

## **COMPANY PROFILE**

### **BOARD OF DIRECTORS**

- |                                  |   |
|----------------------------------|---|
| 1. Mian Riaz Ahmed<br>(Chairman) | 2. Mr. Kashif Riaz<br>(Chief Executive) |
| 3. Mian Mohammad Ahmad           | 4. Mr. Shahzad Ahmad                    |
| 5. Mr. Naveed Ahmad              | 6. Mr. Irfan Ahmed                      |
| 7. Mr. Shahwaiz Ahmed            | 8. Mr. Shafqat Masood                   |
| 9. Sheikh Nishat Ahmed           |   |

#### **AUDIT COMMITTEE**

- |                            |            |
|----------------------------|------------|
| 1. Mr. Sheikh Nishat Ahmed | (Chairman) |
| 2. Mr. Naveed Ahmed        | (Member)   |
| 3. Mr. Shafqat Masood      | (Member)   |

#### **HUMAN RESOURCES AND REMUNERATION COMMITTEE**

- |                        |            |
|------------------------|------------|
| 1. Mian Mohammad Ahmad | (Chairman) |
| 2. Mr. Irfan Ahmed     | (Member)   |
| 3. Mr. Shahwaiz Ahmed  | (Member)   |

#### **CHIEF FINANCIAL OFFICER**

Mr. Shabbir Kausar

#### **CHIEF INTERNAL AUDITOR**

Mr. Imran Iftikhar

#### **COMPANY SECRETARY**

Mr. Ahmed Faheem Niazi

#### **LEGAL ADVISOR**

Mr. Yousuf Naseem  
Advocates & Solicitors

#### **REGISTERED OFFICE**

5<sup>th</sup> floor, Office # 508, Beaumont Plaza,  
Beaumont Road, Civil Lines Quarters, Karachi

#### **SYMBOL OF THE COMPANY**

SUTM

#### **WEBSITE**

<http://www.Indus-group.com/web/download.htm>

#### **REGISTRAR & SHARE TRANSFER OFFICE**

Evolution factor (private) limited  
(Formerly Corporate Support Services ( Pvt ) Ltd.)

#### **FACTORY LOCATION**

Khanpur Shomali Bagga Sher M.M. Road Muzaffar Garh

#### **BANKERS**

Muslim Commercial Bank Limited  
Allied Bank Limited  
Soneri Bank Limited  
United Bank Limited  
Meezan Bank Limited  
Habib Bank Limited

#### **AUDITORS**

M/s Yousuf Adil Saleem & Company  
Chartered Accountants Karachi.

## **DIRECTOR'S REPORT**

**Dear Share Holders,**

Your Directors are pleased to present the first quarterly(un-audited)accounts for the period ended September 30, 2014.Your company earned pretax profit of Rs.42.23 (M)during the period under review. The management is closely monitoring the current market situation and is trying to improve the profitability of the company.Your management is taking all possible measure for smooth operation of the mill and to controle expenses to minimum level.Your company earned good profit during the first quarter and INSHA ALLAH every effort will be made to achieve better results in coming period.

The Director's proposed 50% interim cash dividend.

The earning per share is Rs.4.27(Par value Rs.10/=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 Flows and 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 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 ON BEHALF OF THE BOARD**

