

## **Company profile**

### **Board of Directors**

1	Mian Mohammad Ahmed	Chairman
2	Mr. Shahzad Ahmed	Chief Executive
3	Mian Riaz Ahmed	
4	Mr. Naveed Ahmed	
5	Mr. Kashif Riaz	
6	Mr. Irfan Ahmed	
7	Mr. Shafqat Masood	
8	Mr. Shahwaiz Ahmed	
9	Sheikh Nishat Ahmed	
10	Mr. Farooq Hassan	Nominee N.I.T.

### **Audit committee**

1	Sheikh Nishat Ahmed	Chairman
2	Mr. Kashif Riaz	Member
3	Mr. Irfan Ahmed	Member

### **Human resource and remuneration committee**

1	Sheikh Nishat Ahmed	Chairman
2	Mr. Shahwaiz Ahmed	Member
3	Mr. Irfan Ahmed	Member

### **Company secretary**

Mr. Ahmed Faheem Niazi

### **Chief financial officer**

Mr. Arif Abdul Majeed

### **Chief Internal auditor**

Mr. Yaseen Hamidia

### **Legal Advisor**

Mr. M. Yousuf Naseem ( Advocates & Solicitors )

**Registered office**

Office # 508,  
5th floor, Beaumont Plaza,  
Civil Lines Quarters, Karachi.

Tel. 111 - 404 - 404  
Fax. 35693593 - 94

**Symbol of the company**

IDYM

**Website**

[www.indus-group.com/web/download.htm](http://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**

- 1 P 1 S.I.T.E. Hyderabad, Sindh. Tel. 0223 - 880219 & 252
- 2 Plot # 3 & 7, Sector - 25, Korangi Industrial Area, Karachi. Tel. 021- 35061577 - 9
- 3 Muzaffargarh, Bagga Sher, District Multan. Tel. 0662 - 490202 - 205
- 4 Indus Lyallpur Limited. 38th Kilometre, Shaikhupura Road, District Faisalabad. Tel. 041 - 4689235 - 6
- 5 Indus Home Limited. 2.5 Kilometre, Off Manga Raiwind Road, Manga Mandi, Lahore. Tel. 042 - 35385021 - 7  
111 - 404 - 405

**INDUS DYEING AND MANUFACTURING COMPANY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

The Board of directors is pleased to present the un-audited financial statements of the company for the quarter ended September 30, 2014.

**OPERATING RESULTS**

Turnover of the Group for the quarter ended September 30, 2014 was Rs. 7,229 million (including Rs. 1,387 million from the previous joint venture) as against Rs. 5,202 million for the similar period last year.

the profit has reduced owing to the expensive raw material in beginning stock along with the political uncertainty prevail during the period. Resultantly, the net profit of the Group was Rs. 128 million as compared to Rs. 576 million last year.

the summary of operating results is as follows:

	Half year ended September 30, 2014 Rupees (million)	Half year ended September 30, 2013 Rupees (million)
Sales	7,229	5,201
Gross Profit	624	898
Other Operating (loss)/Income	(28)	4
Share of loss from joint venture	-	(33)
Profit after taxation	128	576

**EARNINGS PER SHARE**

Earnings per share of the Group were Rs. 7.09 as compared to Rs. 31.90 per share for the similar period last year.

**BUSINESS OUTLOOK**

Going forward, the business environment is expected to remain challenging given inflationary pressures and depressed market condition. Cotton prices become low as compared to the last year which will help in recovering profits in remaining part of the year.

On Behalf of the Board



**Karachi:**  
**October 31, 2014**

**SHAHZAD AHMED**  
**CHIEF EXECUTIVE**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2014**

Sept 30, June 30,  
2014 2014  
(Unaudited) (Audited)  
Note ----- Rupees in '000' -----

**SHARE CAPITAL AND RESERVES**

Authorised  
45,000,000 ordinary shares  
of Rs. 10 each

450,000 450,000

Issued, subscribed and paid up

18,073,732 ordinary shares  
of Rs. 10 each

180,737 180,737

Reserves

Unappropriated profit

5,022,432 5,022,432  
4,302,470 4,122,085  
9,505,639 9,325,254

**NON-CURRENT LIABILITIES**

Long-term financing

1,828,022 1,854,537

Deferred liabilities

146,982 140,757  
1,975,004 1,995,294

**CURRENT LIABILITIES**

Trade and other payables

1,033,839 1,008,746

Interest / mark-up payable

72,635 91,359

Short-term borrowings

3,409,681 3,261,930

Current portion of :  
long-term financing

263,716 441,715

**CONTINGENCIES AND  
COMMITMENTS**

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16,260,514 16,124,298

The annexed notes from 1 to 15 form an integral part of this unconsolidated condensed interim financial information.

