



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**Condensed Interim Financial Information
July 01, 2015 to March 31, 2016
(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 | |
| Group Chief financial officer | Mr. Mohammad Adil Ashraf | |
| 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 Deloitte Yousuf Adil Chartered Accountants | |
| Registrar & Share Transfer Office | JWAFFS Registrar (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 THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2016

The Board of Directors is pleased to present the un-audited financial statements of Company for the quarter ended March 31, 2016.

OPERATING RESULTS

Consolidated turnover for the quarter ended March 31, 2016 was Rs 18,422 million as against Rs 21,169 million for the similar period last year while the consolidated net profit was Rs. 263 million as compared to Rs. 579 million last year. The profitability is mainly affected due to the prevailing global recession in general, and spinning sector in particular. Further the decline in the output of the local cotton crop worsen the situation because the majority of manufacturers had to rely over imports which increases the overall cost of raw material including the financial cost. However, the reduction in interest rates and energy prices from last year has give some support to the results.

The summary of operating results is as follows:

| | Nine months ended March 31, 2016 Rupees (million) | Nine months ended March 31, 2015 Rupees (million) |
|-----------------------|--|--|
| Sales | 18,422 | 21,169 |
| Gross Profit | 1,362 | 2,157 |
| Expenses | 1,020 | 1,457 |
| Profit after taxation | 263 | 579 |

EARNINGS PER SHARE

Earnings per share of the Company were Rs 14.59 as compared to Rs. 32.08 per share for the similar period last year.

FUTURE PROSPECT

The business environment for spinning sector is expected to remain same for the remaining part of the year. However, the home textiles division of the group is foreseen to be elevated both in terms of market reach and prices. Your management will present the detail business analysis in our next communication to you through our Annual report.

Karachi:
29th April 2016

On Behalf of the Board



SHAHZAD AHMED
Chief Executive Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED

| UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016 | March 31, 2016 (Unaudited) | June 30, 2015 (Audited) |
|--|----------------------------------|-------------------------------|
| Notes |Rupees in '000' | |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves | | |
| Authorised | 450,000 | 450,000 |
| 45,000,000 ordinary shares of Rs. 10 each | | |
| Issued, subscribed and paid up | 180,737 | 180,737 |
| 18,073,732 ordinary shares of Rs. 10 each | | |
| Reserves | 5,022,432 | 5,022,432 |
| Unappropriate profit | 4,074,319 | 4,127,696 |
| | 9,277,488 | 9,330,865 |
| Non-current liabilities | | |
| Long-term financing | 1,114,263 | 1,234,038 |
| Deferred liabilities | 252,105 | 167,128 |
| | 1,366,368 | 1,401,166 |
| Current liabilities | | |
| Trade and other payables | 1,178,667 | 979,963 |
| Interest / mark-up payable | 48,645 | 54,888 |
| Short-term borrowings | 3,305,637 | 3,234,465 |
| Current portion of long-term financing | 603,253 | 665,756 |
| | 5,136,202 | 4,935,072 |
| | 15,780,058 | 15,667,103 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 5 6,368,161 | 6,335,837 |
| Long-term investments | 6 3,689,930 | 3,689,930 |
| Long-term deposits | 4,105 | 4,105 |
| | 10,062,196 | 10,029,872 |
| Current assets | | |
| Stores, spares and loose tools | 233,011 | 227,362 |
| Stock-in-trade | 3,752,160 | 3,580,278 |
| Trade debts | 886,808 | 1,193,858 |
| Loans and advances | 113,997 | 276,015 |
| Trade deposits and short-term prepayments | 30,147 | 9,322 |
| Other receivables | 30,303 | 15,523 |
| Other financial assets | 306,737 | 167,943 |
| Tax refundable | 297,469 | 113,289 |
| Cash and bank balances | 67,230 | 53,641 |
| | 5,717,862 | 5,637,231 |
| | 15,780,058 | 15,667,103 |

The annexed notes 1 to 12 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 THIRD QUARTER ENDED MARCH 31, 2016**

| | Notes | Nine months period ended | | Quarter ended | |
|--|-------|---------------------------|-------------------|-------------------|-------------------|
| | | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | |Rupees in '000'..... | | | |
| Sales - net | | 13,501,535 | 16,115,664 | 4,571,871 | 5,086,593 |
| Cost of goods sold | 7 | (12,727,746) | (14,531,197) | (4,322,491) | (4,682,436) |
| Gross profit | | 773,789 | 1,584,467 | 249,380 | 404,157 |
| Other income | | 4,623 | 5,234 | 1,590 | 1,147 |
| | | 778,412 | 1,589,701 | 250,970 | 405,304 |
| Distribution cost | | (271,249) | (372,522) | (82,416) | (97,996) |
| Administrative expenses | | (173,845) | (168,219) | (58,954) | (56,213) |
| Other operating expenses | | (24,660) | (132,084) | 284 | (12,353) |
| Finance cost | | (208,218) | (318,041) | (77,452) | (122,461) |
| Profit before taxation | | 100,440 | 598,835 | 32,432 | 116,281 |
| Taxation | 8 | (153,817) | (123,854) | (20,934) | (23,105) |
| (Loss) / profit after taxation | | (53,377) | 474,981 | 11,498 | 93,176 |
| Earnings per share - Basic and diluted | | (2.95) | 26.28 | 0.64 | 5.16 |

