



DIRECTORS' REPORT

The Directors have pleasure in presenting the 51st Annual Report of your Company, along with Audited Financial Statements and Auditors Report thereon for the year ended June 30, 2008. Briefs of financial results for the period under review are as under:

Financial Review	Rs. '000
Profit after taxation	37,472
Un-appropriated profit brought forward	787,836
Profit available for appropriation	825,586
Transfer to General reserve	---
Dividend	27,110
Un-appropriated profit carried forward	798,476
Earning per share Rs	2.07

Present Year assessment.

The company has earned a net profit before tax Rs. 37,472 million. Depreciation of Rs 323.812 million and financial charges of Rs. 389,893 have been charged.

Dividend.

Your Directors are pleased to recommend 10% cash dividend for the year.

Future Outlook

Your company achieved the highest level of net sale of Rs 7.200 billions but due to overall depressed performance of sector fails to maintain last year performance. Due to abnormal hike in crude oil prices our economy is facing very difficult times. Devaluation of our currency had directly increased the import costs of raw materials. Due to increase in cotton prices and other input costs like power, wages & mark-up rates our textile industry is facing tough competition from its neighboring countries India, China and Bangladesh. Energy crises had adversely affected the industrial growth & resulting in overall slow down in the manufacturing activities.

It seems difficult to achieve significant good performance in the next year. But the management will try its best to achieve the optimal results by prudent planning to buy cotton at right time to lower down its cost, strong marketing strategy to achieve better price of yarn, continue balancing & modernization process and focus on value-added products.

Our Government should take necessary measures to remove side effects of these international crises & our internal political situation to strengthen the industry.

Corporate and Financial Reporting Framework:

As required by the Code of Corporate Governance, Directors are pleased to report that:

- The Financial Statement prepared by the Management, present fairly its state of affairs, the result of its operations, Cash Flows and changes in equity;
- Proper books of accounts have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan have been followed in preparation of Financial Statements.
- Internal Auditors is continuously reviewing the existing system of internal control and other procedures. The process of review will continue and any weakness in controls will have immediate attention of the management.



PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS OF
INDUS DYEING & MANUFACTURING CO., LIMITED

- f. There are no significant doubts upon the company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h. Key operating and financial data for last six years is annexed.
- i. The information about statutory payments on account of taxes, duties and levies is given in the notes to the accounts.
- j. During the period under review the trading in shares of the Company by the CEO, Directors and their spouses as follows:

	<u>Purchase</u>	<u>Sales</u>
1) Mian Mohammed Ahmed	NIL	12,000
2) Mian Mohammed Ahmed	NIL	4,000
3) Mian Mohammed Ahmed	NIL	100
4) Mian Mohammed Ahmed	2,650	NIL

During the year under review six (6) meetings were held.

Attendance by each Director is as follows:

Name of Director

Attendance

1. Mian Mohammad Ahmed	6
2. Mian Riaz Ahmed	4
3. Mr. Shahzad Ahmed	6
4. Mr. Naveed Ahmed	6
5. Mr. Imran Ahmed	6
6. Mr. Irfan Ahmed	6
7. Mr. Kashif Riaz	6
8. Mr. Shafqat Masood	6
9. Mr. Mansoob A. Akhtar (Nominee N.I.T. Resigned)	2
10. Mr. Farooq Hassan (Nominee N.I.T.)	3
(Appointed in place of Mr. Mansoob A. Akhtar w.e.f. 18-01-2008)	

Pattern of shareholding

The pattern of shareholding as at June 30, 2008 is annexed.

Thanks & Gratitude

Your Directors are pleased to put on record their appreciation and gratitude to the executives, officers, staff members and workers of the company in performance of their duties. Your Directors would also like to put on record their profound and sincere gratitude to valued customers, regulators, external auditors, bankers and our shareholders.

For and behalf of the Board
Karachi: 9th October, 2008.

Shahzad Ahmad
Chief Executive