30, 2013	Sept 30, 2012
	----- Rupees in '000' -----	
Profit for the period	576,634	485,174
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>576,634</b>	<b>485,174</b>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Three months period ended	
	Sept 30,	Sept 30,
	2013	2012
	----- Rupees in '000' -----	
Profit for the period	576,634	485,174
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>576,634</b>	<b>485,174</b>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

	Three months period ended	
	Sept 30, 2013	Sept 30, 2012
	-----Rupees in '000'-----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	576,634	524,523
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	130,643	110,656
Provision for gratuity	21,502	20,917
Loss on derivative financial instruments	-	4,414
Unrealized gain on other financial assets	(731)	-
Gain on disposal of property, plant and equipment	(843)	(44)
Finance cost	78,972	61,231
Dividend income	(113)	(292)
Share of profit from Associate	(1,345)	(28,609)
Share of profit / ( loss ) from Joint Venture	32,843	(27,959)
	260,928	140,314
<b>Operating profit before working capital changes</b>	<b>837,562</b>	<b>664,837</b>
<b><u>Working capital changes</u></b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(50,584)	(138,667)
Stock in trade	(829,660)	386,201
Trade debts	(380,063)	(197,177)
Loans and advances	(31,846)	14,391
Trade deposits and short-term prepayments	(28,478)	(11,857)
Other receivables	(10,693)	(3,963)
Tax refundable	(6,295)	(23,960)
Other financial assets	-	2,001
Increase / ( decrease ) in current liabilities		
Trade and other payables	115,420	41,279
	(1,222,199)	68,248
<b>Cash used in operations</b>	<b>(384,637)</b>	<b>733,085</b>
Income taxes paid	(38,723)	(105,426)
Finance cost paid	(57,772)	(53,841)
Gratuity paid	(4,524)	(3,432)
<b>Net cash used in operating activities</b>	<b>(485,656)</b>	<b>570,386</b>

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(1,074,293)	(366,360)
Capital work in progress	(114,970)	123,180
Proceeds on disposal of property, plant and equipment	20,000	541
Purchase of other financial assets	-	38,059
Long-term deposits	(96)	-
Dividend received	113	292
<b>Net cash used in investing activities</b>	<b>(1,169,246)</b>	<b>(204,288)</b>

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Long-term financing obtained	297,681	78,000
Repayment of long-term financing	(9,776)	(9,138)
Loans from directors - net	(13)	(3,086)
Repayment of liabilities against assets subject to finance lease	(2,222)	(1,105)
Dividend paid	(25,568)	20,023
<b>Net cash (used in) / from financing activities</b>	<b>260,102</b>	<b>84,694</b>
<b>Net decrease in cash and cash equivalent</b>	<b>(1,394,800)</b>	<b>450,792</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>(1,693,783)</b>	<b>(1,479,267)</b>
<b>Cash and cash equivalent at end of the period</b>	<b>(3,088,583)</b>	<b>(1,028,475)</b>

**CASH AND CASH EQUIVALENTS**

Cash and bank balances	188,571	42,364
Short-term running finance	(3,277,154)	(1,070,839)
	<b>(3,088,583)</b>	<b>(1,028,475)</b>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**SELECTED EXPLANATORY NOTES**  
**TO THE CONSOLIDATED CONDENSED**  
**INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2013**

**1. LEGAL STATUS AND NATURE OF BUSINESS :**

The " Group " consists of :

**1.1 Holding Company**

Indus Dyeing & Manufacturing Co. Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the Companies Act 1913 since repealed and replaced by the Companies Ordinance, 1984. Registered office of the Company is situated at Office No. 508, 5th, floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on Karachi Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company is also operating two spinning units including one on leasing arrangements in District Multan. The Company has the following group entities :

- Indus Lyallpur Limited - Wholly owned subsidiary
- Indus Home Limited - Joint Venture
- Sunrays Textile Mills Limited - Associated undertaking

**1.2 Subsidiary Company**

The Subsidiary Company is a wholly owned Company of the holding Company. The Subsidiary Company is an unlisted public Limited Company, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984. Principal business of the Company is manufacturing and sale of yarn. Mill is located at 38th kilometre, Sheikhpura Road, District Faisalabad in the province of Punjab. Registered office of the holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company acquired 71,540,000 ordinary shares of the Subsidiary Company @ 6.85 per share aggregating to Rs. 490 million, making it a wholly owned subsidiary of the Holding Company through execution of an agreement for purchase of shares. The effective date of acquisition was January 31, 2012.

