

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

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, AI - Ameera Centre, Tel. 35662023 - 24
Shahrah-e-Iqbal, Saddar, Karachi Fax. 35221192

Factory location

- 1 P 1 S.I.T.E. Tel. 0223 - 880219 & 2
Hyderabad, Sindh.
- 2 Plot # 3 & 7, Sector - 25, Tel. 021- 35061577 - 9
Korangi Industrial Area, Karachi.
- 3 Muzaffergarh, Bagga Sher, Tel. 0662 - 490202 - 205
District Multan.
- 4 Indus Lyallpur Limited. Tel. 041 - 4689235 - 6
38th Kilometre, Shaikhupura Road,
District Faisalabad.
- 5 Indus Home Limited. Tel. 042 - 35385021 - 7
2.5 Kilometre, 111 - 404 - 405
Off Manga Raiwind Road,
Manga Mandi, Lahore.

Directors' Report

Dear Shareholders,

We are pleased to present the third quarterly consolidated condensed accounts (un-audited) for the period ended March 31, 2014. Your company earned pre-tax profit of Rs. 1,820.291 million during the period under review. Earning per share is Rs. 101.49 (par value Rs. 10/= per share)

As mentioned in our last report, due to slowdown in Chinese market, export price of yarn was down as a result profit margin decreased during the third quarter. On other side sharp appreciation of the Pakistani rupee against US dollar is also effecting the textile sector's profitability.

Your management is trying hard for maintaining profitability and in this respect we are closely monitoring the current market situation and searching new yarn markets. Your company earned profit during the third quarter but outlook for the future seems bleak based on current market situation.

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 30th April, 2014

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2014

March 31, June 30,
 2014 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
 Unappropriated profit

5,022,432
 4,023,707

5,022,432
 3,213,758

9,226,876

8,416,927

NON-CURRENT LIABILITIES

Long-term financing

2,010,804

690,369

Deferred liabilities

136,884

112,239

2,147,688

802,608

CURRENT LIABILITIES

Trade and other payables
 Interest / mark-up payable
 Short-term borrowings

898,657
 87,222
 4,587,844

739,152
 25,707
 1,097,290

Current portion of:

long-term financing
 liabilities against assets
 subject to finance lease

778,813
 -

231,345
 2,222

6,352,536

2,095,716

**CONTINGENCIES AND
 COMMITMENTS**

7

17,727,100

11,315,251

The annexed notes from 1 to 14 form an integral part of this unconsolidated condensed interim financial information.

CHIEF EXECUTIVE OFFICER

NON-CURRENT ASSETS

Property, plant and equipment

8 6,041,913

4,260,265

Long-term investments

9 3,494,680

2,201,560

Long-term deposits

4,201

4,069

9,540,794

6,465,894

CURRENT ASSETS

Stores, spares and loose tools

246,165

194,428

Stock-in-trade

6,087,791

3,268,424

Trade debts

1,312,264

1,016,143

Loans and advances

199,073

83,539

Trade deposits and short-term
 prepayments

21,875

6,842

Other receivables

28,545

24,946

Other financial assets

18,833

13,464

Due from Government

100,083

99,295

Cash and bank balances

171,677

142,276

8,186,306

4,849,357

17,727,100

11,315,251

March 31, June 30,
 2014 2013
 (Unaudited) (Audited)
 Note ----- Rupees in '000' -----

DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2014

	Note	Nine months period ended		Quarter ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Rupees in '000'					
Sales		13,751,457	13,127,343	4,856,728	4,434,630
Cost of goods sold	10	(11,872,681)	(10,731,222)	(4,394,982)	(3,481,949)
Gross profit		1,878,776	2,396,121	461,746	952,681
Other operating income		45,734	29,832	5,782	2,814
		1,924,510	2,425,953	467,528	955,495
Distribution cost		(294,378)	(288,211)	(105,623)	(83,965)
Administrative expenses		(185,070)	(140,847)	(64,662)	(44,142)
Other operating expenses		(80,990)	(213,614)	(12,574)	(155,280)
Financial cost		(283,017)	(211,770)	(121,014)	(100,880)
		1,081,055	1,571,511	163,655	571,228
Profit on investment in Associate (distributed as specie dividend)		-	119,899	-	119,899
Profit before taxation		1,081,055	1,691,410	163,655	691,127
Taxation	6	-	(124,619)	-	(60,140)
Profit after taxation		1,081,055	1,566,791	163,655	630,987
Earnings per share - Basic and diluted		59.87	86.69	9.05	34.91

The annexed notes from 1 to 14 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 THIRD QUARTER ENDED MARCH 31, 2014

	Nine months period ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	Rupees in '000'			
Profit after taxation	1,081,055	1,566,791	163,655	630,987
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss account	-	-	-	-
Items that will not be reclassified subsequently to profit and loss account				
Actuarial gain / loss - Net of tax	-	-	-	-
Total comprehensive income for the period	1,081,055	1,566,791	163,655	630,987

The annexed notes from 1 to 14 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 THIRD QUARTER ENDED MARCH 31, 2014

	Reserves					Total
	Share Capital	Capital		Revenue		
		Share Premium	Merger Reserve	General Reserve	Unappropriated Profit	
----- Rupees in '000' -----						
Balance at July 01, 2012 (audited)	180,737	10,920	11,512	5,000,000	1,861,555	7,064,724
Comprehensive Income						
Profit for the period ended September 30, 2012 (Unaudited)	-	-	-	-	383,890	383,890
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	383,890	383,890
Balance at September 30, 2012 (unaudited)	180,737	10,920	11,512	5,000,000	2,245,445	7,448,614
Comprehensive Income						
Profit for the period ended December 31, 2012 (Unaudited)	-	-	-	-	551,915	551,915
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	551,915	551,915
Transaction with owners:						
Final cash dividend for the year ended June 30, 2012 @ Rs. 20 per share.	-	-	-	-	(361,475)	(361,475)
Balance at December 31, 2012 (unaudited)	180,737	10,920	11,512	5,000,000	2,435,885	7,639,054
Comprehensive Income						
Profit for the period ended March 31, 2012 (Unaudited)	-	-	-	-	630,987	630,987
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	630,987	630,987
Distribution of specie dividend 1,626,636 ordinary shares of Sun Rays Textile Mills Limited.	-	-	-	-	(439,192)	(439,192)
Balance at March 31, 2013 (unaudited)	180,737	10,920	11,512	5,000,000	2,627,680	7,830,849

Balance at July 01, 2013 (audited)	180,737	10,920	11,512	5,000,000	3,213,758	8,416,927
Comprehensive Income						
Profit for the period ended September 30, 2013 (Unaudited)	-	-	-	-	559,893	559,893
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	559,893	559,893
Balance at September 30, 2013 (audited)	180,737	10,920	11,512	5,000,000	3,773,651	8,976,820
Comprehensive Income						
Profit for the period ended December 31, 2013	-	-	-	-	357,507	357,507
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	357,507	357,507
Transaction with owners:						
Interim cash dividend for the period ended September 31, 2013 @ Rs. 5 per share.	-	-	-	-	(90,369)	(90,369)
Balance at December 31, 2013 (unaudited)	180,737	10,920	11,512	5,000,000	4,040,789	9,243,958
Comprehensive Income						
Profit for the period ended March 31, 2014	-	-	-	-	163,655	163,655
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	163,655	163,655
Transaction with owners:						
Interim cash dividend for the period ended December 31, 2013 @ Rs. 10 per share.	-	-	-	-	(180,737)	(180,737)
Balance at March 31, 2014 (unaudited)	180,737	10,920	11,512	5,000,000	4,023,707	9,226,876

The annexed notes from 1 to 14 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 THIRD QUARTER ENDED MARCH 31, 2014

	Nine months period ended	
	March 31, 2014	March 31, 2013
Note	-----Rupees in '000'-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,081,055	1,691,410
Profit on distribution of specie dividend of Sun Rays Textile Mills Limited.	-	(119,899)
Adjustments for:		
Depreciation of property, plant and equipment	344,990	286,254
Provision for gratuity	41,802	39,218
Unrealised (gain) / loss on revaluation of foreign currency loans	(33,419)	17,047
Gain on disposal of property, plant and equipment	(1,107)	(1,299)
Gain on revaluation/ disposal of other financial assets	(5,369)	(37)
Finance cost	283,017	211,770
Dividend income	(966)	(17,608)
	1,710,003	2,106,856
Operating profit before working capital changes		
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(51,737)	(17,536)
Stock in trade	(2,819,367)	(2,729,916)
Trade debts	(296,121)	(417,640)
Loans and advances	(5,580)	(28,886)
Trade deposits and short-term prepayments	(15,033)	(8,604)
Other receivables	(3,599)	(7,269)
Other financial assets	(5,369)	934
Tax refundable	(788)	(18,700)
Increase in current liabilities		
Trade and other payables	8,281	81,154
	(3,189,313)	(3,146,463)
Cash used in operations	(1,479,310)	(1,039,607)
Income taxes paid	(109,954)	(115,906)
Finance cost paid	(221,502)	(195,031)
Gratuity paid	(17,156)	(15,577)
	(1,827,923)	(1,366,121)
Net cash used in operating activities		

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(1,818,969)	(437,745)
Capital work in progress	-	-
Capital work in progress	(330,052)	(48,748)
Proceeds on disposal of property, plant and equipment	23,490	5,035
Proceeds on disposal of other financial assets	-	32
Long-term deposits	(132)	979
Investment in subsidiary	(1,293,120)	(150,000)
Dividend received	966	17,608
Net cash used in investing activities	<u>(3,417,817)</u>	<u>(612,839)</u>

