



# INDUS DYEING & MANUFACTURING COMPANY LIMITED

**Condensed Interim Financial Information**  
**July 01, 2017 to March 31, 2018**  
**( Un - audited )**

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**Company profile**

**Board of Directors**

- |    |                     |                 |
|----|---------------------|-----------------|
| 1  | Mian Mohammad Ahmed | Chairman        |
| 2  | Mr. Shahzad Ahmed   | Chief Executive |
| 3  | Mian Riaz Ahmed     |                 |
| 4  | Mr. Naveed Ahmed    |                 |
| 5  | Mr. Kashif Riaz     |                 |
| 6  | Mr. Imran Ahmed     |                 |
| 7  | Mr. Irfan Ahmed     |                 |
| 8  | Mr. Shafqat Masood  |                 |
| 9  | Mr. Shahwaiz Ahmed  |                 |
| 10 | Sheikh Nishat Ahmed |                 |
| 11 | Mr. Farooq Hassan   | Nominee N.I.T.  |

**Audit committee**

- |   |                     |          |
|---|---------------------|----------|
| 1 | Sheikh Nishat Ahmed | Chairman |
| 2 | Mr. Kashif Riaz     | Member   |
| 3 | Mr. Irfan Ahmed     | Member   |

**Human resource and remuneration committee**

- |   |                     |          |
|---|---------------------|----------|
| 1 | Sheikh Nishat Ahmed | Chairman |
| 2 | Mr. Shahwaiz Ahmed  | Member   |
| 3 | Mr. Irfan Ahmed     | Member   |

**Company secretary**

Mr. Ahmed Faheem Niazi

**Group Chief financial officer**

Mr. Zahid Mahmood

**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, Tel. 111 - 404 - 404  
5th floor, Beaumont Plaza, Fax. 009221 - 35693594  
Civil Lines Quarters, Karachi.

**Symbol of the company**

IDYM

**Website**

[www.indus-group.com](http://www.indus-group.com)

**Auditors**

M/s Deloitte Yousuf Adil  
Chartered Accountants

**Registrar & Share Transfer Office**

JWAFFS Registrar ( Pvt ) Ltd.  
407-408, Al - Ameera Centre, Tel. 35662023 - 24  
Shahrah-e-Iraq, Saddar, Karachi. Fax. 35221192

**Factory location**

- 1 P 1 S.I.T.E. Tel. 0223 - 880219 & 252  
Hyderabad, Sindh.
- 2 Plot # 3 & 7, Sector - 25, Tel. 021- 35061577 - 9  
Korangi Industrial Area, Karachi.
- 3 Muzaffargarh, Bagga Sher, Tel. 0662 - 490202 - 205  
District Multan.
- 4 Indus Lyallpur Limited. Tel. 041 - 4689235 - 6  
38th Kilometre, Shaikhupura Road,  
District Faisalabad.
- 5 Indus Home Limited. Tel. 042 - 35385021 - 7  
2.5 Kilometre,  
Off Manga Raiwind Road,  
Manga Mandi, Lahore.

## INDUS DYEING & MANUFACTURING COMPANY LIMITED

### DIRECTORS' REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2018

The Board of Directors is pleased to present the un-audited financial statements of the Company for the nine months ended March 31, 2018.

#### OPERATING RESULTS

Consolidated turnover for the nine months period ending on March 31, 2018 was Rs. 22,571 million against Rs. 21,218 million for the same period last year, whereas the consolidated net profit after tax was Rs. 870 million as compared to Rs. 1,100 million in the last corresponding period. The Company has shown satisfactory performance during the nine months under review despite various challenges such as increased cost of raw material and energy prices in Pakistan. Due to the persistent efforts of the management in procurement of raw material, sales and cash flow planning the Company was able to achieve these improved results. The following are the financial results of the Company for the nine months ended March 31, 2018.

#### FINANCIAL HIGHLIGHTS

	Nine Months Ended March 31 (Rs. In million)	
	2018	2017
Sales-Net	22,571	21,218
Gross Profit	2,253	2,443
Other Operating Income	53	38
<b>Profit Before Taxation</b>	<b>1,173</b>	<b>1,479</b>
Taxation	(303)	(379)
<b>Net Profit After Tax</b>	<b>870</b>	<b>1,100</b>

#### REVIEW OF OPERATIONS

Sales increased by 6.38% during the nine months under review over the last corresponding period. Due to the increase in raw material prices, minimum wages slab, distribution and administrative costs, net profit after tax has dropped by Rs. 230 million over the last corresponding period.