The annexed notes 1 to 12 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 THIRD QUARTER ENDED MARCH 31, 2016

| | <u>Nine months period ended</u> | | <u>Quarter ended</u> | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | <u>March 31,</u> <u>2016</u> | <u>March 31,</u> <u>2015</u> | <u>March 31,</u> <u>2016</u> | <u>March 31,</u> <u>2015</u> |
| |Rupees in '000'..... | | | |
| (Loss) / profit after taxation | (53,377) | 474,981 | 11,498 | 93,176 |
| 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 | (53,377) | 474,981 | 11,498 | 93,176 |

The annexed notes 1 to 12 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 THIRD QUARTER ENDED MARCH 31, 2016

| | Reserve | | | | | |
|---|---|------------------|-------------------|--------------------|--------------------------|-----------|
| | Capital | | | Revenue | | |
| | Issued, subscribed and paid up Capital | Share Premium | Merger Reserve | General Reserve | Unappropriated Profit | Total |
|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 nine months period ended March 31, 2015 | - | - | - | - | 474,981 | 474,981 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | - | - | - | - | 474,981 | 474,981 |
| Transaction with owners: | | | | | | |
| interim cash dividend for the period ended September 30, 2014 @ Rs. 5 per share | - | - | - | - | (90,369) | (90,369) |
| interim cash dividend for the period ended December 31, 2014 @ Rs. 10 per share | - | - | - | - | (180,737) | (180,737) |
| Balance at March 31, 2015 (unaudited) | 180,737 | 10,920 | 11,512 | 5,000,000 | 4,325,960 | 9,529,129 |
| 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 nine months period ended March 31, 2016 | - | - | - | - | (53,377) | (53,377) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss | - | - | - | - | (53,377) | (53,377) |
| Balance at March 31, 2016 (unaudited) | 180,737 | 10,920 | 11,512 | 5,000,000 | 4,074,319 | 9,277,488 |

The annexed notes 1 to 12 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 THIRD QUARTER ENDED MARCH 31, 2016

| | Nine months period ended | |
|---|---------------------------|--------------------|
| | March 31, 2016 | March 31, 2015 |
| |Rupees in '000'..... | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 100,440 | 598,835 |
| Adjustments for non-cash items: | | |
| Depreciation of property, plant and equipment | 446,503 | 441,510 |
| Provision for gratuity | 52,630 | 47,200 |
| Unrealised loss on revaluation of foreign currency loans | 11,086 | - |
| Gain on disposal of property, plant and equipment | 1,600 | (350) |
| Unrealised loss / (gain) on revaluation of other financial assets | 3,187 | 633 |
| Finance cost | 208,218 | 318,041 |
| Dividend income | (1,024) | (1,010) |
| Operating profit before working capital changes | 822,640 | 1,404,859 |
| Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (5,649) | (43,241) |
| Stock in trade | (171,882) | (1,583,661) |
| Trade debts | 307,050 | 715,708 |
| Loans and advances | (22,672) | (56,317) |
| Trade deposits and short-term prepayments | (20,825) | (25,182) |
| Other receivables | (14,780) | 13,495 |
| Other financial assets | (141,981) | 10,439 |
| Tax refundable | (184,180) | 107,383 |
| | (254,919) | (861,376) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 371,795 | 531,163 |
| Cash generated from / (used) in operations | 939,516 | 1,074,646 |
| Income taxes paid | (90,307) | (118,687) |
| Finance cost paid | (214,460) | (347,708) |
| Gratuity paid | (30,652) | (21,434) |
| Net cash generated from / (used) in operating activities | 604,097 | 586,817 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments made for acquisition of property, plant and equipment | (489,481) | (639,748) |
| Proceeds from disposal of property, plant and equipment | 9,057 | 4,679 |
| Investment in subsidiary | - | (100,000) |
| Dividend received | 1,024 | 1,010 |
| Net cash used in investing activities | (479,400) | (734,059) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long-term financing obtained | 343,836 | 240,318 |
| Repayment of long-term financing | (526,116) | (813,474) |
| Dividend paid | - | (91,103) |
| Net cash used in financing activities | (182,280) | (664,259) |
| Net increase / (decrease) in cash and cash equivalent | (57,583) | (811,501) |
| Cash and cash equivalent at beginning of the period | (3,180,824) | (3,217,627) |
| Cash and cash equivalent at end of the period | (3,238,407) | (4,029,128) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 67,230 | 61,263 |
| Short-term running finance | (3,305,637) | (4,090,391) |
| | (3,238,407) | (4,029,128) |

The annexed notes 1 to 12 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 THIRD QUARTER ENDED MARCH 31, 2016

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 the Pakistan Stock Exchange. 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
- Sunrays Textile Mills Limited Associated undertaking

2. STATEMENT OF COMPLIANCE

- 2.1** This unconsolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail. The disclosures in this condensed interim financial information, however, have been limited to the extent of requirements stated in International Accounting Standard (IAS) 34 'Interim Financial Reporting.
- 2.2** This unconsolidated condensed interim financial information is unaudited and in accordance with the requirements of rule 5.19.13(b) of rule book of Pakistan Stock Exchange Limited 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 certain 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 interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity presented in this condensed interim financial information have been extracted from the unaudited unconsolidated condensed interim financial information for the third quarter ended March 31, 2015.