SHAHZAD AHMED  
CHIEF EXECUTIVE

NAVEED AHMED  
DIRECTOR

**NON-CURRENT ASSETS**

Property, plant and equipment

6,118,763 6,186,646

Long-term investments

3,589,680 3,589,680

Long-term deposits

4,105 4,105  
9,712,548 9,780,431

**CURRENT ASSETS**

Stores, spares and loose tools

261,322 214,102

Stock-in-trade

4,230,587 3,911,410

Trade debts

1,353,198 1,525,774

Loans and advances

246,755 264,106

Trade deposits and short-term  
prepayments

38,819 3,813

Other receivables

40,676 29,813

Other financial assets

90,570 144,566

Due from Government

88,580 205,980

Cash and bank balances

197,459 44,303

6,547,966 6,343,867

16,260,514 16,124,298

Sept 30, June 30,  
2014 2014  
(Unaudited) (Audited)  
Note ----- Rupees in '000' -----

INDUS DYEING & MANUFACTURING COMPANY LIMITED  
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

		Three months period ended	
		Sept,30	Sept,30
		2014	2013
Note		Rupees in '000'	
	Sales	5,436,749	4,393,914
	Cost of goods sold	(4,918,598)	(3,584,725)
	Gross profit	518,151	809,189
	Other operating ( loss ) / income	(23,502)	3,550
		494,649	812,739
	Distribution cost	(127,589)	(86,409)
	Administrative expenses	(54,606)	(59,195)
	Other operating expenses	(17,588)	(42,355)
	Financial cost	(58,975)	(64,887)
		(258,758)	(252,846)
	Profit before taxation	235,891	559,893
	Taxation	(55,506)	-
	Profit after taxation	180,385	559,893
	Earnings per share - Basic and diluted	9.98	30.98

The annexed notes from 1 to 15 form an integral part of this unconsolidated condensed interim financial information.

*Shahzad Ahmed*

SHAHZAD AHMED  
CHIEF EXECUTIVE

*Naheed Ahmed*

NAVEED AHMED  
DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Three months period ended	
	Sept,30 2014	Sept,30 2013
	----- Rupees in '000' -----	
Profit after taxation		
Other comprehensive income	180,385	559,893
Items that may be reclassified subsequently to profit and loss account	-	-
Items that will not be reclassified subsequently to profit and loss account	-	-
Remeasurement of defined benefit liability - net of tax	-	-
Total comprehensive income for the period	<u>180,385</u>	<u>559,893</u>

The annexed notes from 1 to 15 form an integral part of this unconsolidated condensed interim financial information.

*Shahzad Ahmed*

SHAHZAD AHMED  
CHIEF EXECUTIVE

*Naveed Ahmed*

NAVEED AHMED  
DIRECTOR



**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014**

	Reserves					Total
	Share Capital	Share Premium	Merger Reserve	General Reserve	Unappropriated Profit	
	180,737	10,920	11,512	5,000,000	3,213,758	8,416,927
Balance as at July 01, 2013 (audited)	-	-	-	-	1,187,803	1,187,803
Comprehensive Income	-	-	-	-	(8,370)	(8,370)
Profit for the period ended June 30, 2014 ( Audited )	-	-	-	-	1,179,433	1,179,433
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Transaction with owners:	-	-	-	-	-	-
Interim cash dividend for the period ended September 30, 2013 @ Rs. 5 per share.	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended December 31, 2013 @ Rs. 10 per share.	-	-	-	-	(180,737)	(180,737)
Balance as at June 30, 2014 ( Audited)	180,737	10,920	11,512	5,000,000	4,122,085	9,325,254
Comprehensive Income	-	-	-	-	180,385	180,385
Profit for the period ended September 30, 2014 ( Unaudited )	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	180,385	180,385
Transaction with owners:	-	-	-	-	-	-
Balance as at September 30, 2014 (Unaudited)	180,737	10,920	11,512	5,000,000	4,302,470	9,505,639

The annexed notes from 1 to 15 form an integral part of this unconsolidated condensed interim financial information.