### 1.3 Associate Company and Joint Venture

The Holding Company also has investment in an Associate and Joint Venture. Principal business of the associate is manufacturing and sale of yarn, joint venture is engaged in manufacture and sale of textile products.

- Sunrays Textile Mills Limited
- Associate - ownership - 0.9950%
- Indus Home Limited
- Joint Venture - ownership - 49.9900%

### 2. BASIS OF CONSOLIDATION :

- The consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Company together - " the Group ".
- Subsidiary Company are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.
- The financial statements of the Subsidiary Company is prepared for the same reporting period as of the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of the Subsidiary Company have been consolidated on a line by line basis.
- Material intra-group balances and transactions have been eliminated.
  
- Non-controlling interest in equity of the Subsidiary Company is measured at fair value as of the acquisition date of the Subsidiary i.e., January 31, 2012.

### 3. BUSINESS COMBINATION :

- Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Holding Company, liabilities incurred by the Holding Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree . Acquisition -related costs are recognised in profit and loss account as incurred.
- At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.
- Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at fair value at the date of the acquisition.

#### 4. STATEMENT OF COMPLIANCE :

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

#### 5. BASIS OF PREPARATION :

- 5.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention.
- 5.2 The accounting policies and methods of computation followed in the preparation of these consolidated condensed interim financial statements are the same as those of the published annual audited financial statements for the year ended June 30, 2013. These consolidated condensed interim financial statements do not include all of the informations required for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2013.
- 5.3 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2012, whereas comparative consolidated condensed profit and loss account, consolidated condensed cash flow statement and consolidated condensed statement of changes in equity are stated from the unaudited consolidated condensed interim financial information for the first quarter ended September 30, 2012.

Sept 30, 2013 (Unaudited)	June 30, 2013 (Audited)
-----Rupees in '000'-----	

**6. CONTINGENCIES :**

Claim of arrears of social security contribution not acknowledged, appeal is pending in Honourable High Court of Sindh. The management is hopeful for favourable outcome.

453	453
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Guarantees issued by banks on behalf of the Company

49,820	49,820
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Guarantees issued by banks in favour of gas distribution companies

37,586	37,586
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Guarantees against payment of infrastructure cess

106,042	103,042
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**7. COMMITMENTS :**

Letters of credit for raw material, stores and spares

345,795	201,138
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Letters of credit for property, plant and equipment

791,635	1,434,071
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Civil work contracts

54,621	176,350
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Foreign currency forward contracts

-	99,660
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8. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period, following additions and disposals were made: -

	Sept 30, 2013		Sept 30, 2012	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
	< ----- Rupees in '000' ----- >			
<b>Assets</b>				
Office building	15,026	-	-	-
Factory building	1,054	-	-	-
Plant and machinery	1,052,562	-	350,375	-
Electric installations	-	-	-	-
Power generator	-	-	5,350	-
Factory equipment	-	-	-	-
Office equipment	-	-	-	-
Furniture and fixtures	-	-	1,292	-
Vehicles	5,651	-	9,344	(447)
Plant and machinery - leased	19,573	-	-	-
Capital work in - progress	198,650	-	-	42,772
	<u>1,292,516</u>	<u>-</u>	<u>366,361</u>	<u>42,325</u>