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 annual audited financial statements for the year ended June 30, 2015.
- 3.3** Certain new International Financial Reporting Standards (IFRSs) and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2015, which does not have any impact on this condensed interim financial information except for IFRS 13 "Fair Value Measurement", which results in certain additional disclosures.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 10.

4 CONTINGENCIES AND COMMITMENTS

| 4.1 Contingencies | March 31, 2016 (Unaudited) | June 30, 2015 (Audited) |
|--|---|--|
| |Rupees in '000'..... | |
| 4.1.1 Claim of arrears of social security contribution not acknowledged. Appeal is pending in the Honorable High Court of Sindh. The management is hopeful for favorable outcome. | <u>453</u> | <u>453</u> |
| 4.1.2 Guarantees issued by banks on behalf of the Company | <u>44,010</u> | <u>44,010</u> |
| 4.1.3 Guarantees issued by banks in favour of gas distribution companies | <u>19,306</u> | <u>19,306</u> |
| 4.1.4 Bank guarantees against payment of infrastructure cess | <u>180,042</u> | <u>144,042</u> |
| 4.2 Commitments | | |
| Letters of credit for raw material and stores and spares | <u>2,281,493</u> | <u>921,943</u> |
| Letters of credit for plant and equipment | <u>233,456</u> | <u>83,378</u> |
| Civil work contracts | <u>15,000</u> | <u>21,980</u> |

5 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

| |(Un-audited)..... | | | |
|--------------------------|---------------------------|-------------------------------|--------------------------|-------------------------------|
| | March 31, 2016 | | March 31, 2015 | |
| | Additions / Transfers | Disposal at Carrying value | Additions / Transfers | Disposal at Carrying value |
| |Rupees in '000'..... | | | |
| Assets | | | | |
| Factory building | 60,755 | - | 40,293 | - |
| Non-factory building | - | - | 58,998 | - |
| Plant and machinery | 352,378 | (3,110) | 509,017 | (2,222) |
| Power generator | 7,000 | - | 39,429 | - |
| Electric installation | 17,396 | - | - | - |
| Office equipment | 212 | - | 103 | - |
| Furniture and fixtures | 905 | - | 167 | - |
| Vehicles | 17,135 | (7,547) | 14,333 | (1,697) |
| Capital work in progress | 99,325 | - | 61,700 | - |
| | <u>555,106</u> | <u>(10,657)</u> | <u>724,040</u> | <u>(3,919)</u> |

| | Note | March 31, 2016 (Unaudited) | June 30, 2015 (Audited) |
|--------------------------------------|-------------|---|--|
| | |Rupees in '000'..... | |
| 6 LONG TERM INVESTMENTS | | | |
| Investment in an associate - at cost | | <u>13,476</u> | <u>13,476</u> |
| Investment in subsidiaries - at cost | 6.1 | <u>3,676,454</u> | <u>3,676,454</u> |
| | | <u>3,689,930</u> | <u>3,689,930</u> |
| 6.1 Subsidiaries - at cost | | | |
| Indus Home Limited (IHL) | | <u>2,491,204</u> | <u>2,491,204</u> |
| Indus Lyallpur Limited (ILP) | | <u>1,185,000</u> | <u>1,185,000</u> |
| Indus Wind Energy Limited (IWE) | | <u>250</u> | <u>250</u> |
| | | <u>3,676,454</u> | <u>3,676,454</u> |