*1 L ashraf*

**Kashif Riaz**  
CHIEF EXECUTIVE

Dated October 31, 2014

# CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Note	Sep. 30, 2014 Rupees (000)	June. 30, 2014 Rupees (000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,098,290	1,123,115
Investment property		2,342	2,342
Long term deposits		435	435
		1,101,067	1,125,892
<b>CURRENT ASSETS</b>			
Stores and spares		79,748	84,411
Stock in trade		660,938	651,322
Trade debts		697,702	490,760
Loans and advances		78,736	97,398
Trade deposits and short term prepayments		2,128	2,128
Sales tax Refundable		45,366	44,769
Income tax refundable		3,678	3,678
Other Receivables		5,423	9,222
Other financial assets		717,959	990,500
Cash and bank balances		6,800	72,276
		2,298,478	2,446,464
<b>Total assets</b>		<b>3,399,545</b>	<b>3,572,356</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		69,000	69,000
Reserves		753,600	753,600
Unappropriated profit		1,241,592	1,204,053
		2,064,192	2,026,653
<b>Surplus on revaluation of property, plant and equipment-net of tax</b>		406,086	414,186
<b>Non-current liabilities</b>			
Long term financing		28,567	38,089
Deferred liabilities		30,789	28,937
		59,356	67,026
<b>Current liabilities</b>			
Trade and other payables		267,340	237,889
Accrued markup		4,779	4,144
Short term borrowings		565,958	757,990
Current portion of non-current Liabilities		19,044	19,044
Provision for taxation		12,790	45,424
		869,911	1,064,491
Contingencies and commitments	4	-	-
<b>Total equity and liabilities</b>		<b>3,399,545</b>	<b>3,572,356</b>

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**For The First Quarter Ended September 30, 2014**

		Sep. 30, 2014	Sep. 30, 2013
		Rupees (000)	Rupees (000)
	Note		
<b>Sales -net</b>		1,099,830	1,210,194
<b>Cost Of Goods Sold</b>	<b>7</b>	<u>(1,023,408)</u>	<u>(1,000,954)</u>
<b>Gross Profit</b>		76,422	209,240
Distribution cost		(19,631)	(17,922)
Administrative expenses		(24,819)	(22,790)
Other expenses		(3,159)	(11,164)
Finance cost		(9,742)	(7,459)
Other income		23,159	-
		<u>(34,192)</u>	<u>(59,335)</u>
Profit before taxation		42,230	149,905
Taxation		<u>(12,790)</u>	<u>(14,749)</u>
<b>Profit for the period</b>		29,440	135,156
Other comprehensive income for the period-net of tax		-	-
<b>Total comprehensive income for the period</b>		<u><b>29,440</b></u>	<u><b>135,156</b></u>
 <b>Earning per share-basic and diluted</b>		 <u>4.27</u>	 <u>19.59</u>

  
**CHAIRMAN**

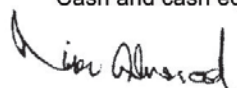
  
**CHIEF EXECUTIVE**

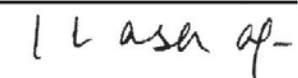


# CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For The First Quarter ended September 30, 2014

	Sep. 30, 2014 Rupees	Sep. 30, 2013 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	42,230	149,905
Adjustment for:		
Depreciation on property, plant and equipment	24,825	25,877
Unrealized gain on re-measurement of other financial assets	(18,162)	-
Realized gain on disposal of other financial assets	(4,997)	-
Provision for gratuity	2,429	2,250
Finance cost	(9,742)	7,459
Operating cash flows before movement in working capital	36,583	185,491
<b>(Increase)/decrease in current assets</b>		
Stores, spares and loose tools	4,663	(3,979)
Stock -in- trade	(9,616)	208,003
Trade debts	(206,942)	(208,157)
Loans and advances	18,662	20,681
Trade deposits and short term prepayments	-	-
Tax refund due from Government(excluding advance income tax)	(597)	(2,617)
Other receivables	3,799	(96)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	29,450	27,950
	(160,581)	41,785
Cash generated from operations	(123,998)	227,276
Finance cost paid	10,377	(10,024)
Gratuity paid	(576)	(907)
Income taxes paid/adjusted	(45,425)	(49,164)
Net cash generated from operating activities	(159,622)	167,181
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(6,437)
Payment for purchase of other financial assets	(956,300)	-
Proceeds from disposal of other financial assets	1,252,000	-
Net cash used in investing activities	295,700	(6,437)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term financing	(9,522)	(9,522)
Increase/(decrease) in short term bank borrowings	(192,032)	13,901
Net cash from financing activities	(201,554)	4,379
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(65,476)	165,123
Cash and cash equivalents at the beginning of the year	72,276	56,205
Cash and cash equivalents end of the period	6,800	221,328

  
CHAIRMAN

  
CHIEF EXECUTIVE

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

## For The First Quarter Ended September 30, 2014

Share Capital Rupees (000)	Share Premium Rupees (000)	General Reserve Rupees (000)	Un-Appropriated Profit/(Loss) Rupees (000)	Total Rupees (000)
69,000	3,600	750,000	987,277	1,809,877

