



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**FIRST QUARTERLY REPORT
Condensed Interim Financial Information
July 01, 2015 to September 30, 2015
(Un - audited)**

INDUS DYEING & MANUFACTURING COMPANY LIMITED

COMPANY INFORMATION

Board of Directors	Mian Mohammad Ahmed Mr. Shahzad Ahmed Mian Riaz Ahmed Mr. Naveed Ahmed Mr. Kashif Riaz Mr. Irfan Ahmed Mr. Shafqat Masood Mr. Shahwaiz Ahmed Sheikh Nishat Ahmed Mr. Farooq Hassan	Chairman Chief Executive Nominee N.I.T.
Audit committee	Sheikh Nishat Ahmed Mr. Kashif Riaz Mr. Irfan Ahmed	Chairman Member Member
Human resource and remuneration committee	Sheikh Nishat Ahmed Mr. Shahwaiz Ahmed Mr. Irfan Ahmed	Chairman Member 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, 5th floor, Beaumont Plaza, Civil Lines Quarters, Karachi. Tel. 111 - 404 - 404 Fax. 009221 - 35693594	
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. 407-408, Al - Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi. Tel. 35662023 - 24 Fax. 35221192	
Factory location	P 1 S.I.T.E. Hyderabad, Sindh. Tel. 0223 - 880219 & 252 Plot # 3 & 7, Sector - 25, Korangi Industrial Area, Karachi. Tel. 021- 35061577 - 9 Muzaffargarh, Bagga Sher, District Multan. Tel. 0662 - 490202 - 205 Indus Lyallpur Limited. 38th Kilometre, Shaikhupura Road, District Faisalabad. Tel. 041 - 4689235 - 6 Indus Home Limited. 2.5 Kilometre, Off Manga Raiwind Road, Manga Mandi, Lahore. Tel. 042 - 35385021 - 7 111 - 404 - 405	

INDUS DYEING & MANUFACTURING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE QUARTER ENDED SEPTEMBER 30, 2015

The Board of Directors is pleased to present the un-audited financial statements of Company for the quarter ended September 30, 2015.

OPERATING RESULTS

The summary of operating results is as follows:

	Quarter Ended September 30 Rupees in (million)	
	2015	2014
Sales	6,237	7,229
Gross Profit	317	624
Expenses	355	428
(Loss) /Profit after taxation	(85)	128
Earnings Per Share (EPS)	(4.71)	7.09

Sales revenue of the Group for the quarter ended September 30, 2015 was Rs 6,237 million as against Rs. 7,229 million for the similar period last year while the cost of sales was Rs.5,920 million as compared to Rs. 6,605 million in the corresponding quarter. The gross profit was, thus, reduced by 49.23%, mainly due to the significant reduction in the prices of yarn in local as well as international market, the scenario which was prevailed in the previous year continued during the quarter. The cost side was supported by the provisioning made to reduce the inventories in the opening balance to Net Realizable Values (NRV) during last year which reduces the overall cost of sales for the quarter.

Although, subsequent to the quarter, the price of yarn has picked some momentum, however, the increase is still below par as compared to the increase in cotton prices. Management foresees the business environment will remain tough for the rest of the year despite the further reduction in the interest rate cut by the State bank of Pakistan (SBP) during the period and the appreciation of USD against the local currency which will bring some strength to the next result.

On Behalf of the Board

Karachi:
October 30, 2015


SHAHZAD AHMED
Chief Executive Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED

**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2015**

**September 30,
2015
(Unaudited)**

**June 30,
2015
(Audited)**

	Notes	.....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
Unappropriated profit		4,047,009	4,127,696
		9,250,178	9,330,865
NON-CURRENT LIABILITIES			
Long-term financing		1,084,389	1,234,038
Deferred liabilities		179,771	167,128
		1,264,160	1,401,166
CURRENT LIABILITIES			
Trade and other payables		1,132,871	979,963
Interest / mark-up payable		29,197	54,888
Short-term borrowings		2,156,894	3,234,465
Current portion of long-term financing		415,626	665,756
		3,734,588	4,935,072
CONTINGENCIES AND COMMITMENTS			
	5	14,248,926	15,667,103
NON-CURRENT ASSETS			
Property, plant and equipment	6	6,273,425	6,335,837
Long-term investments	7	3,689,930	3,689,930
Long-term deposits		4,105	4,105
		9,967,460	10,029,872
CURRENT ASSETS			
Stores, spares and loose tools		252,102	227,362
Stock-in-trade		2,414,326	3,580,278
Trade debts		1,013,408	1,193,858
Loans and advances		174,932	276,015
Trade deposits and pre-payments		20,766	9,322
Other receivables		5,864	15,523
Other financial assets		160,145	167,943
Due from Government		198,965	113,289
Cash and bank balances		40,958	53,641
		4,281,466	5,637,231
		14,248,926	15,667,103

The annexed notes 1 to 11 form an integral part of this unconsolidated condensed interim financial information.


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Note	Three months period ended	
		Sept 30, 2015	Sept 30, 2014
		.....Rupees in '000'.....	
Sales		4,542,760	5,436,749
Cost of goods sold	8	(4,363,371)	(4,918,598)
Gross profit		179,389	518,151
Other operating income		4,497	2,105
		183,886	520,256
Distribution cost		(94,686)	(127,589)
Administrative expenses		(58,852)	(54,606)
Other operating expenses		(3,764)	(43,195)
Financial cost		(66,815)	(58,975)
		(224,117)	(284,365)
(Loss) / profit before taxation		(40,231)	235,891
Taxation		(40,456)	(55,506)
(Loss) / profit after taxation		(80,687)	180,385
Earnings per share - Basic and diluted		(4.46)	9.98

The annexed notes 1 to 11 form an integral part of this unconsolidated condensed interim financial information.


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Three months period ended	
	Sept 30, 2015	Sept 30, 2014
	.....Rupees in '000'.....	
(Loss) / profit after taxation	(80,687)	180,385
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		
Total comprehensive (loss) / income for the period	(80,687)	180,385

The annexed notes 1 to 11 form an integral part of this unconsolidated condensed interim financial information.


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Reserve					Total
	Share Capital	Share Premium	Merger Reserve	General Reserve	Unappropriated Profit	
	Rupees in 000.....					
Balance at June 30, 2014 (audited)	180,737	10,920	11,512	5,000,000	4,122,085	9,325,254
Comprehensive Income						
Profit for the period ended September 30, 2014	-	-	-	-	180,385	180,385
Total comprehensive income for the year	-	-	-	-	180,385	180,385
Balance as at Sept 30, 2014 (unaudited)	180,737	10,920	11,512	5,000,000	4,302,470	9,505,639
Balance at June 30, 2015 (audited)	180,737	10,920	11,512	5,000,000	4,127,696	9,330,865
Comprehensive Income						
Loss for the period ended September 30, 2015	-	-	-	-	(80,687)	(80,687)
Total comprehensive loss for the period	-	-	-	-	(80,687)	(80,687)
Balance as at Sept 30, 2015 (unaudited)	180,737	10,920	11,512	5,000,000	4,047,009	9,250,178

The annexed notes 1 to 11 form an integral part of this unconsolidated condensed interim financial information.


