



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**THIRD QUARTERLY
Condensed Interim Financial Information
July 01, 2014 to March 31, 2015
(Un - audited)**

INDUS DYEING & MANUFACTURING COMPANY LIMITED

COMPANY INFORMATION

Board of Directors	Mian Mohammad Ahmed Mr. Shahzad Ahmed Mian Riaz Ahmed Mr. Naveed Ahmed Mr. Kashif Riaz Mr. Irfan Ahmed Mr. Shafqat Masood Mr. Shahwaiz Ahmed Sheikh Nishat Ahmed Mr. Farooq Hassan	Chairman Chief Executive Nominee N.I.T.
Audit committee	Sheikh Nishat Ahmed Mr. Kashif Riaz Mr. Irfan Ahmed	Chairman Member Member
Human resource and remuneration committee	Sheikh Nishat Ahmed Mr. Shahwaiz Ahmed Mr. Irfan Ahmed	Chairman Member Member
Company secretary	Mr. Ahmed Faheem Niazi	
Chief financial officer	Mr. Arif Abdul Majeed	
Chief Internal auditor	Mr. Yaseen Hamidia	
Legal Advisor	Mr. M. Yousuf Naseem	(Advocates & Solicitors)
Registered office	Office # 508, 5th floor, Beaumont Plaza, Civil Lines Quarters, Karachi. Tel. 111 - 404 - 404 Fax. 009221 - 35693594	
Symbol of the company	IDYM	
Website	www.indus-group.com/web/download.htm	
Auditors	M/s Yousuf Adil Saleem & Co. Chartered Accountants	
Registrar & Share Transfer Office	Evolution Factor (Pvt) Ltd. 407-408, Al - Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi. Tel. 35662023 - 24 Fax. 35221192	
Factory location	P 1 S.I.T.E. Hyderabad, Sindh. Tel. 0223 - 880219 & 252 Plot # 3 & 7, Sector - 25, Korangi Industrial Area, Karachi. Tel. 021- 35061577 - 9 Muzaffargarh, Bagga Sher, District Multan. Tel. 0662 - 490202 - 205 Indus Lyallpur Limited. 38th Kilometre, Shaikhupura Road, District Faisalabad. Tel. 041 - 4689235 - 6 Indus Home Limited. 2.5 Kilometre, Off Manga Raiwind Road, Manga Mandi, Lahore. Tel. 042 - 35385021 - 7 111 - 404 - 405	

INDUS DYEING & MANUFACTURING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2015

The Board of Directors is pleased to present the un-audited financial statements of Company for the third quarter and nine months ended March 31, 2015.

OPERATING RESULTS

Consolidated turnover for the third quarter and nine months ended March 31, 2015 was Rs 21,169 million as against Rs 17,192 million for the similar period last year while the consolidated net profit was Rs. 579 million as compared to Rs. 1,834 million last year. The profitability is mainly affected by the reduction of yarn prices in China, the largest buyer of Cotton yarn in the world, by higher proportion than the decline in cost of Raw cotton. The profit is also slightly impacted by the extraordinary items in the last year's profit & loss account related to the previously held Joint venture. The two consecutive cuts in the local interest rate put positive impact on the bottom line.

The summary of operating results is as follows:

	Nine months ended March 31, 2015 Rupees (million)	Nine months ended March 31, 2014 Rupees (million)
Sales	21,169	17,192
Gross Profit	2,157	2,179
Gain on bargain purchase and revaluation of previously held interest	-	728
Share of loss from joint venture	-	(41)
Profit after taxation	579	1,834

EARNINGS PER SHARE

Earnings per share of the Consolidated were Rs 32.08 as compared to Rs. 101.49 per share for the similar period last year.

BUSINESS ENVIRONMENT

Export buyers of cotton yarn have slowed down their buying process to reduce the existing stocks. As a result, the difficulties of the local exporters have increased due to huge pile up of the stocks and resulting delay in cash conversion cycle. There is a need of further reducing the financing rates and the elimination of various charges and duties on utilities to support the exporters and to make our export products more competitive in international market.