INDUS DYEING & MANUFACTURING COMPANY LIMITED

| | |(Un-audited)..... | | | |
|------------|-------------------------------|---------------------------|-------------------|-------------------|-------------------|
| | | Nine months period ended | | Quarter ended | |
| | | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| | |Rupees in '000'..... | | | |
| 7 | COST OF GOODS SOLD | Note | | | |
| | Raw material consumed | 9,568,515 | 10,444,485 | 3,274,180 | 3,218,454 |
| | Manufacturing expenses 7.1 | 2,844,459 | 2,919,904 | 952,471 | 962,087 |
| | Outside purchases | 136,179 | 938,862 | 21,437 | 404,833 |
| | | 12,549,153 | 14,303,251 | 4,248,088 | 4,585,374 |
| | Work in process | | | | |
| | Opening stock | 243,052 | 309,978 | 237,726 | 291,343 |
| | Closing stock | (232,024) | (276,165) | (232,024) | (276,165) |
| | | 11,028 | 33,813 | 5,702 | 15,178 |
| | Cost of goods manufactured | 12,560,181 | 14,337,064 | 4,253,790 | 4,600,552 |
| | Finished Goods | | | | |
| | Opening stock | 442,438 | 469,806 | 343,574 | 357,557 |
| | Closing stock | (274,873) | (275,673) | (274,873) | (275,673) |
| | | 167,565 | 194,133 | 68,701 | 81,884 |
| | | 12,727,746 | 14,531,197 | 4,322,491 | 4,682,436 |
| 7.1 | Manufacturing expenses | | | | |
| | Salaries, wages and benefits | 788,556 | 740,709 | 279,870 | 245,518 |
| | Fuel, water and power | 1,089,563 | 1,168,880 | 331,253 | 383,380 |
| | Stores and spares consumed | 246,893 | 256,972 | 95,862 | 77,632 |
| | Packing material consumed | 232,674 | 261,025 | 76,120 | 83,546 |
| | Insurance | 19,721 | 34,497 | 8,858 | 14,932 |
| | Repairs and maintenance | 26,287 | 25,512 | 11,387 | 8,370 |
| | Rent, rate and taxes | 2,211 | 1,905 | 726 | 413 |
| | Depreciation | 424,695 | 418,256 | 144,219 | 144,662 |
| | Others | 13,859 | 12,148 | 4,176 | 3,634 |
| | | 2,844,459 | 2,919,904 | 952,471 | 962,087 |
| 8 | TAXATION | | | | |

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

The charge for deferred tax is based on net taxable temporary difference exist at period end for local operations. It is likely that the income of the Company will be taxable based on turnover tax and under final tax regime in future. Hence, deferred tax is booked to the extent of local operations.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

9 AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries [(Indus Wind Energy Limited), (Indus Lyallpur Limited), (Indus Home Limited) and (Indus Home US Inc.)], 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: -

| | | <u>Nine months period ended</u> | |
|------------|--|---|---|
| | | <u>March 31,</u> <u>2016</u> <u>(Unaudited)</u> <u>.....Rupees in '000'.....</u> | <u>March 31,</u> <u>2015</u> <u>(Unaudited)</u> <u>.....Rupees in '000'.....</u> |
| 9.1 | Transactions during the period | | |
| | Relationship with Company | | |
| | Nature of transaction | | |
| | Subsidiaries | | |
| | Sale of fiber and yarn | 307,273 | 526,748 |
| | Sale of machinery / vehicle | - | 1,000 |
| | Purchase of yarn | 103,710 | 798,429 |
| | Purchase of generator | 7,000 | 6,268 |
| | Paid manufacturing cost | 102,690 | - |
| | Received manufacturing cost | 76,582 | - |
| | Payment for subscription of right shares | - | 100,000 |
| | Key management personnel | | |
| | Remuneration paid | 24,198 | 18,600 |
| | | <u>March 31,</u> <u>2016</u> <u>(Unaudited)</u> <u>.....Rupees in '000'.....</u> | <u>March 31,</u> <u>2015</u> <u>(Audited)</u> <u>.....Rupees in '000'.....</u> |
| 9.2 | Balances with related parties | | |
| | Subsidiaries | | |
| | Trade debts | 40,047 | 235,922 |
| | Associate | | |
| | Trade and other payables | 1,664 | 374 |
| | Other related parties | | |
| | Trade and other payables | 1,253 | 3,170 |

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either 'directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Fund's financial assets which are carried at fair value:

INDUS DYEING & MANUFACTURING COMPANY LIMITED

| | As at March 31, 2016 | | | Total |
|---------------------------|---------------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| |Rupees in '000'..... | | | |
| Assets | | | | |
| Investments in securities | | | | |
| - at fair value | | | | |
| through profit or loss | 306,737 | - | - | 306,737 |

| | As at March 31, 2015 | | | Total |
|---|---------------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | |
| |Rupees in '000'..... | | | |
| Assets | | | | |
| Investments in securities - at fair value | | | | |
| through profit or loss | 167,943 | - | - | 167,943 |

11 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on 29th April 2016 by the Board of Directors of the Company.

12 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 March 31, 2016
(Un - audited)**

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016

March 31,
2016
(Unaudited) June 30,
2015
(Audited)

| EQUITY AND LIABILITIES | 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 | | 180,737 | 180,737 |
| Exchange translation reserve | | | |
| Reserves | | 5,022,957 | 5,022,675 |
| Unappropriated profit | | 5,734,747 | 5,470,799 |
| | | 10,938,441 | 10,674,211 |
| NON CURRENT LIABILITIES | | | |
| Long-term financing | | 1,296,355 | 1,577,187 |
| Deferred liabilities | | 360,044 | 266,665 |
| | | 1,656,399 | 1,843,852 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,322,442 | 1,482,076 |
| Interest / mark-up payable | | 59,759 | 70,066 |
| Short-term borrowings | | 4,311,587 | 4,618,149 |
| Current portion of: | | | |
| long-term financing | | 633,154 | 703,466 |
| | | 7,326,942 | 6,873,757 |
| CONTINGENCIES AND COMMITMENTS | 6 | 19,921,782 | 19,391,820 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 10,908,635 | 11,084,138 |
| Intangible assets | | 5,129 | 6,619 |
| Long-term investments | 8 | 21,710 | 21,278 |
| Long-term deposits | | 14,756 | 15,338 |
| | | 10,950,230 | 11,127,373 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 535,258 | 615,525 |
| Stock-in-trade | | 5,586,468 | 5,313,432 |
| Trade debts | | 1,652,433 | 1,352,881 |
| Loans and advances | | 153,293 | 302,821 |
| Trade deposits and short-term prepayments | | 35,378 | 10,327 |
| Other receivables | | 99,217 | 95,600 |
| Other financial assets | | 310,702 | 169,593 |
| Tax refundable | | 497,651 | 308,717 |
| Cash and bank balances | | 101,152 | 95,551 |
| | | 8,971,552 | 8,264,447 |
| | | 19,921,782 | 19,391,820 |