SHAHZAD AHMED
 Chief Executive


NAVEED AHMED
 Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Three months period ended	
	Sept 30, 2015	Sept 30, 2014
	.....Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(40,231)	235,891
Adjustment for :		
Depreciation of property, plant and equipment	146,252	142,902
Provision for gratuity	19,789	11,800
Unrealised gain / (loss) on revaluation of foreign currency loans	(3,380)	3,510
Gain on disposal of property, plant and equipment	(85)	(56)
Loss / (gain) on revaluation/ disposal of other financial assets	3,500	(843)
Finance cost	66,815	58,975
Dividend income	(663)	(102)
Operating profit before working capital changes	191,997	452,077
Working capital changes		
(increase) / decrease in current assets		
Stores, spares and loose tools	(24,740)	(47,220)
Stock in trade	1,165,952	(319,177)
Trade debts	180,450	172,576
Loans and advances	(64,550)	(22,301)
Trade deposits and short-term prepayments	(11,444)	(35,006)
Other receivables	9,659	(10,863)
Other financial assets	4,297	54,839
Trade & other payables	152,907	25,006
Increase / (decrease) in current liabilities	1,412,531	(182,146)
Cash used in operations	1,604,528	269,931
Income taxes paid	39,500	101,545
Finance cost paid	(92,505)	(77,699)
Gratuity paid	(7,147)	(5,576)
Net cash used in operating activities	1,544,375	288,201
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(88,079)	(75,652)
Proceeds on disposal of property, plant and equipment	4,328	794
Dividend received	663	102
Net cash used in investing activities	(83,088)	(74,756)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	42,350	185,263
Repayment of long-term financing	(442,129)	(389,777)
Dividend paid	-	(16)
Net cash generated / (used in) from financing activities	(399,779)	(204,530)
Net decrease in cash and cash equivalent	1,061,508	8,915
Cash and cash equivalent at beginning of the period	(3,180,824)	(3,217,627)
Effect of exchange rate changes on cash & cash equivalents	3,380	(3,510)
Cash and cash equivalent at end of the period	(2,115,936)	(3,212,222)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	40,958	197,459
Short-term running finance	(2,156,894)	(3,409,681)
	(2,115,936)	(3,212,222)

The annexed notes 1 to 11 form an integral part of this unconsolidated condensed interim financial information.


SHAHZAD AHMED
 Chief Executive


NAVEED AHMED
 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, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

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 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 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 Lodhran. The Company has the following group entities:

- | | |
|----------------------------------|--|
| - Indus Lyallpur Limited | - Wholly owned subsidiary |
| - Indus Home Limited | - Wholly owned subsidiary |
| - Indus Home USA Inc. | - Wholly owned subsidiary of Indus Home Limited. |
| - Indus Wind Energy Limited | - Wholly owned subsidiary |
| - Sun Rays Textile Mills Limited | - Associated undertaking |

2. STATEMENT OF COMPLIANCE

- 2.1** 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 and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of and directives issued under the said Ordinance have been followed.
- 2.2** This unconsolidated condensed interim financial information is unaudited and in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.
- 2.3** This unconsolidated condensed interim financial information has been prepared under the historical cost convention modified by: -
- recognition of employee retirement benefits at present value.
 - certain financial instruments at fair value.
- 2.4** 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, 2015.
- 2.5** This unconsolidated condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.
- 2.6** The comparative balance sheet presented has been extracted from unconsolidated annual financial statements for the year ended June 30, 2015, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited unconsolidated condensed interim financial information for the first quarter ended September 30, 2014.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

- 3.1** The accounting policies, underlying estimates and methods of computations adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2015.
- 3.2** The financial risk management policies and objectives adopted by the Company are consistent with those disclosed in the audited unconsolidated financial statements for the year ended June 30, 2015.

4. 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. In this unconsolidated condensed interim financial information tax expense for the period has been determined on provisional basis. Final liability will be determined on the basis of annual results.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	.....Rupees in '000'.....	

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1	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.	453	453
5.1.2	Guarantees issued by banks on behalf of the Company	44,010	44,010
5.1.3	Guarantees issued by banks in favour of gas distribution companies	19,306	19,306
5.1.4	Bank guarantees against payment of infrastructure cess	150,042	144,042
5.2 Commitments			
	Letters of credit for raw material	123,140	911,037
	Letters of credit for stores and spares	31,313	10,906
	Letters of credit for property, plant and equipment	26,5207	83,378
	Civil work contracts	17,980	21,980

6 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

	September 30, 2015		September 30, 2014	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
	.....Rupees in '000'.....			
Assets				
Plant and machinery	68,731	(532)	57,190	(543)
Office equipment	127	-	103	-
Power generator	7,000	-	-	-
Furniture and fixtures	-	-	73	-
Vehicles	8,750	(3,711)	4,436	(90)
Capital work in progress	3,472	-	13,850	-
	88,080	(4,243)	75,652	(633)

	Note	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
		.....Rupees in '000'.....	