*Shahzad Ahmad*

SHAHZAD AHMED  
CHIEF EXECUTIVE

*Naveed Ahmad*

NAVEED AHMED  
DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED  
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

	Three months period ended	
	Sept,30	Sept,30
	2014	2013
Note	Rupees in '000'	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	235,891	559,691
Adjustments for:		
Depreciation of property, plant and equipment	142,902	105,399
Provision for gratuity	11,800	19,102
Unrealised (gain) / loss on revaluation of foreign currency loans	3,510	-
Gain on disposal of property, plant and equipment	(56)	(843)
Gain on revaluation/ disposal of other financial assets	(843)	(731)
Finance cost	58,975	64,887
Dividend income	(102)	(113)
Operating profit before working capital changes	452,077	747,594
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(47,220)	(45,911)
Stock in trade	(319,177)	(882,336)
Trade debts	172,576	(277,051)
Loans and advances	(22,301)	(31,239)
Trade deposits and short-term prepayments	(35,006)	(24,700)
Other receivables	(10,863)	(10,951)
Other financial assets	54,839	-
Increase in current liabilities		
Trade and other payables	25,006	59,330
	(182,146)	(1,182,858)
Cash used in operations	269,931	(435,264)
Income taxes paid	101,546	(38,806)
Finance cost paid	(77,699)	(43,453)
Gratuity paid	(5,576)	(4,360)
Net cash used in operating activities	288,201	(521,905)



B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(61,802)	(1,073,216)
Capital work in progress	(13,850)	(108,338)
Proceeds on disposal of property, plant and equipment	794	20,000
Long-term deposits	-	(96)
Dividend received	102	113
Net cash used in investing activities	<u>(74,756)</u>	<u>(1,161,537)</u>

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long-term financing obtained	185,263	297,681
Repayment of long-term financing	(389,777)	(9,776)
Loans from directors obtained / (repaid) - net	-	(13)
Repayment of liabilities against assets subject to finance lease	-	(2,222)
Dividend paid	(16)	(25,568)
Net cash generated / (used in) from financing activities	<u>(204,530)</u>	<u>260,102</u>
Net increase / (decrease) in cash and cash equivalent	8,915	(1,423,340)
Cash and cash equivalent at beginning of the period	(3,217,627)	(945,524)
Effect of exchange rate changes on cash and cash equivalents	(3,510)	-
Cash and cash equivalent at end of the period	<u>(3,212,222)</u>	<u>(2,368,864)</u>

CASH AND CASH EQUIVALENTS

Cash and bank balances	197,459	184,576
Short-term running finance	(3,409,681)	(2,553,440)
	<u>(3,212,222)</u>	<u>(2,368,864)</u>

The annexed notes from 1 to 15 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, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the Companies Act 1913 since repealed and replaced by the Companies Ordinance, 1984. Registered office of the Company is situated at Office No. 508, 5th, floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on Karachi Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company is also operating two ginning units including one on leasing arrangements in District Multan. The Company has the following group entities:

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

2 STATEMENT OF COMPLIANCE

- 2.1 This unconsolidated condensed interim financial information is unaudited but subject to limited scope review by external auditors of the Company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and also presented in accordance with the listing regulations of Karachi Stock Exchange. This unconsolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 The condensed interim financial information has been prepared under the historical cost convention modified by: -
- recognition of certain employee retirement benefits at present value.
  - certain financial instruments at fair value.
- 2.3 This unconsolidated condensed interim financial information does not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2014.
- 2.4 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2014, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the first quarter ended September 30, 2013.

3 ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2014.

#### 4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events.

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, 2014.

#### 5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 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. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Sept 30,	June 30,
2014	2014
(Unaudited)	(Audited)
-----Rupees in '000'-----	

#### 7 CONTINGENCIES AND COMMITMENTS

##### 7.1 Contingencies

7.1.1 Claim of arrears of social security contribution not acknowledged, appeal is pending in Honourable High Court of Sindh. The management is hopeful for favourable outcome.