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2016**

| | Notes | Nine months period ended | | Quarter ended | |
|--|-------|---------------------------|--------------|---------------------------|-------------|
| | | March 31, | | March 31, | |
| | | 2016 (July - March) | 2015 | 2016 (Jan - Mar) | 2015 |
| | |Rupees in '000'..... | |Rupees in '000'..... | |
| Sales | | 18,422,352 | 21,169,544 | 6,342,432 | 6,459,243 |
| Cost of goods sold | 9 | (17,060,286) | (19,012,515) | (5,821,927) | (5,863,293) |
| Gross profit | | 1,362,066 | 2,157,029 | 520,505 | 595,950 |
| Other operating income | | 114,309 | 42,895 | 10,741 | 21,805 |
| | | 1,476,375 | 2,199,924 | 531,246 | 617,755 |
| Distribution cost | | (424,790) | (602,223) | (94,705) | (185,197) |
| Administrative expenses | | (282,514) | (264,362) | (97,168) | (90,343) |
| Other operating expenses | | (50,729) | (165,951) | (15,778) | (34,688) |
| Financial cost | | (262,291) | (424,328) | (90,039) | (151,582) |
| | | (1,020,324) | (1,456,864) | (297,690) | (461,810) |
| Share of profit from associate | 8.1 | 432 | 1,240 | 13 | 418 |
| Profit before taxation | | 456,483 | 744,300 | 233,569 | 156,363 |
| Taxation | 10 | (192,751) | (164,450) | (36,654) | (35,340) |
| Profit after taxation | | 263,732 | 579,850 | 196,915 | 121,023 |
| Earnings per share - Basic and diluted | | 14.59 | 32.08 | 10.89 | 6.70 |

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2016

| | Nine months period ended | | Quarter ended | |
|--|--------------------------|-------------------|-------------------|-------------------|
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
|Rupees in '000'..... | | | | |
| Profit after taxation | 263,732 | 579,850 | 196,915 | 121,023 |
| Other comprehensive income | | | | |
| Items that may be reclassified subsequently to profit and loss account | | | | |
| Exchange gain/(loss) on translation of foreign subsidiary | 282 | - | (303) | - |
| Items that will not be reclassified subsequently to profit and loss account | | | | |
| | - | - | - | - |
| Total comprehensive income for the period | 264,014 | 579,850 | 196,612 | 121,023 |

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED MARCH 31, 2016

| | Reserves | | | | | | Total |
|---|---|------------------|-------------------|------------------------------------|--------------------|--------------------------|-------------------|
| | Issued, subscribed and paid up Capital | Capital | | Revenue | | | |
| | | Share premium | Merger reserve | Exchange translation reserve | General reserve | Unappropriated profit | |
| Balance at June 30, 2014 (audited) | 180,737 | 10,920 | 11,512 | (32) | 5,000,000 | 5,443,438 | 10,646,575 |

Comprehensive income for the year;

| | Issued, subscribed and paid up Capital | Share premium | Merger reserve | Exchange translation reserve | General reserve | Unappropriated profit | Total |
|---|---|------------------|-------------------|------------------------------------|--------------------|--------------------------|---------|
| Profit for the nine months period ended March 31, 2015 | - | - | - | - | - | 579,850 | 579,850 |
| Exchange gain on translation of foreign subsidiary | - | - | - | 289 | - | - | 289 |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | 289 | - | 579,850 | 580,139 |
| Associate's share of surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax | - | - | - | - | - | 240 | 240 |

Transactions with owners recorded

directly in equity:

| | | | | | | | |
|---|---|---|---|---|---|-----------|-----------|
| interim cash dividend for the period ended September 30, 2014 @ Rs. 5 per share | - | - | - | - | - | (90,369) | (90,369) |
| interim cash dividend for the period ended December 31, 2014 @ Rs. 10 per share | - | - | - | - | - | (180,737) | (180,737) |

| | | | | | | | |
|--|----------------|---------------|---------------|------------|------------------|------------------|-------------------|
| Balance at March 31, 2015 (unaudited) | <u>180,737</u> | <u>10,920</u> | <u>11,512</u> | <u>257</u> | <u>5,000,000</u> | <u>5,752,422</u> | <u>10,955,848</u> |
|--|----------------|---------------|---------------|------------|------------------|------------------|-------------------|

| | | | | | | | |
|---|----------------|---------------|---------------|------------|------------------|------------------|-------------------|
| Balance at June 30, 2015 (audited) | 180,737 | 10,920 | 11,512 | 243 | 5,000,000 | 5,470,799 | 10,674,211 |
|---|----------------|---------------|---------------|------------|------------------|------------------|-------------------|