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing obtained	2,087,222	78,000
Repayment of long-term financing	(219,319)	(65,926)
Loans from directors obtained / (repaid) - net	(9,490)	(2,337)
Repayment of liabilities against assets subject to finance lease	(2,222)	(3,434)
Dividend paid	(119,884)	(337,358)
Net cash generated / (used in) from financing activities	<u>1,736,307</u>	<u>(331,055)</u>
Net decrease in cash and cash equivalent	(3,509,433)	(2,310,015)
Cash and cash equivalent at beginning of the period	(945,522)	(531,536)
Cash and cash equivalent at end of the period	<u>(4,454,955)</u>	<u>(2,841,551)</u>

CASH AND CASH EQUIVALENTS

Cash and bank balances	171,677	89,178
Short-term running finance	(4,626,632)	(2,930,729)
	<u>(4,454,955)</u>	<u>(2,841,551)</u>

The annexed notes from 1 to 14 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 THIRD QUARTER ENDED MARCH 31, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Indus Dyeing & Manufacturing Company 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 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 - Wholly owned Subsidiary
 - Sun Rays Textile Mills Limited - Associated undertaking

2 STATEMENT OF COMPLIANCE

- 2.1 This unconsolidated condensed interim financial information is unaudited but subject to limited scope review by external auditors of the Company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and also presented in accordance with the listing regulations of Karachi Stock Exchange. This unconsolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 The condensed interim financial information has been prepared under the historical cost convention modified by: -
- recognition of certain employee retirement benefits at present value.
 - certain financial instruments at fair value
- 2.3 This unconsolidated condensed interim financial information does not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2013.
- 2.4 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2013, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the half year ended December 31, 2012.

3 ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2013 except as disclosed in note 3.1.

3.1 Change in accounting policy

3.1.1 IAS 1 - Presentation of Financial Statements – Presentation of items of Other Comprehensive

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application.

As a result of amendments in IAS 1, the Company modified the presentation of the item of OCI in its statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis.

3.1.2 IAS 19 - Employee Benefits (as revised in 2011)

During the current period, the Company has changed its accounting policy in respect of post-retirement defined benefit plan as required under IAS 19, 'Employee Benefits' (Revised 2011). The amended IAS 19 require actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which was allowed under IAS 19; and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. Previously, the Company was recognizing all actuarial gains / losses in the profit and loss account.

The effect of such changes as discussed in note 3.1.1 and 3.1.2 is considered immaterial to this condensed interim financial information as whole, so no impact has been taken.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information 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 and liabilities and 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.

In preparing this unconsolidated condensed interim financial information, 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 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 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 rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

March 31, 2014 (Unaudited)	June 30, 2013 (Audited)
-----Rupees in '000'-----	

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 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.

<u>453</u>	<u>453</u>
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7.1.2 Guarantees issued by banks on behalf of the Company

<u>185,168</u>	<u>167,168</u>
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March 31, 2014 (Unaudited)	June 30, 2013 (Audited)
-----Rupees in '000'-----	

7.2 Commitments

Letters of credit for raw material

<u>936,686</u>	<u>54,524</u>
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Letters of credit for stores and spares

<u>40,654</u>	<u>58,045</u>
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Letters of credit for property, plant and equipment

<u>215,712</u>	<u>1,423,369</u>
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Civil work contracts

<u>12,725</u>	<u>176,350</u>
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US dollar forward contracts

<u>-</u>	<u>99,660</u>
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	Nine months period ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
10 COST OF GOODS SOLD	Note -----Rupees in '000'-----			
Raw material consumed	9,588,769	8,653,183	3,431,580	2,857,607
Manufacturing expenses	2,345,381	1,929,866	829,653	646,521
Outside purchase-yarn	104,807	146,704	10,120	1,671
	<u>12,038,957</u>	<u>10,729,753</u>	<u>4,271,353</u>	<u>3,505,799</u>
Work in process				
Opening stock	216,135	198,360	317,148	217,426
Closing stock	(327,618)	(177,430)	(327,618)	(177,430)
	<u>(111,483)</u>	<u>20,930</u>	<u>(10,470)</u>	<u>39,996</u>
Cost of goods manufactured	<u>11,927,474</u>	<u>10,750,683</u>	<u>4,260,883</u>	<u>3,545,795</u>
Finished Goods				
Opening stock	272,232	289,980	461,124	245,595
Closing stock	(327,026)	(309,441)	(327,026)	(309,441)
	<u>(54,794)</u>	<u>(19,461)</u>	<u>134,098</u>	<u>(63,846)</u>
	<u>11,872,681</u>	<u>10,731,222</u>	<u>4,394,982</u>	<u>3,481,949</u>

10.1 Manufacturing expenses

Salaries, wages and benefits	605,640	506,123	197,652	168,406
Fuel, water and power	880,423	632,464	326,823	213,438
Stores and spares consumed	275,644	254,625	83,720	82,894
Packing material consumed	197,645	180,991	73,111	54,202
Insurance	27,537	15,345	9,427	4,940
Repairs and maintenance	22,011	15,500	7,810	7,715
Rent, rate and taxes	1,750	1,677	342	566
Depreciation	321,850	271,587	127,393	92,176
Others	12,881	51,554	3,375	22,184
	<u>2,345,381</u>	<u>1,929,866</u>	<u>829,653</u>	<u>646,521</u>

11 AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of subsidiaries (Indus Lyallpur Limited), (Indus Home Limited), associate (Sunrays Textiles Mills Limited) and entities where directors are common (Riaz Cotton Factory, Silver Seeds, MB Industries, Gariawala Cotton Company, Indus Heartland Limited, Lyallpur Properties) and key management personnel. 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 Unaudited
 March 31 March 31
 2014 2013
 -----Rupees in '000'-----

11.1 Transactions during the period

Relationship with Company	Nature of transaction		
Subsidiaries			
	Sale of fibre and yarn	298,652	1,460
	Sale of machinery / vehicle	4,956	1,650
	Purchases of yarn	5,563	142,559
	Purchase of machinery	3,680	-
	Contract manufacturing cost	-	36,066
	Purchase of Store items	820	-
	Payments made on behalf of subsidiary	549,745	1,494,779
	Payments made by subsidiary on behalf of the Company	420,222	-
		-	1,102,866
Associate			
	Purchases of yarn	-	114
	Payments made on behalf of associate	28,856	47,311
	Payments made by associate on behalf of the Company	28,330	36,301
Joint venture			
	Sale of yarn	-	108,917
	Contract manufacturing cost	-	10
	Payments made on behalf of joint venture	-	1,455
	Payments made by joint venture on behalf of the Company	-	102,151
Key management personnel			
	Short term borrowing repaid	51,927	112,520
	Short term borrowing received	42,437	109,294
	Remuneration paid	25,640	33,480
Other related parties			
	Expenses paid on behalf of entities where directors are common	-	248
	Expenses adjusted / reimbursed	534	1,979

March 31, March 31,
 2014 2013
 (Unaudited) (Audited)
 -----Rupees in '000'-----

11.2 Balances with related parties

Subsidiaries	Receivable	151,818	9,090
(against normal business transactions)			
Associate	Payable	102	627
Joint Venture	Receivable	-	13,205
Key management personnel	Payable	-	9,490
Other related parties	Payable	664	2,641

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

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on 30th April, 2014 by the Board of Directors of the Company.

14 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
MARCH 31, 2014
(Un - audited)**

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INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2014

	March 31, 2014	June 30, 2013
Note	Rupees in '000	
	(Unaudited)	(Audited)
	----- 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	180,737	180,737
Reserves	5,022,432	5,022,432
Unappropriated profit	5,297,183	3,733,735
	<u>10,500,352</u>	<u>8,936,904</u>
SHARE OF ASSOCIATE'S SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax		
	2,610	2,610
NON CURRENT LIABILITIES		
Long-term financing	2,504,528	690,369
Deferred liabilities	226,757	118,236
	2,731,285	808,605
CURRENT LIABILITIES		
Trade and other payables	1,432,717	838,134
Interest / mark-up payable	122,023	31,200
Short-term borrowings	6,363,782	1,847,512
Current portion of :		
long-term financing	1,123,349	231,345
liabilities against assets subject to finance lease	-	2,222
Taxation	-	-
	<u>9,041,871</u>	<u>2,950,413</u>
CONTINGENCIES AND COMMITMENTS	10 11	
	<u>22,276,118</u>	<u>12,698,532</u>

The annexed notes from 1 to 18 form an integral part of these consolidated interim financial statements.

Chief Executive Officer

Note March 31, June 30,
 2014 2013
 Rupees in '000
 (Unaudited) (Audited)
 ----- Rupees in '000' -----

NON CURRENT ASSETS

Property, plant and equipment	10,855,192	5,470,659
Long-term investments	24,613	1,396,305
Long-term deposits	11,892	5,039
	10,891,697	6,872,003

CURRENT ASSETS

Stores, spares and loose tools	530,414	231,354
Stock-in-trade	8,306,905	4,027,035
Trade debts	1,577,659	1,129,122
Loans and advances	261,395	114,251
Trade deposits and short-term prepayments	28,729	7,784
Other receivables	35,025	26,364
Other financial assets	70,400	13,464
Due from Government	362,733	132,916
Cash and bank balances	211,161	144,239
	11,384,421	5,826,529
	22,276,118	12,698,532

Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2014

	Note	Nine months period ended		Quarter ended	
		March 31,		March 31,	
		2014 (July - March) Rupees in '000'	2013	2014 (Jan - Mar) Rupees in '000'	2013
Sales		17,191,617	14,889,940	6,438,490	5,179,468
Cost of goods sold	14	(15,012,851)	(12,215,296)	(5,866,706)	(4,122,402)
Gross profit		2,178,766	2,674,644	571,784	1,057,066
Other operating income		48,570	13,336	9,022	3,052
Gain on Bargain purchase on fair value measurement of net assets and consideration transferred as on the acquisition date	3.2	338,930	-	-	-
Gain on revaluation of previously held interest	3.4	389,056	-	-	-
		2,955,322	2,687,980	580,806	1,060,118
Distribution cost		(391,080)	(329,199)	(151,424)	(103,835)
Administrative expenses		(241,635)	(146,547)	(97,475)	(46,761)
Other operating expenses		(86,606)	(222,794)	(11,143)	(158,017)
Financial cost		(376,786)	(260,461)	(170,755)	(128,278)
		(1,096,107)	(959,001)	(430,797)	(436,891)
Share of (loss) / profit from joint venture		(41,525)	26,986	-	11,420
Share of profit from Associate	13.1	2,601	84,284	416	21,915
Loss on investment in Associate (distributed as specie dividend)		-	(13,546)	-	(13,546)
Profit before taxation		1,820,291	1,826,703	150,425	643,016
Taxation	9	14,089	(140,733)	(10,626)	(66,495)
Profit after taxation		1,834,380	1,685,970	139,799	576,521
Earnings per share - Basic and diluted		101.49	93.28	7.73	31.90

The annexed notes from 1 to 18 form an integral part of these consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2014

	Nine months period ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2014	2013	2014	2013
	----- Rupees in '000' -----			
Profit after taxation	1,834,380	1,685,970	139,799	576,521
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss account	-	-	-	-
Items that will not be reclassified subsequently to profit and loss account	-	-	-	-
Actuarial gain / loss - Net of tax	-	-	-	-
Total comprehensive income for the period	1,834,380	1,685,970	139,799	576,521

The annexed notes from 1 to 18 form an integral part of these consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER,

DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED MARCH 31, 2014

	Reserves					Total
	Share Capital	Capital		Revenue		
		Share Premium	Merger Reserve	General Reserve	Unappropriated Profit	
Rupees in '000'						
Balance at July 01, 2012 (audited)	180,737	10,920	11,512	5,000,000	2,181,358	7,384,527
Comprehensive Income						
Profit for the period ended September 30, 2012 (Unaudited)	-	-	-	-	485,174	485,174
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	631	631
Total comprehensive income	-	-	-	-	485,805	485,805
Balance at September 30, 2012 (unaudited)	180,737	10,920	11,512	5,000,000	2,667,163	7,870,332
Comprehensive Income						
Profit for the period ended December 31, 2012 (Unaudited)	-	-	-	-	624,275	624,275
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	631	631
Total comprehensive income	-	-	-	-	624,906	624,906
Transaction with owners:						
Final cash dividend for the year ended June 30, 2012 @ Rs. 20 per share.	-	-	-	-	(361,475)	(361,475)
Balance at December 31, 2012 (unaudited)	180,737	10,920	11,512	5,000,000	2,930,594	8,133,763
Comprehensive Income						
Profit for the period ended March 31, 2013 (Unaudited)	-	-	-	-	576,521	576,521
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	25	25
Total comprehensive income	-	-	-	-	576,546	576,546
Right share issue cost	-	-	-	-	(1,501)	(1,501)
Distribution of specie dividend 1,626,636 ordinary shares of Sun Rays Textile Mills Limited.	-	-	-	-	(439,192)	(439,192)
Balance at March 31, 2013 (unaudited)	180,737	10,920	11,512	5,000,000	3,066,447	8,269,616
Balance at July 01, 2013 (audited)	180,737	10,920	11,512	5,000,000	3,733,735	8,936,904
Comprehensive Income						
Profit for the period ended September 30, 2013 (Unaudited)	-	-	-	-	576,634	576,634
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	82	82
Total comprehensive income	-	-	-	-	576,716	576,716
Balance at September 30, 2013 (audited)	180,737	10,920	11,512	5,000,000	4,310,451	9,513,620
Comprehensive Income						
Profit for the period ended December 31, 2013	-	-	-	-	1,117,947	1,117,947
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	34	34
Total comprehensive income	-	-	-	-	1,117,981	1,117,981
Transaction with owners:						
Interim cash dividend for the period ended September 31, 2013 @ Rs. 5 per share.	-	-	-	-	(90,369)	(90,369)
Balance at December 31, 2013 (unaudited)	180,737	10,920	11,512	5,000,000	5,338,063	10,541,232
Comprehensive Income						
Profit for the period ended March 31, 2014	-	-	-	-	139,799	139,799
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	58	58
Total comprehensive income	-	-	-	-	139,857	139,857
Transaction with owners:						
Interim cash dividend for the period ended December 31, 2013 @ Rs. 10 per share.	-	-	-	-	(180,737)	(180,737)
Balance at March 31, 2014 (unaudited)	180,737	10,920	11,512	5,000,000	5,297,183	10,500,352

CHIEF EXECUTIVE OFFICER

DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2014

	Nine months period ended	
	March 31, 2014	March 31, 2013
	Note -----Rupees in '000' -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,820,291	1,826,703
Loss on investment in Associate	-	13,546
Adjustments for:		
Depreciation of property, plant and equipment	519,231	348,592
Provision for gratuity	58,625	44,262
Share of (profit)/ loss from associate	(2,601)	(84,284)
Share of loss from Joint venture	41,525	(26,986)
Unrealised (gain)/ loss on revaluation of foreign currency loans	(84,986)	-
Gain on disposal of property, plant and equipment	(1,215)	(1,299)
Gain on revaluation/ disposal of other financial assets	(5,369)	17,047
Loss on derivative financial assets	-	(37)
Profit on bank deposits	(56)	-
Gain on Bargain purchase on fair value measurement of net assets and consideration transferred as on the acquisition date	(338,930)	-
Gain on revaluation of long term investment	(389,056)	-
Finance cost	376,786	260,461
Dividend income	(623)	(655)
Operating profit before working capital changes	1,993,622	2,397,350
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(39,616)	(83,307)
Stock in trade	(3,287,143)	(3,545,806)
Trade debts	(324,899)	(287,448)
Loans and advances	71,627	(5,171)
Trade deposits and short-term prepayments	124,559	(9,896)
Other receivables	(8,661)	(28,362)
Other financial assets	(56,936)	935
Tax refundable	(136,112)	13,276
Increase in current liabilities		
Trade and other payables	(45,280)	96,963
	(3,702,461)	(3,848,816)
Cash used in operations	(1,708,839)	(1,451,466)
Income taxes paid	(149,467)	(145,956)
Finance cost paid	(301,454)	(242,228)
Gratuity paid	(35,751)	(15,653)
Net cash used in operating activities	(2,195,511)	(1,855,303)

3. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment		(2,297,947)	(442,275)
Capital work in progress			(367,903)
Acquisition of subsidiary	3.3	(1,611,522)	-
Proceeds on disposal of property, plant and equipment		30,804	5,035
Proceeds on disposal of other financial assets		-	32
Long-term deposits		(138)	979
Right share issue cost		-	(1,501)
Dividend received		623	655
Net cash used in investing activities		<u>(3,878,180)</u>	<u>(804,978)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing obtained		2,087,222	78,000
Repayment of long-term financing		(340,773)	(68,263)
Loans from directors obtained / (repaid) - net		(9,490)	-
Repayment of liabilities against assets subject to finance lease		(2,222)	(3,434)
Short term borrowings - net		-	(695,481)
Dividend paid		(119,884)	(337,356)
Net cash (used in) / generated from financing activities		<u>1,614,853</u>	<u>(1,026,534)</u>
Net decrease in cash and cash equivalent		(4,458,838)	(3,686,815)
Cash and cash equivalent at beginning of the period		(1,693,783)	(823,570)
Cash and cash equivalent at end of the period		<u>(6,152,621)</u>	<u>(4,510,385)</u>

CASH AND CASH EQUIVALENTS

Cash and bank balances		211,161	91,806
Short-term running finance		(6,363,782)	(4,602,191)
		<u>(6,152,621)</u>	<u>(4,510,385)</u>

The annexed notes from 1 to 18 form an integral part of these consolidated interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
SELECTED EXPLANATORY NOTES
TO THE CONSOLIDATED CONDENSED
INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2014

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 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 - Wholly owned subsidiary
- Sunrays Textile Mills Limited - Associated

1.2 Subsidiary Company - (Indus Lyallpur Limited)

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 Subsidiary Company - (Indus Home Limited)

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 May 18, 2006 under the Companies Ordinance, 1984. Principal business of the Company is manufacturing and sale of greige and finished terry cloth and other textile products. The Company has started its operation from October 11, 2006 and located at Manga Mandi Lahore in the province of Punjab. Registered office of the Company is situated at 174, Abu Bakar Block, New Garden Town, Lahore. The Holding Company acquired further 75,000,000 ordinary shares of the Subsidiary Company at a further consideration of Rs 1293 million, by way of piecemeal acquisition. The effective date of acquisition was 21 November 2013.

1.4 Associated Undertaking

The Holding Company also has investment in an Associate Sunrays Textile Mills Limited. Principal business of the associate is manufacturing and sale of yarn.

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.

3. **BUSINESS COMBINATION :**

During the year the Company acquired against cash further 75,000,000 ordinary shares of INDUS HOME LIMITED (IHL) at consideration of Rupees 1,293 million (USD 12 million), making it a wholly-owned subsidiary. Previously the Company held 49.99% holdings in IHL, which was then accounted for by equity method prescribed in International Accounting Standards 27(Revised 2008 consolidated and separate financial statements). The transaction occurred on 21 November 2013.

3.1 Assets acquired and liabilities recognised at the date of acquisition

	Carrying amountsRupees in 000....	Fair valuesRupees in 000....
Non Current Assets		
Operating fixed assets / Work in progress	2,873,337	3,651,589
Long term deposit and deferred cost	6,715	6,715
	2,880,051	3,658,303
Current Assets		
Stock in trade	859,581	859,581
Stores, spares and loose tools	240,238	240,238
Trade debtors	48,464	48,464
Advances, deposits, prepayment and other receivables	219,450	219,450
Sales tax refundable	92,849	92,849
Cash and bank balances	6,578	6,578
	1,467,160	1,467,160
Current Liabilities		
Short term bank borrowings	324,980	324,980
Current portion of long term loans	306,259	306,259
Creditors, accrued and other liabilities	235,768	326,063
Provision for taxation	82,549	82,549
	949,555	1,039,850
Non current Liabilities		
Long term loans	959,511	959,511
Less Current maturity of loan term loans	(306,259)	(306,259)
	653,253	653,253
Deferred liabilities -Staff Gratuity	78,268	78,268
- Taxation	387	387
	2,665,749	3,353,706
Net Assets	2,665,749	3,353,706

3.2 Gain on Bargain purchase on fair value measurement of net assets and consideration transferred as on the acquisition date

		Rupeesin '000.....
	3.1	<u>3,353,706</u>
Net Assets acquired		
	3.4	1,293,120
Consideration transferred		
Fair value of pre-existing interest in IHL		1,721,656
		<u>3,014,776</u>
Total consideration		
Gain on bargain purchase		<u>338,930</u>
Net cash outflow on acquisition of subsidiary		
		1,293,120
3.3 Consideration paid in cash		
Cash and cash equivalent balance acquired		318,402
		<u>1,611,522</u>
3.4 Re-measurement of previously held interest in IHL		
Fair value on date of acquisition		1,721,656
Less: Carrying value on date of acquisition	3.5	(1,332,599)
Gain on re-measurement of previously held interest		<u>389,057</u>
3.5 Previous investment in joint venture		
Opening carrying value (1st July 2013)		1,374,124
Share of loss for the period (upto 21 November 2013)		(41,525)
Closing carrying value (as at 21 November 2013)		<u>1,332,599</u>
3.6 Provisional values		

The Company is in the process to determine the fair values of the assets and liabilities of Indus Home Limited. Therefore, the amounts reported for the fair values of the assets and liabilities are provisional and will be updated, if required, when the process will be completed.

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 ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2013 except as disclosed in note 3.1.

5.1 Change in accounting policy

5.1.1 IAS 1 - Presentation of Financial Statements – Presentation of items of Other Comprehensive Income

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application.

As a result of amendments in IAS 1, The Company modified the presentation of the item of OCI in its statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis.

As a result of amendments in IAS 1, the Company modified the presentation of the item of OCI in its statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis.

5.1.2 IAS 19 - Employee Benefits (as revised in 2011)

During the current period, the Company has changed its accounting policy in respect of post-retirement defined benefit plan as required under IAS 19, 'Employee Benefits' (Revised 2011). The amended IAS 19 require actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which was allowed under IAS 19; and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. Previously, the Company was recognizing all actuarial gains / losses in the profit and loss account.

The effect of such changes as discussed in note 5.1.1 and 5.1.2 is considered immaterial to this condensed interim financial information as whole, so no impact has been taken.

6 BASIS OF PREPARATION :

- 6.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention.
- 6.2 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.
- 6.3 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2013, 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 half year ended December 31, 2013.

7 ACCOUNTING ESTIMATES AND JUDGMENTS :

The preparation of the consolidated condensed interim financial information 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 and liabilities and 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.

In preparing this unconsolidated condensed interim financial information, 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 financial statements as at and for the year ended June 30, 2013.

8 FINANCIAL RISK MANAGEMENT

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.