The towel unit's sales during the nine months period ended March 31, 2018 were Rs. 4,206 million and contributed Rs. 146.742 million toward profits after tax in the above mentioned consolidated results.

#### EARNINGS PER SHARE

The earnings per share for the nine months ended March 31, 2018 is Rs. 48.16 per share as compared to Rs. 60.87 per share over the previous corresponding period.

#### FUTURE PROSPECTS

Despite challenging scenarios of increased cotton and energy prices your company is highly optimistic for the future outlook of the Company. However, the government should realize the facts of increased cost of doing business and take measures by reducing energy prices, removal of GIDC provisions and timely release of sales tax, income tax and duty draw backs refunds. With these improvements we expect better profit margins in the fourth quarter of the financial year 2017-18.

#### ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust they have shown in our products and our bankers for their continued support to the Company. We are grateful to our shareholders for their confidence in our management.

On Behalf of the Board



SHAHZAD AHMED

Karachi:  
30th April, 2018

## ڈائریکٹرز کی رپورٹ

برائے 9 ماہ اختتام 31 مارچ، 2018

بورڈ کے ڈائریکٹران غیر آڈٹ شدہ مالی تفصیلات برائے 9 ماہ اختتام 31 مارچ 2018 بخوشی پیش کرتے ہیں۔

## نتائج افعال:-

برائے اختتام 9 ماہ 31 مارچ 2018 کو مجموعی فروختگی 22,571 ملین تھا جبکہ گزشتہ سال اسی مدت کیلئے Rs. 21,218 ملین تھا۔ جبکہ گزشتہ رواں مدت کے Rs. 1,100 ملین کے مقابلے میں مستحکم مجموعی منافع بعد از ٹیکس Rs. 870 ملین تھا۔ مذکورہ 9 ماہ کے دوران کمپنی نے تسلی بخش کارکردگی کا مظاہرہ کیا اور جو مختلف مشکلات کے جیسا کہ پاکستان میں خام مال کی بڑھتی ہوئی لاگت اور پاکستان میں توانائی کی بڑھتی ہوئی قیمتوں کے باوجود خام مال کی فراہمی میں انتظامیہ کی انتھک محنت اور فروخت اور کیش فلو کے بہتر لائحہ عمل کے سبب کمپنی ان نتائج کو حاصل کرنے میں کامیاب ہوئی تھی۔ کمپنی کے نتائج برائے 9 ماہ اختتام 31 مارچ 2018 درج ذیل ہیں۔

9 ماہ اختتام 31 مارچ (روپے ملین میں)		
2017	2018	
21,218	22,571	فروختگی
2,443	2,253	مجموعی منافع
38	53	دیگر فعل آمدنی
1,479	1,173	منافع قبل از ادائیگی ٹیکس
(379)	(303)	ادائیگی ٹیکس
1,100	870	مجموعی منافع بعد از ٹیکس

## چازہ برائے افعال

گزشتہ رواں مدت کے زیر چازہ نو ماہ کے دوران %6.38 کے حساب سے سبز میں اضافہ ہوا۔ خام مال کی قیمتوں میں اضافے کے سبب، گزشتہ رواں مدت کے دوران کم سے کم اجرت سلیب، تقسیم کاری، انتظامی لاگت اور مجموعی منافع بعد از ٹیکس 230 ملین سے گر گیا ہے۔ نو ماہ کی مدت اختتام 31 مارچ 2018 کے دوران، تولیہ پونٹ کی فروخت Rs. 4,206 ملین تھی اور Rs. 146,742 ملین منافع بعد از ٹیکس کی مد میں لگائے گئے مذکورہ بالا مستحکم نتائج میں شامل ہیں۔

## فی حصص آمدنی

آمدنی فی حصص برائے 9 ماہ اختتام 31 مارچ 2018 کو Rs. 48.16 فی حصص ہے گزشتہ مدت کے Rs. 60.87 فی حصص کے مقابلے میں۔

## مستقبل کا لائحہ عمل

روٹی اور توانائی کی بڑھتی ہوئی قیمتوں کا سامنا کرنے کے باوجود آپ کی کمپنی مستقبل کے نقطہ نظر سے انتہائی پرامید ہے۔ تاہم، حکومت کو بڑھتی ہوئی کاروباری لاگت کے خطرات کا اندازہ کرنا چاہئے اور توانائی کی قیمتوں میں کمی، GIDC کے نفاذ کی منسوخی، اور بروقت سبز ٹیکس اجراء کو یقینی بنانے، انکم ٹیکس اور ڈیوٹی ڈرائیج ریفرنڈم کے اقدامات کرنے چاہئیں۔ ان صلاحات کے ساتھ ہم سال 2017-18 کے چوتھے سہ ماہی میں بہتر منافع شرح کی توقع کرتے ہیں۔