7 LONG TERM INVESTMENTS

Investment in an associate		13,476	13,476
Investment in subsidiaries - at cost	7.1	3,676,454	3,676,454
		3,689,930	3,689,930

7.1 Subsidiaries

Indus Lyallpur Limited		1,185,000	1,185,000
Indus Home Limited		2,491,204	2,491,204
Indus Wind Energy Limited		250	250
		3,676,454	3,676,454

INDUS DYEING & MANUFACTURING COMPANY LIMITED

		Three months period ended	
	Note	Sept 30, 2015	Sept 30, 2014
		.....Rupees in '000'.....	
8	COST OF GOODS SOLD		
	Raw material consumed	3,230,888	3,725,872
	Manufacturing expenses	935,699	981,990
	Purchase of yarn	108,509	43,074
		4,275,096	4,750,936
	Work in process		
	Opening stock	243,052	309,978
	Closing stock	(247,134)	(301,569)
		(4,082)	8,409
	Cost of goods manufactured	4,271,014	4,759,345
	Finished Goods		
	Opening stock	442,437	469,806
	Closing stock	(350,080)	(310,554)
		92,357	159,252
		4,363,371	4,918,598
8.1	Manufacturing expenses		
	Salaries, wages and benefits	267,306	246,331
	Fuel, water and power	348,071	380,333
	Stores and spares consumed	73,272	108,725
	Packing material consumed	83,428	91,924
	Insurance	12,705	6,944
	Repairs and maintenance	6,745	6,838
	Rent, rate and taxes	735	1,419
	Depreciation	139,043	135,365
	Others	4,394	4,111
		935,699	981,990
9	AGGREGATE TRANSACTION WITH RELATED PARTIES		

The related parties comprise of subsidiaries (Indus Lyallpur Limited), (Indus Home Limited), (Indus Home USA Inc.) and (Indus Wind Energy Limited) associate (Sunrays Textiles Mills Limited) and entities where directors held interest (Riaz Cotton Factory, Silver Seeds (Private) Limited, MB Industries (Private) Limited, Gailawala 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: -

INDUS DYEING & MANUFACTURING COMPANY LIMITED

		September 30, 2015 (Unaudited) .....Rupees in '000'.....	June 30 2015 (Audited)
9.1 Transactions during the period			
Relationship with Company	Nature of transaction		
Subsidiaries	Sale of yarn	115,046	672,169
	Sale of machinery	-	1,000
	Sale of waste	-	9,498
	Purchases of raw cotton	-	1,561
	Purchases of yarn	33,994	936,766
	Conversion cost	9,652	-
	Purchase of machinery	7,000	6,569
	Payment against issue of right shares	-	100,000
	Payment against issue of shares	-	250
9.2 Balances with related parties			
Subsidiaries	Receivable	10,179	17,530
Subsidiaries	Payable	79,241	69,808
Associate	Receivable	2,050	769
Other related parties	Payable	3,170	3,170

10 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on 30th October, 2015 by the Board of Directors of the Company.

11 GENERAL

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**Consolidated Condensed Interim Financial Information
July 01, 2015 to September 30, 2015
(Un - audited)**

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015

September 30,
2015
(Unaudited)
June 30,
2015
(Audited)

NoteRupees 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	5,022,921	5,022,675
Unappropriated profit	5,385,663	5,470,799
	10,589,321	10,674,211

NON CURRENT LIABILITIES

Long-term financing	1,344,954	1,577,187
Deferred liabilities	279,919	266,665
	1,624,873	1,843,852

CURRENT LIABILITIES

Trade and other payables	1,703,998	1,482,076
Interest / mark-up payable	42,510	70,066
Short-term borrowings	3,334,010	4,618,149
Current portion of long-term financing	455,506	703,466
	5,536,024	6,873,757

CONTINGENCIES AND COMMITMENTS

7

17,750,218	19,391,820
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NON CURRENT ASSETS

Property, plant and equipment	11,011,494	11,084,138
Intangible assets	6,122	6,619
Long-term investments	21,453	21,278
Long-term deposits	15,338	15,338

CURRENT ASSETS

Stores, spares and loose tools	494,564	615,525
Stock-in-trade	3,852,822	5,313,432
Trade debts	1,345,681	1,352,881
Loans and advances	317,373	302,821
Trade deposits and pre-payments	22,430	10,327
Other receivables	98,996	95,600
Other financial assets	160,145	169,593
Due from Government	301,757	308,717
Cash and bank balances	102,043	95,551
	6,695,811	8,264,447
	17,750,218	19,391,820

The annexed notes 1 to 13 form an integral part of these consolidated interim financial statements.