9 TAXATION

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

March,31 / June 30,
2014 2013
(Unaudited) (Audited)
-----Rupees in '000'-----

10 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

Guarantees issued by Banks on behalf of the Company. 301,743 190,448

11 COMMITMENTS

Letters of credit for raw material 1,183,242 152,795

Letters of credit stores and spares 68,112 58,045

Letters of credit for property, plant and equipment 392,898 1,424,369

Civil work contracts 20,676 176,350

Foreign currency forward contracts 203,360 99,660

ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2014		March 31, 2013	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
<----- Rupees in '000' ----->				
Assets				
Land	16,364	-	-	-
Office building	15,026	-	18,686	-
Factory building	19,988	-	5,743	-
Plant and machinery	1,750,506	(36,050)	746,379	(2,572)
Electric installations	44,457	-	-	-
Power generator	148,748	-	21,900	-
Office equipment	8,265	-	-	(0.45)
Furniture and fixtures	416	-	6,050	(41)
Vehicles	21,395	(133)	66,257	(1,122)
Capital work in - progress	267,714	-	135,046	-
	<u>2,292,879</u>	<u>(36,183)</u>	<u>1,000,061</u>	<u>(3,735)</u>

		March 31, 2014 (Unaudited)	June 30, 2013 (Audited)	
	Note	-----Rupees in '000'-----		
13	LONG TERM INVESTMENTS			
	Investment in an associate	13.1	24,613	22,181
			<u>24,613</u>	<u>22,181</u>
13.1	Investment in an associate			
	Cost	1,716	42,382	
	Opening	22,181	361,226	
	Dividend received	(343)	(18,326)	
	Share of revaluation of property, plant and equipment. Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	2,610	
		174	1,469	
	Share of profit from associate	2,601	74,109	
		24,613	421,088	
	Specie dividend distributed	-	(441,289)	
		<u>24,613</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")	17,507	13,319	

13.2 During the year, the Company has acquired the remaining shareholding in Indus Home Limited - Joint Venture for consideration of USD 12 million (Rupees: 1,293 million), making it a wholly owned subsidiary. Previously the accumulated holding of the Company in Indus Home Limited was 49.99%. The transaction occurred on 21 November 2013.

	Nine months period ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013

Note

Rupees in '000'

14 COST OF GOODS SOLD

Raw material consumed
Manufacturing expenses
Outside purchase-yarn

14.1

11,686,149	9,915,231	4,419,741	3,341,319
3,573,902	2,295,209	1,535,567	822,576
283,254	4,144	124,418	1,670
15,543,305	12,214,584	6,079,726	4,165,565

Work in process

Opening stock
Closing stock

646,539	213,916	670,520	243,123
(860,364)	(202,088)	(860,364)	(202,088)

Cost of goods manufactured

(213,825)	11,828	(189,844)	41,035
15,329,480	12,226,412	5,889,882	4,206,600

Finished Goods

Opening stock
Closing stock

515,957	334,928	809,410	261,846
(832,586)	(346,044)	(832,586)	(346,044)

(316,629)	(11,116)	(23,176)	(84,198)
15,012,851	12,215,296	5,866,706	4,122,402

14.1 Manufacturing expenses

Salaries, wages and benefits
Fuel, water and power
Stores and spares consumed
Packing material consumed
Insurance
Repairs and maintenance
Rent, rate and taxes
Depreciation
Rebate
Others

848,701	589,396	326,210	206,204
1,329,541	758,895	575,734	276,173
475,125	298,525	224,517	111,725
293,909	209,012	130,641	67,596
37,194	19,020	14,502	6,393
33,901	22,019	13,891	9,649
1,751	1,677	343	566
534,311	333,926	246,432	115,682
(16,732)	-	(11,008)	-
36,201	62,739	14,305	28,588
3,573,902	2,295,209	1,535,567	822,576

15 AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of subsidiary (Indus Lyallpur Limited), associate (Sunrays Textiles Mills 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 March, 31 2014	Unaudited March, 31 2013
	-----Rupees in '000'-----	
15.1 Transactions during the period		
Relationship with Company		
Associate		
Purchase of yarn	87	114
Conversion cost	3,659	-
Payments made on behalf of associate	-	47,311
Payments made by associate on behalf of the Company	-	36,301
Joint venture		
Sale of yarn	-	184,827
Conversion cost	-	10
Purchase of raw cotton	-	1,208
Purchase of machinery	-	4,000
Payments made on behalf of joint venture	-	6,663
Payments made by joint venture on behalf of the Company	-	178,028
Key management personnel		
Short term borrowing repaid	51,926	112,520
Short term borrowing received	42,436	109,294
Remuneration paid	37,076	33,480
Other related parties		
Expenses paid on behalf of entities where directors are common	192	248
Expenses adjusted / reimbursed	188	1,979

	March, 31 2014 (Unaudited)	June 30, 2013 (Audited)
	-----Rupees in '000'-----	
15.2 Balances with related parties		
Associate - Payable	429	685
Joint Venture - Receivable	-	13,205
Directors and spouses - Payable	-	9,490
Other related parties - Payable	3,170	2,641

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

17. **DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorised for issue on 30th April, 2014 by the Board of Directors of the Company.

18. **GENERAL**

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

CHIEF EXECUTIVE OFFICER

DIRECTOR