

Indus Dyeing and Manufacturing Co. Limited

Selected explanatory notes to the account (un - audited)

For the nine months period ended March 31, 2009

Selected explanatory notes to the accounts.

1. Legal status and nature of business

Indus Dyeing & Manufacturing Co. Limited (the Company) is limited by shares incorporated in Pakistan on July 23, 1957 under the Companies Act 1913 since repealed by the Companies Ordinance, 1984 and quoted on Karachi Stock Exchange (Guarantee) Ltd. The principal activity of the company is to manufacture and sale of yarn. The Company is also operating four ginning units including three on leasing arrangements and three ice factories on leasing arrangements in District Multan.

2. Basis of preparation

These condensed un-audited interim financial statements have been prepared under the "historical cost convention" except for certain investments have been included at fair value.

These condensed un-audited interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IAS) 34. Interim Financial Reporting and in compliance with requirement of section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange. Review of these interim financial statements has been performed by the internal auditors of the company.

3. Significant accounting policies

The accounting convention, policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those of the published annual financial statements for the year ended June 30, 2008.