	Sept 30, 2013 (Unaudited)	June 30, 2013 (Audited)
	-----Rupees in '000'-----	
<b>9. LONG TERM INVESTMENTS</b>		
Investment in a joint venture	9.1 1,341,281	1,374,124
Investment in an associate	9.2 23,610	22,181
	<u>1,364,891</u>	<u>1,396,305</u>
<b>9.1 Investment in a joint venture</b>		
Cost	750,000	750,000
Opening	624,124	562,655
Share of profit from joint venture	(32,843)	61,469
	<u>591,281</u>	<u>624,124</u>
	<u>1,341,281</u>	<u>1,374,124</u>
Ownership interest	49.9900%	49.9900%
<b>9.2 Investment in an associate</b>		
Cost	1,716	42,382
Opening	22,181	361,226
Dividend received	-	(18,326)
Share of revaluation of property, plant and equipment.	2	2,610
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	82	1,469
Share of profit from associate	1,345	74,109
	<u>23,610</u>	<u>421,088</u>
Specie dividend distributed	-	(441,289)
	<u>23,610</u>	<u>22,181</u>
Number of shares held	68,654	68,654
Cost of investment ( in "000" )	1,716	1,716
Ownership interest	0.9950%	0.9950%
Market value ( in "000" )	13,662	13,319

		Three months period ended	
		Sept 30, 2013	Sept 30, 2012
		-----Rupees in '000'-----	
<b>10. COST OF GOODS SOLD</b>	Note		
Raw material consumed		3,549,813	3,292,164
Manufacturing expenses	10.1	855,836	721,830
Outside purchase-yarn		48,346	2,360
		4,453,995	4,016,354
Work in process			
Opening stock		234,495	213,916
Closing stock		(296,009)	(232,412)
		(61,514)	(18,496)
Cost of goods manufactured		4,392,481	3,997,858
Finished Goods			
Opening stock		300,818	334,928
Closing stock		(389,689)	(337,594)
		(88,871)	(2,666)
		<b>4,303,610</b>	<b>3,995,192</b>
<b>10.1 Manufacturing expenses</b>			
Salaries, wages and benefits		208,469	181,218
Fuel, water and power		321,742	253,612
Stores and spares consumed		104,203	89,752
Packing material consumed		68,165	71,895
Insurance		8,943	6,588
Repairs and maintenance		7,575	5,696
Rent, rate and taxes		1,372	1,036
Depreciation		125,575	106,488
Others		9,792	5,545
		<b>855,836</b>	<b>721,830</b>

## 11. AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of subsidiary (Indus Lyallpur Limited), associate (Sunrays Textiles Mills Limited), joint venture (Indus Home Limited) and entities with common directorship, key management personnel and post employment benefit scheme. The Company carries out transactions with related parties on agreed terms. Transactions with related parties during the period and balances with them at period end are as follows: -

	Unaudited Sept 30 2013	Unaudited Sept 30 2012
<b>11.1 Transactions during the period</b>		
	-----Rupees in '000'-----	
<b>Relationship with Company</b>		
<b>Associate</b>		
Payments made on behalf of associate	14,495	14,562
Payments made by associate on behalf of the Company	16,333	10,236
<b>Joint venture</b>		
Sale of yarn	71,986	77,490
Conversion cost	-	2,247
Payments made on behalf of joint venture	180	1,079
Payments made by joint venture on behalf of the Company	80,481	1,079
<b>Key management personnel</b>		
Short term borrowing repaid	13	67,625
Short term borrowing received	-	64,289
Remuneration paid	9,060	11,160
<b>Other related parties</b>		
Expenses paid on behalf of entities where directors are common		
Expenses adjusted / reimbursed	5	366



	Sept 30 2013 (Unaudited)	June 30, 2013 (Audited)
	-----Rupees in '000'-----	
<b>11.2 Balances with related parties</b>		
Associate		
- Payable	2,408	685
Joint Venture		
- Receivable	4,888	13,205
Directors and spouses		
- Payable	9,476	9,490
Other related parties		
- Payable	3,124	2,641

## 12. SUBSEQUENT EVENTS

In respect of the current period, the directors proposed to pay interim cash dividend of Rs. 90.369 million @ Rs. 5/= per ordinary share of Rs. 10/= each. The proposed dividend has not been included as a liability in these financial statements.

13. Allocation to taxation and WPPF is provisional. Final liability will be determined on the basis of annual results.

## 14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on 31st October, 2013 by the Board of Directors of the Company.

## 15. GENERAL

Figures have been rounded off to the nearest thousand of Rupee.

CHIEF EXECUTIVE OFFICER

DIRECTOR