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

		Three months period ended	
	Notes	Sept 30, 2015	Sept 30, 2014
		.....Rupees in '000'.....	
Sales		6,237,297	7,229,362
Cost of goods sold	10	(5,920,441)	(6,605,250)
Gross profit		316,856	624,112
Other operating income		5,516	2,105
		322,372	626,217
Distribution cost		(167,410)	(198,991)
Administrative expenses		(91,925)	(85,034)
Other operating expenses		(7,675)	(49,084)
Financial cost		(88,049)	(95,376)
		(355,059)	(428,485)
Share of profit from Associate	9.1	103	291
Profit before taxation		(32,584)	198,023
Taxation	6	(52,624)	(69,546)
Profit after taxation		(85,208)	128,477
Earnings per share - Basic and diluted		(4.71)	7.09

The annexed notes 1 to 13 form an integral part of these consolidated interim financial statements.


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Three months period ended	
	Sept 30, 2015	Sept 30, 2014
	.....Rupees in '000'.....	
(Loss) / profit after taxation	(85,208)	128,477
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss account		
Exchange gain on translation of foreign subsidiary	246	247
Items that will not be reclassified subsequently to profit and loss account		
Total comprehensive (loss) / income for the period	(84,962)	128,724

The annexed notes 1 to 13 form an integral part of these consolidated interim financial statements.


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Reserve						Total
	Capital			Revenue			
	Share Capital	Share Premium	Merger Reserve	Exchange Translation Reserve	General Reserve	Unappropriated Profit	
	Rupees in 000.....						
Balance at June 30, 2014 (audited)	180,737	10,920	11,512	(32)	5,000,000	5,443,438	10,646,575
Comprehensive Income							
Profit for the period ended September 30, 2014	-	-	-	-	-	128,477	128,477
Exchange gain on translation of foreign subsidiary	-	-	-	247	-	-	247
Total comprehensive income for the year	-	-	-	247	-	128,477	128,724
Transaction with owners recognised directly in equity :							
Associate's share of surplus on revaluation of property, plant & equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	80	80
Balance as at September 30, 2014 (unaudited)	180,737	10,920	11,512	215	5,000,000	5,571,995	10,775,379
Balance at June 30, 2015 (audited)	180,737	10,920	11,512	243	5,000,000	5,470,799	10,674,211
Comprehensive Income							
Loss for the period ended September 30, 2015	-	-	-	-	-	(85,208)	(85,208)
Exchange gain on translation of foreign subsidiary	-	-	-	246	-	-	246
Associate's share of surplus on revaluation of property, plant & equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	72	72
Total comprehensive loss for the period	-	-	-	246	-	(85,136)	(84,890)
Balance as at September 30, 2015 (unaudited)	180,737	10,920	11,512	489	5,000,000	5,385,663	10,589,321

The annexed notes 1 to 13 form an integral part of these consolidated interim financial statements.


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

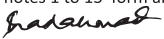
INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2015

