

Indus Dyeing and Manufacturing Co. Limited
Notes to the account (Unaudited)
For the half year ended March 31, 2005

1. Selected explanatory notes to the accounts.

- 1.1** The Company was incorporated in Pakistan on July 23, 1957 is a public limited company and its shares are quoted in Karachi Stock Exchange (Guarantee) Ltd. The principal activity of the company is manufacture and sale of yarn.
- 1.2** These unaudited interim financial statements have been prepared in accordance with the International Accounting Standard (IAS 34. Interim financial reporting and in compliance with requirement of section 245 of the Companies Ordinance, 1984. A limited scope review of these interim financial statements has been performed by the external auditors of the company in accordance with the requirement of clause (xxi) of the Code of Corporate Governance.
- 1.3** The accounting convention, policies and methods of computation followed in the preparation of the half yearly report are the same as those of the published annual financial statements for the year ended September 30, 2004.

	Rupees in (' 000 ')	
	Mar, 2005	Sept. 2004
2. <u>Contingency</u>		
Guarantees issued by banks on behalf of the company.	73,273	62,300
 <u>Commitments</u>		
Building extension	88,179	21,000
Letters of credit for store, raw materials and machinery	921,869	158,456

3. Acquisition and disposal of property, plants and machinery

	March 31, 2005	
	Acquisition	Disposal
Mill building on leasehold land	38,929	-
Plant and machinery	212,785	(3,917)
Electric installations and appliances	21,277	-
Office equipment	640	-
Vehicles	4,411	(133)
	278,042	(4,050)

	<u>Quarter ended</u>		<u>Six months</u>	
	<u>Jan to Mar</u> <u>2005</u>	<u>Jan to Mar</u> <u>2004</u>	<u>Oct to Mar</u> <u>2005</u>	<u>Oct to Mar</u> <u>2004</u>
4. Cost of goods sold				
Raw 4.1	508,888	606,272	1,094,860	1,163,335
Man 4.2	113,568	97,405	220,542	192,875
Outside purchases	39,144	50,518	93,429	92,573
Work in process				
Opening stock	34,918	33,990	47,816	34,856
Closing stock	(33,073)	(33,311)	(33,073)	(33,311)
	1,845	679	14,743	1,545
Cost of goods manufactured	675,437	770,110	1,455,466	1,479,788
Finished goods				
Opening stock	57,513	70,758	50,479	80,580
Closing stock	(60,747)	(60,309)	(60,747)	(60,309)
	(3,234)	10,449	(10,268)	20,271
	672,203	780,559	1,445,198	1,500,059
4.1 Raw material consumed				
Opening stock	842,217	651,639	333,764	359,986
Purchases	338,438	510,531	1,432,863	1,359,247
	1,180,655	1,162,170	1,766,627	1,719,233
Closing stock	(671,767)	(555,898)	(671,767)	(555,898)
	508,888	606,272	1,094,860	1,163,335
4.2 Manufacturing expenses				
Salaries, wages & benefits	30,794	30,034	65,862	58,463
Other over heads	5,651	1,564	8,953	2,933
Fuel & power	37,976	34,259	73,547	72,483
Insurance	2,441	2,560	4,166	2,480
Repairs & maintenance	1,256	1,192	2,255	1,960
Rent rates and taxes	45	56	394	415
Depreciation	35,405	27,740	65,365	54,141
	113,568	97,405	220,542	192,875

5. **Transaction with associated undertakings.**

The related parties comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel under the term of their employment are as follows.

	Mar, 31 2005	Sept. 30, 2004
	(Rupees in ' 000 ')	
Sales of yarn	<u>44,814</u>	<u>56,042</u>
Purchase of yarn	<u>84,814</u>	<u>150,106</u>
Loans obtained from directors and spouses - unsecured interest free	<u>19,490</u>	<u>20,472</u>
Loan settled from directors and spouses	<u>10,711</u>	<u>43,393</u>

6. **Date of authorization.**

These financial statements were authorized for issue on **May 28, 2005** by the Board of Directors of the company.

7 **Figures.**

Figures have been rounded off to the nearest thousand.

Shahzad Ahmed
Chief Executive

Naveed Ahmed
Director