Comprehensive income for the nine months period

| | Issued, subscribed and paid up Capital | Share premium | Merger reserve | Exchange translation reserve | General reserve | Unappropriated profit | Total |
|---|---|------------------|-------------------|------------------------------------|--------------------|--------------------------|-------------------|
| Profit for the nine months period ended March 31, 2016 | - | - | - | - | - | 263,732 | 263,732 |
| Exchange loss on translation of foreign subsidiary | - | - | - | 282 | - | - | 282 |
| Other comprehensive income for the period | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 282 | - | 263,732 | 264,014 |
| Associate's share of surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax | - | - | - | - | - | 216 | 216 |
| Balance at March 31, 2016 | <u>180,737</u> | <u>10,920</u> | <u>11,512</u> | <u>525</u> | <u>5,000,000</u> | <u>5,734,747</u> | <u>10,938,441</u> |

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


SHAHZAD AHMED
Chief Executive

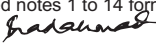

NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2016

| | Nine months period ended | |
|--|---------------------------|--------------------|
| | March 31, 2016 | March 31, 2015 |
| |Rupees in '000'..... | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 456,483 | 744,300 |
| Adjustments for: | | |
| Depreciation and Amortization | 792,698 | 723,215 |
| Provision for gratuity | 105,714 | 89,266 |
| Share of profit from associate | (432) | (1,240) |
| Unrealised gain on revaluation of foreign currency loans | (2,316) | 16,731 |
| Exchange gain on revaluation of foreign subsidiary | 282 | 257 |
| Loss / (gain) on disposal of property, plant and equipment | 1,091 | (1,741) |
| Loss on revaluation/ disposal of other financial assets | 3,187 | 633 |
| Finance cost | 262,291 | 424,328 |
| Dividend income | (1,024) | (1,010) |
| Operating profit before working capital changes | 1,617,974 | 1,994,739 |
| Working capital changes (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | 80,267 | 24,007 |
| Stock in trade | (273,036) | (1,602,557) |
| Trade debts | (299,552) | 821,273 |
| Loans and advances | (45,660) | (115,900) |
| Trade deposits and short-term prepayments | (25,051) | (53,190) |
| Other receivables | (3,617) | (18,292) |
| Other financial assets | (141,109) | 27,803 |
| Tax refundable | (188,934) | 152,814 |
| Increase in current liabilities | | |
| Trade and other payables | 1,039,985 | 441,173 |
| | 143,293 | (322,869) |
| Cash used in operations | 1,761,267 | 1,671,870 |
| Income taxes paid | (130,094) | (174,163) |
| Finance cost paid | (272,598) | (468,914) |
| Gratuity paid | (56,115) | (32,052) |
| Net cash generated from / (used in) operating activities | 1,302,460 | 996,741 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments made for purchase of items property, plant and equipment | (638,785) | (980,026) |
| Proceeds on disposal of property, plant and equipment | 17,588 | 12,094 |
| Proceeds on disposal of other financial assets | (19,561) | - |
| Payments made for purchase of other financial assets | - | - |
| Long-term deposits | 582 | (613) |
| Dividend received | 1,024 | 1,010 |
| Net cash used in investing activities | (639,152) | (967,535) |
| Long-term financing obtained | 343,836 | 498,850 |
| Repayment of long-term financing | (694,981) | (1,230,500) |
| Dividend paid | - | (91,103) |
| Net cash used in financing activities | (351,145) | (822,753) |
| Net increase / (decrease) in cash and cash equivalents | 312,163 | (793,547) |
| Cash and cash equivalents at beginning of the period | (4,522,598) | (4,926,406) |
| Cash and cash equivalents at end of the period | (4,210,435) | (5,719,953) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 101,152 | 71,634 |
| Short-term running finance | (4,311,587) | (5,791,587) |
| | (4,210,435) | (5,719,953) |

The annexed notes 1 to 14 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 CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2016

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 repealed by the Companies Ordinance, 1984. Registered office of the Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on the Pakistan 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
- Indus Wind Energy Limited - Wholly owned subsidiary
- Indus Home USA Inc. - Wholly owned subsidiary of Indus Home Limited.
- Sun Rays Textile Mills Limited - Associated undertaking

1.2 Subsidiary Companies

1.2.1 Indus Lyallpur Limited - 100% owned

Indus Lyallpur Limited (the Subsidiary Company) is an unlisted public company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984. Principal business of the Subsidiary Company is manufacturing and sale of yarn. Mill is located at 38th kilometer, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the Subsidiary Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company acquired 71,540,000 ordinary shares representing hundred percent of paid up capital of the Subsidiary Company @ 6.85 per share for aggregate consideration of Rs. 490 million on January 31, 2012.