	Three months period ended	
	Sept 30, 2015	Sept 30, 2014
	.....Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(32,584)	198,023
Adjustment for :		
Depreciation of property, plant and equipment	259,765	246,707
Provision for gratuity	33,542	22,054
Share of (profit) from associate	(103)	(291)
Loss / (gain) on revaluation of foreign currency loans	(3,380)	27,631
Gain on disposal of property, plant and equipment	(768)	(18,295)
Loss / (gain) on revaluation/ disposal of other financial assets	16,731	(843)
Profit on bank deposits	-	31
Finance cost	88,049	95,376
Dividend income	(663)	(102)
Operating profit before working capital changes	360,589	570,291
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	120,961	15,502
Stock in trade	1,460,610	(181,011)
Trade debts	7,200	177,157
Loans and advances	(176,666)	(43,494)
Trade deposits and short-term prepayments	(12,103)	(37,850)
Other receivables	(3,396)	(114,805)
Other financial assets	9,448	73,653
Trade and other payables	218,580	(181,928)
Increase / (decrease) in current liabilities	1,624,634	(292,776)
Cash used in operations	1,985,223	277,515
Income taxes paid	26,026	80,784
Finance cost paid	(115,606)	(126,061)
Gratuity paid	(16,851)	(8,155)
Net cash used in operating activities	1,878,792	224,083
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(121,230)	(277,014)
Proceeds on disposal of property, plant and equipment	12,598	829
Long-term deposits	-	613
Dividend received	663	102
Net cash used in investing activities	(107,969)	(275,470)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	42,350	335,428
Repayment of long-term financing	(522,542)	(148,784)
Dividend paid	-	(151)
Net cash generated / (used in) from financing activities	(480,192)	186,493
Net decrease in cash and cash equivalent	1,290,631	135,106
Cash and cash equivalent at beginning of the period	(4,522,598)	(4,926,406)
Effect of exchange rate changes on cash & cash equivalents	-	(23,874)
Cash and cash equivalent at end of the period	(3,231,967)	(4,815,174)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	102,043	232,794
Short-term running finance	(3,334,010)	(5,047,968)
	(3,231,967)	(4,815,174)

The annexed notes 1 to 13 form an integral part of these consolidated interim financial statements.


SHAHZAD AHMED
 Chief Executive


NAVEED AHMED
 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, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

The " Group " consists of :

1.1 Holding Company

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 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 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 Lodhran. The Company has the following group entities:

- | | |
|----------------------------------|--|
| - Indus Lyallpur Limited | - Wholly owned subsidiary |
| - Indus Home Limited | - Wholly owned subsidiary |
| - Indus Home USA Inc. | - Wholly owned subsidiary of Indus Home Limited. |
| - Indus Wind Energy Limited | - Wholly owned subsidiary |
| - Sun Rays Textile Mills Limited | - Associated undertaking |

1.2 Subsidiary Companies

1.2.1 Indus Lyallpur Limited - 100% owned

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 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.

1.2.2 Indus Home Limited - 100% owned

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 the factory is 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.

1.2.3 Indus Home USA Inc. - 100% owned by Indus Home Limited

Indus Home USA Inc. was established in the prior year. The principal business activities of the Company is to act as commission agent to generate sales order in textile sector.

1.2.4 Indus Wind Energy Limited - 100% owned

Indus Wind Energy Limited has been established in the prior year. The principal business activities of the Company is to generate and sale electricity to the national grid

1.3 Associated Undertaking

Sunrays Textile Mills Limited was incorporated in Pakistan on August 27, 1987 as a public limited company under the Companies Ordinance, 1984 and its shares are quoted on the Karachi Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating ginning units and an ice factory on leasing arrangements. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division. in the Province of Punjab. The Holding Company has 0.99% voting rights in the Company and is regarded associate due to common directorship.

2. BASIS OF CONSOLIDATION

- This consolidated condensed interim financial information include the financial information of the Holding Company and its Subsidiary Companies together - " the Group ".

INDUS DYEING & MANUFACTURING COMPANY LIMITED

- 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.
- This consolidated condensed financial information of the Subsidiary Companies are 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 Companies 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 companies are measured at fair value as of the acquisition date of the subsidiaries.

3. STATEMENT OF COMPLIANCE :

This consolidated condensed interim financial information 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

- 4.1** The accounting policies, underlying estimates and methods of computations adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual audited consolidated financial statements of the Company for the year ended June 30, 2015.
- 4.2** The financial risk management policies and objectives adopted by the Company are inconsistent with those disclosed in the audited consolidated financial statements for the year ended June 30, 2015.

5. BASIS OF PREPARATION :

- 5.1** This consolidated condensed interim financial information have been prepared under the historical cost convention modified by :
 - recognition of employee retirement benefits at present value.
 - certain financial instruments at fair value.
- 5.2** This consolidated 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 consolidated financial statements of the Company for the year ended June 30, 2015.
- 5.3** This unconsolidated condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.
- 5.4** The comparative consolidated balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2015, 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, 2014.

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. In this consolidated condensed interim financial information tax expense for the period has been determined on provisional basis. Final liability will be determined on the basis of annual results.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

September 30, 2015
(Unaudited)
.....Rupees in '000'.....