453	453
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7.1.2 Guarantees issued by banks on behalf of the Company

192,359	192,168
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##### 7.2 Commitments

Letters of credit for property, plant, equipment, stores, spares and raw material

970,960	745,554
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Civil work contracts

37,500	70,000
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8 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

	September 30, 2014		September 30, 2013	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
	-----Rupees in '000'-----			
<b>Assets</b>				
Land	-	-	-	-
Office building	-	-	15,026	-
Factory building	-	-	1,054	-
Plant and machinery	57,190	(543)	1,052,562	(19,157)
Office equipment	103	-	-	-
Power generator	-	-	-	-
Electric Installation	-	-	-	-
Furniture and fixtures	73	-	-	-
Vehicles	4,436	(90)	4,574	-
Plant and machinery - leased	-	-	19,573	-
Capital work in progress	13,850	-	192,018	-
	<u>75,652</u>	<u>(633)</u>	<u>1,284,807</u>	<u>(19,157)</u>

Sept 30, June 30,  
2014 2014  
(Unaudited) (Audited)  
Note -----Rupees in '000'-----

9 LONG TERM INVESTMENTS

Investment in an associate		13,476	13,476
Investment in subsidiaries	9.1	3,576,204	3,576,204
		<u>3,589,680</u>	<u>3,589,680</u>

9.1 Subsidiaries

Indus Lyallpur Limited		1,085,000	1,085,000
Indus Home Limited		2,491,204	2,491,204
		<u>3,576,204</u>	<u>3,576,204</u>

		Three months period ended	
		Sept 30, 2014	Sept 30, 2013
Note		-----Rupees in '000'-----	
10	COST OF GOODS SOLD		
	Raw material consumed	3,725,872	2,992,475
	Manufacturing expenses	981,991	700,398
	Outside purchase-yarn	43,074	48,346
		4,750,937	3,741,219
	Work in process		
	Opening stock	309,978	216,135
	Closing stock	(301,569)	(270,393)
		8,409	(54,258)
	Cost of goods manufactured	4,759,346	3,686,961
	Finished Goods		
	Opening stock	469,806	272,232
	Closing stock	(310,554)	(374,468)
		159,252	(102,236)
		4,918,598	3,584,725
10.1	Manufacturing expenses		
	Salaries, wages and benefits	246,331	175,506
	Fuel, water and power	380,333	262,014
	Stores and spares consumed	108,726	89,221
	Packing material consumed	91,924	56,493
	Insurance	6,944	7,555
	Repairs and maintenance	6,838	6,082
	Rent, rate and taxes	1,419	1,372
	Depreciation	135,365	98,093
	Others	4,111	4,062
		981,991	700,398

# 11 AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of subsidiaries (Indus Lyallpur Limited), (Indus Home Limited), associate (Sunrays Textiles Mills Limited) and entities where directors are common (Riaz Cotton Factory, Silver Seeds, MB Industries, 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: -

		Unaudited Sept 30 2014	Unaudited Sept 30 2013
		-----Rupees in '000'-----	
11.1	Transactions during the period		
	Relationship with Company		
	Nature of transaction		
	Subsidiaries		
	Sale of fibre and yarn	230,493	23,496
	Purchase of raw cotton	1,561	-
	Joint venture		
	Sale of yarn	-	71,986
	Key management personnel		
	Remuneration paid	6,300	9,060
	Other related parties		
	Expenses adjusted / reimbursed	-	5
		Sept 30 2014 (Unaudited)	June 30, 2014 (Audited)
		-----Rupees in '000'-----	
11.2	Balances with related parties		
	Subsidiaries		
	Receivable / payable	17,141	249,884
	(against normal business transactions )		
	Associate		
	Payable	-	137
	Other related parties		
	Payable	3,170	3,170



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

13 SUBSEQUENT EVENTS

In respect of the current period, the directors proposed to pay interim cash dividend of Rs. 90.369 million @ Rs. 5/= per ordinary share of Rs. 10/= each. The proposed dividend has not been included as a liability in these financial statements.

14 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been authorised for issue on 31st October, 2014 by the Board of Directors of the Company.

15 GENERAL

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



SHAHZAD AHMED  
CHIEF EXECUTIVE



NAVEED AHMED  
DIRECTOR