## اعتراف

ڈائریکٹران کمپنی کے ہر ایک ملازم کی جانب سے ان کے تعاون کا اعتراف کرتے ہیں۔ ہم اپنے کسٹمرز جنہوں نے ہماری مصنوعات پر اعتماد کا اظہار کیا اور کمپنی کیلئے بینکریزی مسلسل حمایت پر شکریہ ادا کرنا چاہیں گے۔ ہم اپنے شیئرز ہولڈرز کی جانب سے ہماری انتظامیہ پر اعتماد کرنے پر ان کے مشکور ہیں۔

منجانب بورڈ

شہزاد احمد

چیف ایگزیکٹو آفیسر

کراچی

30 اپریل 2018

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT MARCH 31, 2018

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
Note ----- (Rupees in '000) -----			Note ----- (Rupees in '000) -----		
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>Share capital and reserves</b>			<b>Non-current assets</b>		
<b>Authorized share capital</b>					
45,000,000 ordinary shares of Rs. 10/- each	450,000	450,000	Property, plant and equipment	6,368,382	6,215,360
<b>Issued, subscribed and paid-up capital</b>			Intangibles	20,823	24,517
18,073,732 ordinary shares of Rs. 10/- each	180,737	180,737	Long-term investments	3,729,680	3,729,680
<b>Reserves</b>	7,000,000	7,000,000	Long-term deposits	4,851	4,105
<b>Unappropriated profit</b>	3,278,731	2,742,795		10,123,736	9,973,662
	10,459,468	9,923,532	<b>Current assets</b>		
<b>Non-current liabilities</b>			Stores, spares and loose tools	290,328	256,082
Long-term financing	1,301,690	1,048,036	Stock-in-trade	5,507,821	4,203,973
Deferred liabilities	476,968	353,891	Trade debts	2,118,031	1,296,900
	1,778,658	1,401,927	Loans and advances	175,014	140,304
<b>Current liabilities</b>			Trade deposits and short-term prepayments	23,106	15,440
Trade and other payables	1,689,051	1,522,356	Other receivables	37,517	34,034
Interest / mark-up payable	68,983	41,436	Other financial assets	336,306	584,330
Short-term borrowings	4,975,874	3,911,125	Tax refundable	518,010	475,105
Current portion of long-term financing	389,551	429,503	Cash and bank balances	231,716	250,049
	7,123,459	5,904,420		9,237,849	7,256,217
	19,361,585	17,229,879		19,361,585	17,229,879

### CONTINGENCIES AND COMMITMENTS

5

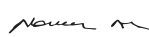
The annexed notes 1 to 13 form an integral part of this unconsolidated condensed interim financial information.



**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

		Nine months period		Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Note		(Rupees in '000)			
Sales - net		16,381,134	15,315,489	5,539,303	5,019,316
Cost of goods sold	8	(14,718,005)	(13,622,892)	(4,873,177)	(4,459,761)
Gross profit		1,663,129	1,692,597	666,126	559,555
Other income		32,360	28,101	3,550	15,056
		1,695,489	1,720,698	669,676	574,611
Distribution cost		(242,182)	(240,498)	(79,018)	(80,729)
Administrative expenses		(185,575)	(173,016)	(56,613)	(57,420)
Other operating expenses		(94,419)	(83,944)	(18,389)	(28,696)
Finance cost		(171,133)	(124,876)	(80,168)	(32,298)
<b>Profit before taxation</b>		<b>1,002,180</b>	<b>1,098,364</b>	<b>435,488</b>	<b>375,468</b>
Taxation	9	(231,285)	(335,844)	(120,347)	(132,270)
<b>Profit after taxation</b>		<b>770,895</b>	<b>762,520</b>	<b>315,141</b>	<b>243,198</b>
Earnings per share - basic and diluted		42.65	42.19	17.44	13.46

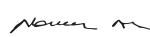
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**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director



# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

	Nine months ended		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
Profit after taxation				
	770,895	762,520	315,141	243,198
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>770,895</b>	<b>762,520</b>	<b>315,141</b>	<b>243,198</b>

The annexed notes 1 to 13 form an integral part of this unconsolidated condensed interim financial information.