On Behalf of the Board



SHAHZAD AHMED
Chief Executive Officer

Karachi:
30th April 2015

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

March 31,
2015
(Unaudited)

June 30,
2014
(Audited)

Notes

.....Rupees in '000'

SHARE CAPITAL AND RESERVES

Authorised

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

450,000

450,000

Issued, subscribed and paid up

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

180,737

180,737

Reserves

5,022,432

5,022,432

Unappropriated profit

4,325,960

4,122,085

9,529,129

9,325,254

NON-CURRENT LIABILITIES

Long-term financing

1,241,624

1,854,537

Deferred liabilities

166,524

140,757

1,408,148

1,995,294

CURRENT LIABILITIES

Trade and other payables

1,719,912

1,008,746

Interest / mark-up payable

61,692

91,359

Short-term borrowings

4,090,391

3,261,930

Current portion of

long-term financing

481,472

441,715

6,353,467

4,803,750

CONTINGENCIES AND COMMITMENTS

5

17,290,744

16,124,298

NON-CURRENT ASSETS

Property, plant and equipment

6

6,380,962

6,186,646

Long-term investments

7

3,689,680

3,589,680

Long-term deposits

4,105

4,105

10,074,747

9,780,431

CURRENT ASSETS

Stores, spares and loose tools

257,343

214,102

Stock-in-trade

5,495,071

3,911,410

Trade debts

810,066

1,525,774

Loans and advances

314,850

264,106

Trade deposits and short-term prepayments

28,995

3,813

Other receivables

16,318

29,813

Other financial assets

133,494

144,566

Due from Government

98,597

205,980

Cash and bank balances

61,263

44,303

7,215,997

6,343,867

17,290,744

16,124,298

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2015

	Note	Nine months Period ended		Quarter ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rupees in '000'.....			
Sales		16,115,664	13,751,457	5,086,593	4,856,728
Cost of goods sold	8	(14,531,197)	(11,872,681)	(4,682,436)	(4,394,982)
Gross profit		1,584,467	1,878,776	404,157	461,746
Other operating income		5,234	45,734	1,147	5,782
		1,589,701	1,924,510	405,304	467,528
Distribution cost		(372,522)	(294,378)	(97,996)	(105,623)
Administrative expenses		(168,219)	(185,070)	(56,213)	(64,662)
Other operating expenses		(132,084)	(80,990)	(12,353)	(12,574)
Financial cost		(318,041)	(283,017)	(122,461)	(121,014)
Profit before taxation		598,835	1,081,055	116,281	163,655
Taxation		(123,854)	-	(23,105)	-
Profit after taxation		474,981	1,081,055	93,176	163,655
Earnings per share - Basic and diluted		26.28	59.81	5.16	9.05

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THIRD QUARTER ENDED MARCH 31, 2015**

	Nine months Period ended		Quarter ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Rupees in '000'.....			
Profit after taxation	474,981	1,081,055	93,176	163,655
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss account	-	-	-	-
Items that will not be reclassified subsequently to profit & loss account	-	-	-	-
Total comprehensive income for the period	474,981	1,081,055	93,176	163,655

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED MARCH 31, 2015

	Reserve					
	Capital			Revenue		Total
	Share Capital	Share Premium	Merger Reserve	General Reserve	Unappropriated Profit	
.....Rupees in 000.....						
Balance at July 01, 2013 (audited)	180,737	10,920	11,512	5,000,000	3,213,758	8,416,927
Comprehensive Income						
Profit for the year ended June 30, 2014 (audited)	-	-	-	-	1,187,803	1,187,803
Other comprehensive income	-	-	-	-	(8,370)	(8,370)
Total comprehensive income	-	-	-	-	1,179,433	1,179,433
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						
Profit for the 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

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THIRD QUARTER ENDED MARCH 31, 2015

	Nine months period ended	
	March 31, 2015	March 31, 2014
Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	598,835	1,081,055
Adjustments for:		
Depreciation of property, plant and equipment	441,510	344,990
Provision for gratuity	47,200	41,802
Unrealised gain on revaluation of foreign currency loans	-	(33,419)
Gain on disposal of property, plant and equipment	(350)	(1,107)
Loss / (gain) on revaluation/ disposal of other financial assets	633	(5,369)
Finance cost	318,041	283,017
Dividend income	(1,010)	(966)
Operating profit before working capital changes	1,404,859	1,710,003
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(43,241)	(51,737)
Stock in trade	(1,583,661)	(2,819,367)
Trade debts	715,708	(296,121)
Loans and advances	(56,317)	(5,580)
Trade deposits and short-term prepayments	(25,182)	(15,033)
Other receivables	13,495	(3,599)
Other financial assets	10,439	(5,369)
Tax refundable	107,383	(788)
Increase in current liabilities		
Trade and other payables	531,163	8,281
	(330,213)	(3,189,313)
Cash used in operations	1,074,646	(1,479,310)
Income taxes paid	(118,686)	(109,954)
Finance cost paid	(347,708)	(221,502)
Gratuity paid	(21,434)	(17,156)
Net cash used in operating activities	586,817	(1,827,922)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(639,748)	(2,149,021)
Proceeds on disposal of property, plant and equipment	4,679	23,490
Long-term deposits	-	(132)
Investment in subsidiary	(100,000)	(1,293,120)
Dividend received	1,010	966
Net cash used in investing activities	(734,059)	(3,417,817)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	240,318	2,087,222
Repayment of long-term financing	(813,474)	(219,319)
Loans from directors obtained / (repaid) - net	-	(9,490)
Repayment of liabilities against assets subject to finance lease	-	(2,222)
Dividend paid	(91,103)	(119,884)
Net cash generated / (used in) from financing activities	(664,259)	1,736,307
Net decrease in cash and cash equivalent	(811,501)	(3,509,432)
Cash and cash equivalent at beginning of the period	(3,217,627)	(945,523)
Cash and cash equivalent at end of the period	(4,029,128)	(4,454,955)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	61,263	171,677
Short-term running finance	(4,090,391)	(4,626,632)
	(4,029,128)	(4,454,955)

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


SHAHZAD AHMED
 Chief Executive


NAVEED AHMED
 Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

SELECTED EXPLANATORY NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the Companies Act 1913 repealed by the Companies Ordinance, 1984. Registered office of the Company is situated at Office No. 508, 5th, floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on Karachi Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company is also operating two spinning units including one on leasing arrangements in District 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 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of and directives issued under the said Ordinance have been followed.
- 2.2** This unconsolidated condensed interim financial information is unaudited and in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.
- 2.3** This unconsolidated condensed interim financial information has been prepared under the historical cost convention modified by: -
- recognition of employee retirement benefits at present value.
 - certain financial instruments at fair value.
- 2.4** This unconsolidated condensed interim financial information does not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2014.
- 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, 2014, whereas comparative condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited unconsolidated condensed interim financial information for the third quarter ended March 31, 2014.

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

- 3.1** The accounting policies, underlying estimates and methods of computations adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2014.
- 3.2** The financial risk management policies and objectives adopted by the Company are consistent with those disclosed in the audited unconsolidated financial statements for the year ended June 30, 2014.

4. TAXATION

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any. In this unconsolidated condensed interim financial information tax expense for the period has been determined on provisional basis. Final liability will be determined on the basis of annual results.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

March 31,
2015
(Unaudited)
.....Rupees in '000'.....

June 30,
2014
(Audited)

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1	Claim of arrears of social security contribution not acknowledged. Appeal is pending in Honourable High Court of Sindh. The management is hopeful for favourable outcome.	453	453
5.1.2	Guarantees issued by banks on behalf of the Company	44,010	49,820
5.1.3	Guarantees issued by banks in favour of gas distribution companies	19,306	19,306
5.1.4	Bank guarantees against payment of infrastructure cess	140,042	123,042
5.2	Commitments		
	Letters of credit for raw material	869,288	641,486
	Letters of credit for stores and spares	12,875	29,764
	Letters of credit for property, plant and equipment	68,693	74,304
	Civil work contracts	2,800	70,000

6 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2015		March 31, 2014	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
Rupees in '000'.....			
Assets				
Land	-	-	1,664	-
Office building	-	-	15,026	-
Factory building	40,293	-	4,697	-
Non-factory building	58,998	-	-	-
Plant and machinery	509,017	(2,222)	1,579,444	(22,250)
Office equipment	103	-	8,265	-
Power generator	39,429	-	148,748	-
Electric Installation	-	-	44,457	-
Furniture and fixtures	167	-	416	-
Vehicles	14,333	(1,697)	16,252	(133)
Capital work in progress	61,700	-	221,859	-
	724,040	(3,919)	2,040,828	(22,383)

March 31,
2015
(Unaudited)
.....Rupees in '000'.....

June 30,
2014
(Audited)

7 LONG TERM INVESTMENTS

Investment in an associate		13,476	13,476
Investment in subsidiaries - at cost	7.1	3,676,204	3,576,204
		3,689,680	3,589,680
7.1	Subsidiaries		
	Indus Lyallpur Limited	1,185,000	1,085,000
	Indus Home Limited	2,491,204	2,491,204
		3,676,204	3,576,204

INDUS DYEING & MANUFACTURING COMPANY LIMITED

	(Un-audited).....			
		Nine months period ended		Quarter ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		Rupees in '000'			
8	COST OF GOODS SOLD				
	Raw material consumed	10,444,485	9,588,770	3,218,454	3,431,581
	Manufacturing expenses	2,919,904	2,345,381	962,086	829,653
	Purchase of yarn	938,862	104,807	404,833	10,120
		14,303,251	12,038,958	4,585,373	4,271,354
	Work in process				
	Opening stock	309,978	216,135	291,343	317,148
	Closing stock	(276,165)	(327,618)	(276,165)	(327,618)
		33,813	(111,483)	15,178	(10,470)
	Cost of goods manufactured	14,337,064	11,927,475	4,600,551	4,260,884
	Finished Goods				
	Opening stock	469,806	272,232	357,557	461,124
	Closing stock	(275,673)	(327,026)	(275,673)	(327,026)
		194,133	(54,794)	81,884	134,098
		14,531,197	11,872,681	4,682,436	4,394,982
8.1	Manufacturing expenses				
	Salaries, wages and benefits	740,709	605,640	245,518	197,652
	Fuel, water and power	1,168,880	880,423	383,379	326,823
	Stores and spares consumed	256,972	275,644	77,632	83,720
	Packing material consumed	261,025	197,645	83,546	73,111
	Insurance	34,497	27,537	14,932	9,427
	Repairs and maintenance	25,512	22,011	8,370	7,810
	Rent, rate and taxes	1,905	1,750	413	342
	Depreciation	418,256	321,850	144,662	127,393
	Others	12,148	12,881	3,634	3,375
		2,919,904	2,345,381	962,086	829,653

9. AGGREGATE TRANSACTION WITH RELATED PARTIES

The related parties comprise of subsidiaries (Indus Lyallpur Limited), (Indus Home Limited) and (Indus Home USA 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: -

INDUS DYEING & MANUFACTURING COMPANY LIMITED

March 31, March 31,
2015 2014
(Unaudited) (Unaudited)
.....Rupees in '000'.....

9.1 Transactions during the period

Relationship with Company	Nature of transaction		
Subsidiaries	Sale of fibre and yarn	526,748	298,652
	Sale of machinery / vehicle	1,000	4,956
	Purchases of yarn / raw cotton	798,429	5,563
	Purchase of machinery	6,268	3,680
	Purchase of Store items	-	820
	Payment for subscription of right shares	100,000	-
Key management personnel	Remuneration paid	18,600	25,640
Other related parties	Expenses adjusted / reimbursed	-	534

9.2 Balances with related parties

Subsidiaries	Trade & other payable	235,922	151,818
Associate	Trade & other payable	374	102
Other related parties	Trade & other payable	3,170	664

10 DATE OF AUTHORISATION FOR ISSUE

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

11 GENERAL

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


SHAHZAD AHMED
Chief Executive


NAVEED AHMED
Director