June 30, 2015
(Audited)

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	453	453
7.1.2	Guarantees issued by banks on behalf of the Group	44,010	44,010
7.1.3	Guarantees issued by banks in favour of gas distribution companies	37,586	37,586
7.1.4	Bank guarantees against payment of infrastructure cess	256,837	155,042
7.1.5	Bank guarantees in favour of collector of customs	7,950	7,950
7.2	Commitments		
	Letters of credit for raw material, store and spares and property plant and equipment	547,597	1,084,734
	Civil work contracts	17,980	21,980
	Foreign currency forward contracts	634,355	510,000

8. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

	September 30, 2015		September 30, 2014	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
	.....Rupees in '000'.....			
Assets				
Plant and machinery	72,023	(532)	66,023	-
Electric installations	-	-	52	-
Power generator	7,000	(6,601)	-	-
-				
Office equipment	298	(16)	570	-
Furniture and fixtures	767	-	657	-
Vehicles	8,802	(4,682)	4,479	(17)
Capital work in progress	113,548	-	16,202	-
	<u>202,438</u>	<u>(11,831)</u>	<u>87,983</u>	<u>(17)</u>

INDUS DYEING & MANUFACTURING COMPANY LIMITED

		September 30, 2015 (Unaudited)	June 30 2015 (Audited)
	Notes	.....Rupees in '000'.....	
9. LONG TERM INVESTMENTS			
Investment in an associate	9.1	21,453	21,278
		<u>21,453</u>	<u>21,278</u>
9.1 Investment in an associate			
Cost		1,716	1,716
Opening		19,562	22,482
Dividend received		-	(1,366)
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.		72	-
Share of profit from associate		103	1,056
Accounting policy adjustment		-	(2,610)
		<u>19,737</u>	<u>19,562</u>
		<u>21,453</u>	<u>21,278</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")		30,880	15,518
10. COST OF GOODS SOLD			
Raw material consumed	10.1	3,971,088	3,683,136
Manufacturing expenses		1,628,859	1,620,259
Outside purchase-yarn		64,863	1,161,498
		<u>5,664,810</u>	<u>6,464,893</u>
Work in process			
Opening stock		696,608	789,693
Closing stock		(638,870)	(743,272)
		<u>57,738</u>	<u>46,421</u>
Cost of goods manufactured		<u>5,722,548</u>	<u>6,511,314</u>
Finished Goods			
Opening stock		993,453	1,108,755
Closing stock		(795,560)	(1,014,819)
		<u>197,893</u>	<u>93,936</u>
		<u>5,920,441</u>	<u>6,605,250</u>
10.1 Manufacturing expenses			
Salaries, wages and benefits		407,240	391,471
Fuel, water and power		618,754	652,302
Stores and spares consumed		189,793	162,415
Packing material consumed		140,898	154,292
Insurance		17,077	12,145
Repairs and maintenance		11,281	14,508
Rent, rate and taxes		735	1,419
Depreciation		247,835	236,489
Rebate		(17,584)	(18,888)
Others		12,830	14,106
		<u>1,628,859</u>	<u>1,620,259</u>

INDUS DYEING & MANUFACTURING COMPANY LIMITED

11. AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited) and entities where directors held interest (Riaz Cotton Factory, Silver Seeds Private Limited, M.B. Industries Private Limited, Gailaiwala Cotton Company, Indus Heart Land Limited and Lyallpur Properties) and key management personnel and post employment benefit schemes. The Group 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: -

	September 30, 2015 (Unaudited) .....Rupees in '000'.....	June 30 2015 (Audited)
11.1 Transactions during the period		
Relationship with Company		
Associate		
Purchase of yarn	48,524	158,897
Sale of yarn	-	85
Key management personnel		
Short term borrowing repaid	49,795	307,042
Short term borrowing received	29,988	321,170
Other related parties		
Expenses adjusted / reimbursed	-	5
11.2 Balances with related parties		
Associate payable	9,305	7,834
Associate receivable	2,050	845
Directors & spouses payable	-	14,127
Directors & spouses receivable	19,808	-

12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on 30th October, 2015 by the Board of Directors of the Holding Company.

13. GENERAL

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

Title Back