Arif Abdul Majeed  
Chief Financial Officer



Shahzad Ahmed  
Chief Executive Officer



Naveed Ahmed  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

	Issued, subscribed and paid-up capital	Reserves				Total
		Capital	Revenue			
		Share Premium	Merger Reserve	General Reserve	Un- appropriated Profits	
(Rupees in '000)						
<b>Balance at June 30, 2016 (Audited)</b>	180,737	10,920	11,512	5,000,000	4,214,866	9,418,035
<b>Comprehensive Income</b>						
Profit for the third quarter ended March 31, 2017	-	-	-	-	762,520	762,520
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	762,520	762,520
Final cash dividend for the year ended June 30, 2016 @ Rs. 5/- per share	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended September 30, 2016 @ Rs. 5/- per share	-	-	-	-	(90,369)	(90,369)
Transfer to general reserve	-	-	-	1,977,568	(1,977,568)	-
<b>Balance at March 31, 2017 (Un-Audited)</b>	180,737	10,920	11,512	6,977,568	2,819,080	9,999,817
<b>Balance at June 30, 2017 (Audited)</b>	180,737	10,920	11,512	6,977,568	2,742,795	9,923,532
<b>Comprehensive Income</b>						
Profit for the third quarter ended March 31, 2018	-	-	-	-	770,895	770,895
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	770,895	770,895
<b>Transaction with owners:</b>						
Final cash dividend for the year ended June 30, 2017 @ Rs. 13/- per share	-	-	-	-	(234,959)	(234,959)
<b>Balance at March 31, 2018 (Un-Audited)</b>	180,737	10,920	11,512	6,977,568	3,278,731	10,459,468

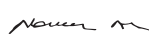
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**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

	Nine months period	
	March 31, 2018	March 31, 2017
	----- (Rupees in '000) -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,002,180	1,098,364
<b>Adjustments for non-cash items:</b>		
Depreciation of property, plant and equipment	443,600	449,015
Amortization on intangibles	3,694	-
Provision for gratuity	50,719	62,846
Unrealized gain on revaluation of foreign currency loans	(1,890)	(2,490)
Loss / ( gain ) on disposal of property, plant and equipment	13,144	(2,101)
Unrealized loss / ( gain ) on revaluation of other financial assets	18,645	(13,871)
Dividend income	(3,444)	(1,440)
Finance cost	171,133	124,876
<b>Cash generated before working capital changes</b>	<b>1,697,781</b>	<b>1,715,199</b>
Working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(34,246)	(37,752)
Stock in trade	(1,303,848)	(1,546,892)
Trade debts	(821,131)	218,167
Loans and advances	(37,847)	(93,944)
Trade deposits and short-term prepayments	(7,666)	(5,256)
Long term deposits	(747)	-
Other receivables	(3,483)	(82,292)
Tax refundable	(2,208,968)	(1,547,969)
Increase in current liabilities		
Trade and other payables	131,987	447,501
Cash generated from operations	(379,200)	614,731
Income taxes paid	(166,238)	(191,655)
Finance cost paid	(143,585)	(126,166)
Gratuity paid	(32,454)	(41,554)
<b>Net cash (used in) / generated from operating activities</b>	<b>(721,477)</b>	<b>255,356</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments made for acquisition of property, plant and equipment	(636,837)	(255,291)
Proceeds from disposal of property, plant and equipment	27,082	17,283
Other financial assets	229,379	(368,718)
Dividend received	3,444	1,440
<b>Net cash used in investing activities</b>	<b>(376,932)</b>	<b>(605,286)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term financing	520,287	152,877
Repayment of long-term financing	(306,586)	(261,255)
Dividend paid	(198,374)	(166,037)
<b>Net cash used in financing activities</b>	<b>15,327</b>	<b>(274,415)</b>
<b>Net decrease in cash and cash equivalent (A+B+C)</b>	<b>(1,083,082)</b>	<b>(624,345)</b>
Cash and cash equivalents at beginning of the period	(3,661,076)	(3,793,364)
<b>Cash and cash equivalents at end of the period</b>	<b>(4,744,158)</b>	<b>(4,417,709)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	231,716	63,012
Short-term borrowings	(4,975,874)	(4,480,721)
	<b>(4,744,158)</b>	<b>(4,417,709)</b>

The annexed notes 1 to 13 form an integral part of this unconsolidated condensed interim financial information.

*Arif Abdul Majeed*

Arif Abdul Majeed  
Chief Financial Officer

*Shahzad Ahmed*

Shahzad Ahmed  
Chief Executive Officer

*Naveed Ahmed*

Naveed Ahmed  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited company under the Companies Ordinance, 1984 (repealed by the Companies Act, 2017). Registered office of the Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on the Pakistan 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 Lodhran. 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
- Indus Wind Energy Limited - Wholly owned subsidiary
- Sunrays Textile Mills Limited - Associated undertaking
- Indus Heartland Limited - Associated undertaking

- 1.2 The management wish to achieve capacity enhancement for its towel manufacturing business and for this purpose entered into a MOU with Feroze 1888 Mills Ltd, to explore the feasibility of potentially entering into a joint venture with one another. The same is subject to due diligence exercise and obtaining the necessary corporate and regulatory approval.

