

Indus Dyeing and Manufacturing Co. Limited
Notes to the account (un - audited)
For the first quarter ended September 30, 2009

- 1. Selected explanatory notes to the accounts.**
 - 1.1** 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Limited (the Company) is limited by shares incorporated in Pakistan on July 23, 1957 under the Companies Act 1913 since repealed by the Companies Ordinance,1984 and quoted on Karachi Stock Exchange (Guarantee) Ltd.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.The company has also made investment in a joint venture, Indus Home Ltd.
 - 1.2** These un-audited interim financial statements have been prepared under the "historical cost convention" except for certain investments have been included at fair value.
 - 1.3** These un-audited interim financial statements have been prepared in accordance with the International Financial Reporting Standard (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.
 - 1.4** The accounting convention, policies and methods of computation followed in the preparation of these three month period financial statements are the same as those of the published annual financial statements for the period ended June 30, 2009.

	<u>Sept - 2009</u>	<u>June - 2009</u>
	<u>Rupees in (' 000 ')</u>	
2. Contingencies and commitments.		
2.1 Contingencies		
Claim of arrears of Social Security Contribution not acknowledged, appeal is pending in The Honorable High Court of Sindh.	453	453
Guarantees issued by banks on behalf of the company.	134,050	127,050
	<u>134,503</u>	<u>127,503</u>
2.2 Commitments		
Letters of credit for store, raw materials and machinery	224,479	710,697
	<u>224,479</u>	<u>710,697</u>

	<u>Sept 30, 2009</u>			
	<u>Acquisition</u>	<u>Transfer</u>	<u>Disposal</u>	<u>Sale</u>
			<u>W.d.v.</u>	<u>proceed</u>
	<u>Rupees in (' 000 ')</u>			
Mill building on leasehold land	-	-	-	-
Plant and machinery	4,634	-	(2,832)	735
Electric installations and appliances	1,672	-	-	-
Power generator	495	-	-	-
Office equipment and fixtures	17	-	-	-
Vehicles	1,648	-	-	-
	<u>8,466</u>	<u>-</u>	<u>(2,832)</u>	<u>735</u>

	<u>Sept - 2009</u>	<u>June - 2009</u>
	<u>Rupees in (' 000 ')</u>	
4. Long term investment		
4.1 Investment in associate	168,537	160,039
4.2 Investment in joint venture	968,487	876,076
	<u>1,137,024</u>	<u>1,036,115</u>
4.1 Investment in associate- Sunrays Textile Mills Ltd.		
Cost	42,382	42,382
Share of post acquisition profit		
Opening	117,657	102,556
Profit from revaluation surplus	678	2,224
Share of profit from associate	7,820	12,877
	<u>168,537</u>	<u>160,039</u>

Number of shares held	1,695,290	1,695,290
Cost of investment	42,382	42,382
Ownership interest	<u>24.57%</u>	<u>24.57%</u>

4.2 Investment in joint venture

The Company has a 49.99 per cent equity shareholding with equivalent voting power in Indus Home Limited (IHL), a joint venture with West Point Pakistan Inc., USA, established in Lahore, Pakistan. During the period, the Company's share of IHL's profit amounting to Rs. 92.411 million is included in the Company's Profit & Loss account.

		<u>Un - audited</u> <u>Sept- 2009</u>	<u>Un - audited</u> <u>Sept- 2008</u>
<u>Rupees in ('000')</u>			
5. Cost of goods sold			
Raw material consumed	5.1	1,570,951	1,659,985
Stores and spare consumed		48,959	43,381
Manufacturing expenses	5.2	302,005	304,921
Outside purchases		2,563	-
		1,924,478	2,008,287
<u>Work in process</u>			
Opening stock		101,265	90,601
Closing stock		(95,699)	(112,589)
		5,566	(21,988)
Cost of goods manufactured		1,930,044	1,986,299
<u>Finished goods</u>			
Opening stock		157,865	204,367
Closing stock		(144,386)	(229,627)
		13,479	(25,260)
		1,943,523	1,961,039
5.1 Raw material consumed			
Opening stock		1,623,360	1,010,037
Purchases		2,103,030	1,757,371
		3,726,390	2,767,408
Closing stock		(2,155,439)	(1,107,423)
		1,570,951	1,659,985
5.2 Manufacturing expenses			
Salaries, wages & benefits		102,344	95,798
Other over heads		1,809	2,683
Fuel & power		124,761	128,896
Insurance		1,301	1,985
Repairs & maintenance		2,408	2,005
Rent rates and taxes		624	175
Depreciation		68,758	73,379
		302,005	304,921

6. **Aggregate transaction with related parties.**

	<u>Sept-09</u>	<u>Sept-08</u>
	<u>(Rupees in '000')</u>	
Sales of goods & services	<u>-</u>	<u>6,912</u>
Purchase of goods & services	<u>2,562</u>	<u>-</u>
Sales of goods to Joint venture	<u>159,309</u>	<u>146,020</u>

The transactions with the associated undertaking are made at commercial terms.

7. Allocation to Taxation is provisional. Final liability will be determined on the basis of annual results.

8. **Approval of Financial statements.**

These financial statements were authorized for issue on 30th October, 2009 by the Board of Directors of the company.

9. **Figures.**

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

Shahzad Ahmad
Chief Executive

Naveed Ahmad
Director