Balance as at June :30,2013

### Transaction with owners

Interim dividend for the year ended June 30,2014 @ Rs.5 per share  
Interim dividend for the year ended June 30,2014 @ Rs.10 per share

			(34,500)	(34,500)
			(69,000)	(69,000)
			(103,500)	(103,500)

### Comprehensive income for the year

Profit for the year

Other comprehensive income for the year- net of tax

**Total comprehensive income for the year**

Transferred to unappropriated profit on account of incremental depreciation on surplus on Revaluation of property, plant and equipment-net of deferred tax  
Balance as at June : 30,2014

-	-	-	284,279	284,279
-	-	-	-	-
-	-	-	284,279	284,279
69,000	3,600	750,000	35,997	35,997
			1,204,053	2,026,653

Profit for the period

Other comprehensive income for the period- net of tax

Total comprehensive income for the period ended September,2014

Transferred to unappropriated profit from

Revaluation surplus-net of deferred tax

Balance as at Sep. 30,2014

-	-	-	29,440	29,440
-	-	-	-	-
-	-	-	29,440	29,440
69,000	3,600	750,000	8,099	8,099
			1,241,592	2,064,192

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**(UNAUDITED)**  
**For The First Quarter Ended September 30, 2014**

- 1- The company was incorporated in Pakistan on 27 August 1987 as public company limited by share and is listed at karachi stock exchange. Its main business activity is manufacturing and marketing of yarn. The mill is located in district Muzaffargarh, Dera Ghazi Khan division, in the province of Punjab.
- 2- These unaudited interim financial statements have been prepared in accordance with the requirements of international Accounting Standard (IAS) 34 'Interim financial Reporting and in compliance with requirements of section 245 of the companies ordinance 1984
- 3- The accounting policies adopted for the preparation of these quarterly financial statements are the same as those applied in the preparation of the financial statements for the preceding period ended June 30, 2014

**4- CONTINGENCIES AND COMMITMENTS**

	<b>Sep 30, 2014</b>	<b>Sep 30, 2013</b>
	Rupees (000)	Rupees (000)
<b>CONTINGENCIES</b>		
Bank/financial institution/insurance guarantees	857,676	165,775
<b>COMMITMENTS</b>		
Under letters of credit	103,928	42,314

**5- AGGREGATE TRANSACTION WITH  
ASSOCIATED UNDERTAKING**

Sales of goods and services	34,768	2,067
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5.1 These transaction have been carried out on the commercial terms and conditions.

**6- ACQUISITION OF PROPERTY  
PLANT AND MACHINERY**

Acquisition	-	6,437
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7- COST OF GOODS SOLD	Note	Sep 30, 2014	Sep 30, 2013
		Rupees (000)	Rupees (000)
Raw Material		764,160	781,177
Stores and Spares		13,568	13,315
Packing material		17,078	14,749
Salaries ,wages and benefits & Doubling Charges		43,405	38,953
Power and fuel		102,927	93,833
Insurance		1,500	1,275
Repair and maintenance		882	1,854
Depreciation		22,960	24,325
Others		121	118
		<b>966,601</b>	<b>969,599</b>
Work in process			
Opening stock		32,855	27,665
Closing stock		(29,837)	(29,589)
		<u>3,018</u>	<u>(1,924)</u>
Cost of goods manufactured		<b>969,619</b>	<b>967,675</b>
Purchase of yarn		54,886	37,589
Finished Goods			
Opening stock		43,974	43,608
Closing stock		(45,071)	(47,918)
		<u>(1,097)</u>	<u>(4,310)</u>
		<b><u>1,023,408</u></b>	<b><u>1,000,954</u></b>

8- These financial statements were authorised for issue by the Board of Directors of the company on October 31, 2014

9- In respect of current period ,the directors proposed to pay interim cash dividend of Rs.34.50 million @ Rs.5.00 per ordinary share of Rs.10 each.The proposed dividend has not been included as a liability in these financial statements.

10- Figures have been rounded off to the nearest thousand rupee.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE**