

INDUS DYEING & MANUFACTURING  
COMPANY LIMITED

JULY 01, 2012  
to  
MARCH 31, 2013  
( Un - audited )

C  
O  
N  
S  
O  
L  
I  
D  
A  
T  
E  
D  
  
A  
C  
C  
O  
U  
N  
T  
S

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2013**

Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	----- Rupees in '000' -----	
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised 45,000,000 ordinary shares of Rs. 10 each	450,000	450,000
Issued, subscribed and paid up 18,073,732 ordinary shares of Rs. 10 each	180,737	180,737
Reserves	5,022,432	5,022,432
Un-appropriated profit	3,066,447	2,181,358
	8,269,616	7,384,527
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing	734,815	890,712
Liabilities against assets subject to finance lease	-	2,231
Deferred liabilities	318,483	295,042
	1,053,298	1,187,985
<b>CURRENT LIABILITIES</b>		
Trade and other payables	656,329	551,327
Interest / mark-up payable	52,821	34,589
Short-term borrowings	4,604,528	1,644,821
Current portion of: long-term financing	259,642	130,666
liabilities against assets subject to finance lease	3,434	4,637
Taxation	16,114	-
	5,592,868	2,366,040
<b>CONTINGENCIES AND COMMITMENTS</b>		
9	<b>14,915,782</b>	<b>10,938,552</b>

Note	March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
	----- Rupees in '000' -----	
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5,364,423	4,906,574
Long term investments	1,359,128	1,716,263
Long-term deposits	3,614	4,593
	6,727,165	6,627,430
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	268,855	185,548
Stock-in-trade	6,449,032	2,903,226
Trade debts	1,121,875	834,427
Loans and advances	90,624	85,453
Trade deposits and short-term prepayments	12,259	2,363
Other receivables	41,440	13,078
Other financial assets	11,502	12,437
Tax refundable	101,224	114,500
Cash and bank balances	91,806	160,090
	8,188,617	4,311,122
	<b>14,915,782</b>	<b>10,938,552</b>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

	Note	Nine months period ended		Quarter ended	
		March 31, 2013 ( July - March )	March 31, 2012	March 31, 2013 ( January - March )	March 31, 2012
		----- Rupees in '000' -----			
Sales		14,889,940	11,190,517	5,179,468	3,757,160
Cost of goods sold	12	(12,215,296)	(9,608,974)	(4,122,402)	(3,146,928)
Gross profit		2,674,644	1,581,543	1,057,066	610,232
Other operating income / ( loss )		13,336	2,409	3,052	(10,210)
Gain from bargain purchase through business combination		-	82,115	-	82,115
		2,687,980	1,666,067	1,060,118	682,137
Distribution cost		(329,199)	(230,494)	(103,835)	(78,780)
Administrative expenses		(146,547)	(111,188)	(46,761)	(37,265)
Other operating expenses		(222,794)	(65,506)	(158,017)	(19,819)
Financial cost		(260,461)	(184,812)	(128,278)	(104,481)
		(959,001)	(592,000)	(436,891)	(240,345)
Share of profit from joint venture	11.1	26,986	63,120	11,420	24,857
Share of profit from Associate	11.2	84,284	36,681	21,915	53,114
Loss on investment in Associate ( distributed as specie dividend )		(13,546)	-	(13,546)	-
Profit before taxation		1,826,703	1,173,868	643,016	519,763
Taxation	7	(140,733)	(78,912)	(66,495)	(43,274)
Profit after taxation		1,685,970	1,094,956	576,521	476,489
Earnings per share - Basic and diluted		93.28	60.58	31.90	26.36

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

	Nine months period ended		Quarter ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	----- Rupees in '000' -----			
Profit for the period	1,685,970	1,094,956	576,521	476,489
Other comprehensive income				
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	1,286	1,987	25	1,013
Right shares issue cost	(1,501)	-	(1,501)	-
Total comprehensive income for the period	1,685,755	1,096,943	575,045	477,502

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

	Reserves					Total
	Share Capital	Capital		General Reserve	Revenue	
		Share Premium	Merger Reserve		Un-appropriated Profit	
----- Rupees in '000' -----						
<b>Balance at July 01, 2011</b>	180,737	10,920	11,512	4,000,000	2,060,377	6,263,546
<b>Comprehensive Income</b>						
Profit for the period ended September 30, 2011	-	-	-	-	313,239	313,239
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	662	662
Total Comprehensive income	-	-	-	-	313,901	313,901
<b>Balance at September 30, 2011 (unaudited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>4,000,000</b>	<b>2,374,278</b>	<b>6,577,447</b>
<b>Transaction with owners:</b>						
Final cash dividend for the year ended June 30, 2011 @ Rs. 10 per share	-	-	-	-	(180,737)	(180,737)
Interim cash dividend for the period ended September 30, 2011 @ Rs. 5 per share	-	-	-	-	(90,369)	(90,369)
Profit for the period ended December 31, 2011	-	-	-	-	305,228	305,228
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	312	312
Total Comprehensive income	-	-	-	-	305,540	305,540
<b>Balance at December 31, 2011 (unaudited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>4,000,000</b>	<b>2,408,712</b>	<b>6,611,881</b>
<b>Comprehensive Income</b>						
Profit for the period ended March 31, 2012	-	-	-	-	476,489	476,489
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	-	-	-	-	1,013	1,013
Total Comprehensive income	-	-	-	-	477,502	477,502
<b>Balance at March 31, 2012 (unaudited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>4,000,000</b>	<b>2,886,214</b>	<b>7,089,383</b>

<b>Balance at July 01, 2012</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>5,000,000</b>	<b>2,181,358</b>	<b>7,384,527</b>
Profit for the period ended September 30, 2012	-	-	-	-	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.	-	-	-	-	630	630
<b>Balance at September 30, 2012 (unaudited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>5,000,000</b>	<b>2,667,162</b>	<b>7,870,331</b>
Profit for the period ended December 31, 2012	-	-	-	-	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
	-	-	-	-	624,906	624,906
<b>Transaction with owners:</b>						
Final cash dividend for the year ended June 30, 2012 @ Rs. 20 per share	-	-	-	-	(361,474)	(361,474)
<b>Balance at December 31, 2012 (unaudited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>5,000,000</b>	<b>2,930,594</b>	<b>8,133,763</b>
<b>Comprehensive Income</b>						
Profit for the period ended March 31, 2013	-	-	-	-	576,521	576,521
Share of associate 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
<b>Transaction with owners:</b>						
Right shares issue cost	-	-	-	-	(1,501)	(1,501)
Distribution of specie dividend of 1,626,636 ordinary shares of Sun Rays Textile Mills Limited.	-	-	-	-	(439,192)	(439,192)
<b>Balance at March 31, 2013 (unaudited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>5,000,000</b>	<b>3,066,447</b>	<b>8,269,616</b>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

	Nine months period ended	
	March 31, 2013	March 31, 2012
	-----Rupees in '000' -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,826,703	997,064
Loss on investment in Associate	13,546	-
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	348,592	240,236
Provision for gratuity	44,262	28,800
Loss on derivative financial instruments	(37)	7,978
Gain on disposal of property, plant and equipment	(1,299)	(1,064)
Gain on disposal of other financial assets	17,047	(17,144)
Finance cost	260,461	183,660
Dividend income	(655)	(5,742)
Share of profit from Associate	(84,284)	-
Share of loss / (profit) from Joint Venture	(26,986)	-
<b>Operating profit before working capital changes</b>	<b>2,397,350</b>	<b>1,433,788</b>
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(83,307)	(50,868)
Stock in trade	(3,545,806)	(2,066,466)
Trade debts	(287,448)	11,750
Loans and advances	(5,171)	(17,019)
Trade deposits and short-term prepayments	(9,896)	2,314
Other receivables	(28,362)	4,894
Other financial assets	935	-
Tax refundable	13,276	(2,898)
Increase in current liabilities		
Trade and other payables	96,963	(25,528)
	<b>(3,848,816)</b>	<b>(2,143,821)</b>
Cash used in operations	(1,451,466)	(710,033)
Income taxes paid	(145,956)	(159,456)
Finance cost paid	(242,228)	(145,471)
Gratuity paid	(15,653)	(19,594)
<b>Net cash used in operating activities</b>	<b>(1,855,303)</b>	<b>(1,034,554)</b>

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property, plant and equipment	(442,275)	(1,399,726)
Capital work in progress	(367,903)	3,499
Proceeds on disposal of property, plant and equipment	5,035	29,576
Proceeds on disposal of other financial assets	32	12,511
Long-term deposits	979	(315)
Investment in subsidiary	-	(490,000)
Right shares issue cost	(1,501)	-
Dividend received	655	656
<b>Net cash used in investing activities</b>	<b>(804,978)</b>	<b>(1,843,799)</b>

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Long-term financing obtained	78,000	1,071,362
Repayment of long-term financing	(68,263)	(197,238)
Repayment of liabilities against assets subject to finance lease	(3,434)	(23,915)
Short term borrowings - net	(695,481)	1,237,758
Dividend paid	(337,356)	(253,325)
<b>Net cash (used in) / from financing activities</b>	<b>(1,026,534)</b>	<b>1,834,642</b>
<b>Net decrease in cash and cash equivalent</b>	<b>(3,686,815)</b>	<b>(1,043,711)</b>
<b>Cash and cash equivalent at beginning of the period</b>	<b>(823,570)</b>	<b>(45,095)</b>
<b>Cash and cash equivalent at end of the period</b>	<b>(4,510,385)</b>	<b>(1,088,806)</b>

**CASH AND CASH EQUIVALENTS**

Cash and bank balances	91,806	35,959
Short-term running finance	(4,602,191)	(1,124,765)
	<b>(4,510,385)</b>	<b>(1,088,806)</b>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**



**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**SELECTED EXPLANATORY NOTES**  
**TO THE CONSOLIDATED CONDENSED**  
**INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE THIRD QUARTER ENDED MARCH 31, 2013**

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

The " Group " consists of :

**1.1 Holding Company**

Indus Dyeing & Manufacturing Co. Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the Companies Act 1913 since repealed and replaced by the Companies Ordinance, 1984. Registered office of the Company is situated at Office No. 508, 5th, floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on Karachi Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company is also operating three ginning units including two on leasing arrangements and two ice factories on leasing arrangements in District Multan. The Company has also made investments in a joint venture, Indus Home Limited and in an associate, Sunrays Textile Mills Limited. The Company has also investment in a subsidiary, Indus Lyallpur Limited (formerly MIMA Cotton Mills Limited).

**1.2 Subsidiary Company**

The Subsidiary Company is a wholly owned Company of the holding Company. The Subsidiary Company is an unlisted public Limited Company, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984. Principal business of the Company is manufacturing and sale of yarn. Mill is located at 38th kilometre, Sheikhpura Road, District Faisalabad in the province of Punjab. Registered office of the holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

### **1.3 Associate Company and Joint Venture**

The Holding Company also has investment in an Associate and Joint Venture.

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

## **2. STATEMENT OF COMPLIANCE**

**2.1** After the acquisition of 100% shares of the Subsidiary Company, the holding Company is preparing consolidated condensed interim financial information. The condensed interim financial information of the Subsidiary Company for the period ended March 31, 2013 have been used for the purpose of consolidation.

**2.2** These consolidated condensed interim financial information is unaudited and has been prepared in accordance with the approved Financial Reporting Standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ( IFRS ) issued by the International Accounting Standards Board as notified under the provision of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan ( SECP ). Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP differ with the requirements of The Companies Ordinance, 1984 and the said directives shall take precedence.

## **3. BASIS OF PREPARATION**

**3.1** This consolidated 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 and also presented in accordance with the listing regulations of Karachi Stock Exchange. This consolidated condensed interim financial

Exchange. This consolidated 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.

- 3.2** 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.
  - investment in associate and investment in joint venture under equity method.
- 3.3** The accounting policies and methods of computation followed in the preparation of the consolidated condensed interim financial information are the same as those of the published annual audited financial statements for the year ended June 30, 2012. 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 financial statements of the Company for the year ended June 30, 2012.
- 3.4** The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2012, whereas comparative consolidated condensed profit and loss account, consolidated condensed cash flow statement and consolidated condensed statement of changes in equity are stated from the unaudited consolidated condensed interim financial information for the third quarter ended March 31, 2012.

#### **4. BASIS OF CONSOLIDATION**

Acquisition of business are accounted for using the acquisitions method in accordance with the IFRS 3 - Business combination. The cost of an acquisition is measured at the fair value of the assets given and liabilities incurred or assumed at the date of exchange plus cost directly attributable to the acquisition. Identifiable assets and liabilities assumed in a business combination (including contingent liabilities) are measured

combination (including contingent liabilities) are measured initially. The excess of the fair value of the net identifiable assets of the acquired subsidiary over the cost of acquisition at the effective date of acquisition was accounted for as gain from bargain purchase in the consolidated profit and loss account.

The interim consolidated financial statements include the financial statements of the holding company and its subsidiary - "the group". Reporting period of all the group companies are same i.e. June 30, using consistent accounting policies.

The assets and liabilities of the subsidiary have been consolidated on a line by line basis and the carrying value of investments held by the holding company is eliminated against the subsidiary's share capital and pre-acquisition reserves in the interim financial statements. Material intra group balances and transactions are eliminated.

A change in the ownership interest of the subsidiary, without a change of control, is accounted for as an equity transaction.

Subsidiary companies are consolidated from the date on which more than 50% voting rights are transferred to the holding company or power to govern the financial and operating policies of the subsidiary is established and is excluded from consolidation from the date of disposal for cessation of control.

Non-Controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the holding company.

**The Group Consists of:**

Indus Dyeing & Manufacturing Co. Limited ( the holding Company )

Indus Lyallpur Ltd. ( formerly MIMA Cotton Mills Limited ) -

Sunrays Textile Mills Limited (associate) - 0.9950%

Indus Home Limited (joint Venture) - 49.9900%

This condensed un-audited interim consolidated financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the published standalone annual financial statements of the company of the year ended June 30, 2012. The accounting policies and methods of computation followed in the preparation of this condensed interim consolidated financial information are the same as those used for the published standalone annual financial statements for the year ended June 30, 2012.

In preparing this condensed interim consolidated financial information, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to published standalone financial statements as at and for the year ended June 30, 2012.

#### **5. 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, 2012.

#### **6. 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, 2012.

## **7. 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.

## **8. WORKERS' WEFARE FUND**

An amount of Rs. 102.914 million has been provisioned against a demand raised under the Workers' Welfare Fund Ordinance, 1971, ( the "Ordinance" ) for the period from June 2011 and 2012 Rs. 71.269 million and for the third quarter March 2013 Rs. 31.645 million. This demand is under challenge by the Company in departmental proceedings. Moreover, the Company has also challenged, *inter alia*, certain ammendments made to the Ordinance through the Finance Act 2006, and the Finance Act, 2008 ( which significantly alter the company's liability with regards to the levy ) through a petition before the High Court of Sindh. Following an adverse finding at the High Court, a petition for leave to appeal has been preferred by the Company before the Supreme Court of Pakistan. The Company has been advised that it has a reasonable case however that there is no certainty in litigation. Therefore, the disputed amount has been provisioned for.

March 31, 2013 (Unaudited)	June 30, 2012 (Audited)
----------------------------------	-------------------------------

-----Rupees in '000'-----

**9. CONTINGENCIES AND COMMITMENTS**

9.1.2	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>
9.1.3	Guarantees issued by banks on behalf of the Company	<u>145,100</u>	<u>116,100</u>
<b>9.2 Commitments</b>			
	Letters of credit for raw material	<u>1,071,829</u>	<u>1,494,390</u>
	Letters of credit for stores and spares	<u>65,745</u>	<u>20,585</u>
	Letters of credit for property, plant and equipment	<u>698,092</u>	<u>153,470</u>
	Civil work contracts	<u>133,531</u>	<u>17,532</u>
	US dollar forward contracts	<u>-</u>	<u>385,900</u>

**10. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT**

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

	March 31, 2013		March 31, 2012	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
	< - - - - - Rupees in '000' - - - - - >			
<b>Assets</b>				
Office building	18,686	-	32,001	-
Factory building	5,743	-	55,469	-
Plant and machinery	746,379	(2,572)	1,270,568	(2,765)
Electric installations	-	-	452	-
Power generator	21,900	-	62,694	(935)
Factory equipment	-	-	-	(188)
Office equipment	-	(0.45)	-	(284)
Furniture and fixtures	6,050	(41)	-	(69)
Vehicles	66,257	(1,122)	41,709	(2,725)
Plant and machinery - leased	-	-	-	(21,547)
	865,015	(3,735)	1,462,893	(28,513)



**March 31,      June 30,**  
**2013              2012**  
**(Unaudited)    (Audited)**  
**-----Rupees in '000'-----**

**11. LONG TERM INVESTMENTS**

Investment in a joint venture	11.1	1,339,641	1,312,655
Investment in an associate	11.2	19,487	403,608

**11.1 Investment in a joint venture**

Cost		750,000	750,000
Opening		562,655	464,517
Share of profit from joint venture		26,986	98,138
		589,641	562,655
		<b>1,339,641</b>	<b>1,312,655</b>
Ownership interest		49.9900%	49.9900%

**11.2 Investment in an associate**

Cost		42,382	42,382
Opening		361,226	256,235
Dividend received		(16,953)	(5,086)
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.		1,286	1,348
Share of profit from associate		84,284	108,729
		429,843	361,226
Specie dividend		(452,738)	-
		<b>19,487</b>	<b>403,608</b>
Number of shares held		68,654	1,695,290
Cost of investment ( in "000" )		13,476	42,382
Ownership interest		0.9950%	24.5694%
Market value ( in "000" )		17,849	54,249

The Company distributed specie dividend of 1,626,636 ordinary shares of Sun Rays Textile Mills Limited ( SUTM, the ' associated company ) having face value of Rs. 10/= each, out of 1,695,290 ordinary shares, to the share holders of Indus Dyeing & Manufacturing Company Limited ( IDYM ) in the ratio of 100:09 i.e, for every 100 shares of Indus Dyeing & Manufacturing Company shareholders got 09 shares of Sunrays Textile Mills Limited.

	Note	Third quarter ended		Quarter ended	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
<b>12. COST OF GOODS SOLD</b>		-----Rupees in '000'-----			
Raw material consumed	12.1	9,915,231	7,875,686	3,341,319	2,560,455
Manufacturing expenses		2,295,209	1,602,734	822,576	580,241
Outside purchase-yarn		4,144	46,587	1,670	3,543
		12,214,584	9,525,007	4,165,565	3,144,239
Work in process					
Opening stock		213,916	250,719	243,123	217,884
Closing stock		(202,088)	(215,572)	(202,088)	(215,572)
		11,828	35,147	41,035	2,312
Cost of goods manufactured		12,226,412	9,560,154	4,206,600	3,146,551
Finished Goods					
Opening stock		334,928	306,960	261,846	258,517
Closing stock		(346,044)	(258,140)	(346,044)	(258,140)
		(11,116)	48,820	(84,198)	377
		12,215,296	9,608,974	4,122,402	3,146,928
<b>12.1 Manufacturing expenses</b>					
Salaries, wages and benefits		589,396	416,832	206,204	132,943
Fuel, water and power		758,895	533,678	276,173	210,763
Stores and spares consumed		298,525	210,991	111,725	72,872
Packing material consumed		209,012	160,728	67,596	50,778
Insurance		19,020	13,055	6,393	6,058
Repairs and maintenance		22,019	14,709	9,649	5,305
Rent, rate and taxes		1,677	1,820	566	747
Depreciation		333,926	237,363	115,682	98,061
Others		62,739	13,558	28,588	2,714
		2,295,209	1,602,734	822,576	580,241

### 13. AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited), joint venture (Indus Home Limited) and entities where directors are common (Riaz Cotton Factory, Silver Seeds, MB Industries, Gailawala Cotton Company, Indus Heartland Limited, Lyallpur Properties) and 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 2013	Unaudited March 31 2012
	-----Rupees in '000'-----	
<b>13.1 Transactions during the period</b>		
<b>Relationship with Company</b>		
<b>Associate</b>		
Sale of yarn	-	6,546
Purchases of yarn	114	30,464
Payments made on behalf of associate	47,311	32,972
Payments made by associate on behalf of the Company	36,301	30,413
<b>Joint venture</b>		
Sale of yarn	184,827	305,532
Conversion cost	10	-
Purchases of raw cotton	1,208	-
Purchases of machinery	4,000	-
Payments made on behalf of joint venture	6,663	84
Payments made by joint venture on behalf of the Company	178,028	4,927
<b>Key management personnel</b>		
Short term borrowing repaid	112,520	66,044
Short term borrowing received	109,294	52,453
Remuneration paid	33,480	14,400
<b>Other related parties</b>		
Expenses paid on behalf of entities where directors are common	248	251
Expenses adjusted / reimbursed	1,979	1,599

	<b>March 31 2013 (Unaudited)</b>	<b>June 30, 2012 (Audited)</b>
	-----Rupees in '000'-----	
<b>13.2 Balances with related parties</b>		
Associate - Payable	406	11,302
Joint Venture - receivable	9,710	10,237
Other related parties		
- Receivable	11	1,741
- Payable	2,636	1,383

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

**15. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

In respect of the current period, the directors proposed to pay interim cash dividend of Rs. 18,074 million @ Rs. 10/= per ordinary share of Rs. 10/= each. The proposed dividend has not been included as a liability in these financial statements.

**16. DATE OF AUTHORISATION FOR ISSUE**

This condensed interim financial information was authorised for issue on 30th April, 2013 by the Board of Directors of the Company.

**17. GENERAL**

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

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**