1.2.2 Indus Home Limited - 100% owned

Indus Home Limited (the Subsidiary Company) was incorporated in Pakistan as a public limited Company on May 18, 2006 under the Companies Ordinance 1984. The registered office of the Company is located at 174 Abu Bakar Block, New Garden Town, Lahore. Principal business activities of the Subsidiary Company are to manufacture and export the greige and finished terry cloth and other textile products. The manufacturing facility of the Company is located at Manga Mandi, Lahore. On November 21, 2013, the Holding Company acquired 75 million shares of Indus Home Limited from West Point Pakistan LLC for an aggregate purchase consideration of USD 12 million. As a result of the acquisition, the Holding Company acquired controlling interest in Indus Home Limited by way of 100% ownership.

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 has been established during the 2015. 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 Pakistan Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating a ginning unit 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 it is regarded associate due to common directorship.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

2. BASIS OF CONSOLIDATION

- This consolidated condensed interim financial information include the financial information of the Company and its Subsidiary Companies(refer note 1 above) (here-in-after collectively referred to as 'the Group').
- Subsidiary Companies 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 condensed interim financial information of the Subsidiary Companies are prepared for the same reporting period as of the 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.

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. The disclosures in this condensed interim financial information, however, have been limited to the extent of requirements stated in International Accounting Standard (IAS) 34 'Interim Financial Reporting' .

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

- 4.1** The accounting policies applied 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 consistent with those disclosed in the annual audited consolidated financial statements for the year ended June 30, 2015
- 4.3** Certain new International Financial Reporting Standards (IFRSs) and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2015, which does not have any impact on this condensed interim financial information except for IFRS 13 "Fair Value Measurement", which required certain additional disclosures presented in note 12 to this condensed interim financial information.
- 4.4** IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 12.

5. BASIS OF PREPARATION :

- 5.1** This consolidated 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.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

- 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 consolidated 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 consolidated financial statements for the year ended June 30, 2015, whereas comparative consolidated condensed interim profit and loss account, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity are stated from the unaudited consolidated condensed interim financial information for the third quarter ended March 31, 2015.

| 6 | CONTINGENCIES AND COMMITMENTS | March 31, 2016 (Unaudited) | June 30, 2015 (Audited) |
|-----|---|----------------------------------|-------------------------------|
| 6.1 | Contingencies |Rupees in '000'..... | |
| | 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> |
| | Guarantees issued by banks on behalf of the Group | <u>44,010</u> | <u>44,010</u> |
| | Guarantees issued by banks in favour of gas/electricity distribution companies | <u>46,919</u> | <u>37,586</u> |
| | Bank guarantees in favor of Collector of Customs | <u>7,950</u> | <u>7,950</u> |
| | Bank guarantees against payment of infrastructure cess | <u>193,042</u> | <u>155,042</u> |
| 6.2 | Commitments | | |
| | Letters of credit against plant and equipment, stores and spares and raw cotton purchases | <u>3,227,037</u> | <u>1,084,734</u> |
| | Civil work contracts | <u>15,000</u> | <u>21,980</u> |
| | Foreign currency forward contracts | <u>802,194</u> | <u>510,680</u> |

7. **ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT**
During the period, following additions and disposals were made: -

| |(Un-audited)..... | | | |
|---------------------------------------|---------------------------|-------------------------------|--------------------------|-------------------------------|
| | March 31, 2016 | | March 31, 2015 | |
| | Additions / Transfers | Disposal at Carrying value | Additions / Transfers | Disposal at Carrying value |
| |Rupees in '000'..... | | | |
| Assets | | | | |
| Factory building | 70,992 | - | 66,311 | - |
| Non factory building | - | - | 58,998 | - |
| Plant and machinery | 471,422 | (3,662) | 703,173 | (7,743) |
| Electric installations | 17,396 | - | 17,746 | - |
| Power generator | 38,689 | - | 39,429 | - |
| Office equipment | 347 | - | 337 | (258) |
| Furniture and fixtures | 2,765 | (82) | 752 | - |
| Vehicles | 17,936 | (8,517) | 30,646 | (2,076) |
| Computers | 2,344 | (16) | 8,196 | - |
| Capital work in - progress | <u>238,051</u> | <u>-</u> | <u>279,951</u> | <u>-</u> |
| | <u>859,942</u> | <u>(12,277)</u> | <u>1,205,539</u> | <u>(10,077)</u> |

INDUS DYEING & MANUFACTURING COMPANY LIMITED

| | Note | March 31, 2016 (Unaudited) | June 30, 2015 (Audited) |
|---------------------------------------|------|----------------------------------|-------------------------------|
|Rupees in '000'..... | | | |
| 8. LONG TERM INVESTMENTS | | | |
| Investment in an associate | 8.1 | 21,710 | 21,278 |
| 8.1 Investment in an associate | | | |
| Cost | | 1,716 | 1,716 |
| Opening | | 19,562 | 22,482 |
| Dividend received | | - | (1,366) |
| Share of profit from associate | | 432 | 1,056 |
| Accounting policy adjustment | | - | (2,610) |
| | | 19,994 | 19,562 |
| | | 21,710 | 21,278 |
| Number of shares held | | 68,654 | 68,654 |
| Cost of investment (in Rs. "000") | | 1,716 | 1,716 |
| Ownership interest | | 0.9950% | 0.9950% |
| Market value (in Rs. "000") | | 29,521 | 15,518 |

|(Un-audited)..... | | | | | |
|-----------------------------------|------|--------------------------|-------------------|-------------------|-------------------|
| | | Nine months period ended | | Quarter ended | |
| | | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
|Rupees in '000'..... | | | | | |
| 9. COST OF GOODS SOLD | Note | | | | |
| Raw material consumed | | 11,091,979 | 11,153,796 | 3,827,741 | 3,294,739 |
| Manufacturing expenses | 9.1 | 4,951,565 | 5,125,515 | 1,668,700 | 1,865,041 |
| Outside purchases | | 794,196 | 2,298,254 | 296,575 | 534,864 |
| | | 16,837,740 | 18,577,565 | 5,793,016 | 5,694,644 |
| Work in process | | | | | |
| Opening stock | | 696,608 | 789,693 | 669,265 | 691,179 |
| Closing stock | | (673,937) | (729,459) | (673,937) | (729,459) |
| | | 22,671 | 60,234 | (4,672) | (38,280) |
| Cost of goods manufactured | | 16,860,411 | 18,637,799 | 5,788,344 | 5,656,364 |
| Finished Goods | | | | | |
| Opening stock | | 993,453 | 1,108,755 | 858,655 | 940,968 |
| Closing stock | | (793,578) | (734,039) | (825,072) | (734,039) |
| | | 199,875 | 374,716 | 33,583 | 206,929 |
| | | 17,060,286 | 19,012,515 | 5,821,927 | 5,863,293 |
| 9.1 Manufacturing expenses | | | | | |
| Salaries, wages and benefits | | 1,254,212 | 1,204,594 | 445,408 | 405,317 |
| Fuel, water and power | | 1,834,806 | 1,913,081 | 546,068 | 604,404 |
| Stores and spares consumed | | 618,606 | 724,502 | 245,753 | 421,167 |
| Packing material consumed | | 424,491 | 443,873 | 150,496 | 135,387 |
| Insurance | | 33,581 | 52,523 | 13,894 | 21,132 |
| Repairs and maintenance | | 39,121 | 44,332 | 15,106 | 14,206 |
| Rent, rate and taxes | | 2,211 | 1,905 | 726 | 413 |
| Depreciation | | 756,503 | 752,019 | 257,199 | 258,060 |
| Others | | 38,293 | 42,030 | 12,905 | 21,001 |
| Rebate | | (50,259) | (53,344) | (18,855) | (16,046) |
| | | 4,951,565 | 5,125,515 | 1,668,700 | 1,865,041 |

INDUS DYEING & MANUFACTURING COMPANY LIMITED

10. 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 exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. 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.

The charge for deferred tax is based on net taxable temporary difference exist at period end for local operations. It is likely that the income of the Company will be taxable based on turnover tax and under final tax regime in future. Hence, deferred tax is booked to the extent of local operations

11. AGGREGATE TRANSACTIONS 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, MB Industries (Private) Limited, Gailawala Cotton Company, Indus Heartland Limited, 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: -

| | | Nine months period ended | |
|-------------|---------------------------------------|---|---|
| | | March 31, 2016 (Unaudited) | March 31, 2015 (Unaudited) |
| | |Rupees in '000'..... | |
| 11.1 | Transactions during the period | | |
| | Relationship with Company | | |
| | Nature of transaction | | |
| | Associate | | |
| | Purchase of yarn | 83,798 | 101,975 |
| | Sale of yarn | - | 26,147 |
| | Conversion cost | 34,072 | 3,702 |
| | Key management personnel | | |
| | Remuneration paid | 47,947 | 40,676 |
| 11.2 | Balances with related parties | | |
| | Associate | | |
| | Payable | 10,775 | 7,834 |
| | - Receivable | - | 845 |
| | Directors and spouses | | |
| | - Payable | 1,436 | 14,127 |
| | Other related parties | | |
| | - Payable | 1,253 | - |

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either 'directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Fund's financial assets which are carried at fair value:

| | As at March 31, 2016 | | | |
|----------------------------------|-----------------------------|----------------|----------------|----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| |Rupees in '000'..... | | | |
| Assets | | | | |
| Investments in securities | | | | |
| - at fair value | | | | |
| through profit or loss | 310,702 | - | - | 310,702 |

INDUS DYEING & MANUFACTURING COMPANY LIMITED

| As at March 31, 2015 | | | |
|---------------------------|---------|---------|-------|
| Level 1 | Level 2 | Level 3 | Total |
|Rupees in '000'..... | | | |

Assets

Investments in securities - at fair value

| | | | | |
|------------------------|---------|---|---|---------|
| through profit or loss | 165,593 | - | - | 165,593 |
|------------------------|---------|---|---|---------|

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorised for issue on 29th April 2016 by the Board of Directors of the Company.

14. GENERAL

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

Title Back