### 2 STATEMENT OF COMPLIANCE

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

- 2.2 Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of (IAS) 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.3 These unconsolidated condensed interim financial information does not include all of the information required for annual audited financial statements and therefore should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2017.

- 2.4 This unconsolidated condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.

- 2.5 The comparative balance sheet presented has been extracted from unconsolidated annual audited financial statements of the Company for the year ended June 30, 2017, whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity presented in this condensed interim financial information have been extracted from the unaudited unconsolidated condensed interim financial information for the third quarter ended March 31, 2017.

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

- 3.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

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, 2017.

- 3.2 The financial risk management policies and objectives adopted by the Company are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2017.

- 3.3 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on this condensed interim financial information of the Company except for IFRS 9: 'Financial Instruments' (IFRS 9), which will replace IAS 39: 'Financial Instruments: Recognition and Measurement' (IAS 39) of financial assets and financial liabilities, and IFRS 15: Revenue from Contract with Customers, which will replace IAS 18: Revenue. The Securities and Exchange Commission of Pakistan (SECP) has notified that IFRS 9 and IFRS 15 would be applicable for periods beginning on or after July 01, 2018. Management is currently in process of assessing impact of these standards on the Company.

### 4 CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Company's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

	Audited June 30, 2017		(Un-Audited)		
		Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current	March 31, 2018
	----- (Rupees in '000) -----				
Long-term financing	1,048,036	520,287	-	(266,633)	1,301,690
Current portion of long-term financing	429,503	-	(306,585)	266,633	389,551
Short-term borrowing	3,911,125	1,096,537	-	(31,788)	4,975,874
Dividend payable	6,326	-	(198,375)	234,959	42,910

	Audited June 30, 2016		(Un-Audited)		
		Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current	March 31, 2017
	----- (Rupees in '000) -----				
Long-term financing	1,224,199	152,877	-	(322,237)	1,054,839
Current portion of long-term financing	272,965	-	(261,255)	322,237	333,947
Short-term borrowing	4,377,109	106,102	-	(2,490)	4,480,721
Dividend payable	25,673	-	(166,038)	180,738	40,373

## 5 CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies

- 5.1.1 Claim of arrears of social security contribution not acknowledged. Appeal is pending in the Honorable High Court of Sindh. The management is hopeful for favorable outcome.

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
	453	453

- 5.1.2 Guarantees issued by banks on behalf of the Company

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
	3,817	3,817

- 5.1.3 Guarantees issued by banks in favour of gas / electric companies

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
	231,466	77,558

- 5.1.4 Bank guarantees against payment of infrastructure cess

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
	281,042	253,042

### 5.2 Commitments

Letters of credit for raw material and stores and spares

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
	2,551,120	444,576

Letters of credit for property, plant and equipment

	March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	----- (Rupees in '000) -----	
	179,209	366,705

## 6. PROPERTY, PLANT AND EQUIPMENT

During the period following additions and disposals / transfers were made:

	----- (Un-Audited) -----			
	Three months period			
	March 31, 2018		March 31, 2017	
	Additions / transfers	Disposal at carrying value / transfers	Additions / transfers	Disposal at carrying value / transfers
	----- (Rupees in '000) -----			
<b>Assets</b>				
Factory building	41,940	-	171,281	(9,279)
Office building	20,100	-	-	-
Power generator	62,574	(1,826)	115,958	-
Plant and machinery	485,498	(33,257)	-	-
Electric installation	2,963	-	-	-
Furniture and fixtures	1,838	(2,134)	3,587	-
Vehicles	33,266	(3,009)	15,449	(5,902)
Software ( intangible )	-	-	18,241	-
Capital work in progress	-	(3,242)	78,995	-
	648,179	(43,468)	403,511	(15,181)

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

		March 31, 2018 (Un-Audited)	June 30, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
<b>7. LONG TERM INVESTMENTS</b>			
Investment in an associate - at cost		13,476	13,476
Investment in subsidiaries - at cost	7.1	3,716,204	3,716,204
		<b>3,729,680</b>	<b>3,729,680</b>
<b>7.1 Investment in subsidiaries - at cost</b>			
Indus Home Limited (IHL)		2,491,204	2,491,204
Indus Lyallpur Limited (ILP)		1,185,000	1,185,000
Indus Wind Energy Limited (IWE)		40,000	40,000
		<b>3,716,204</b>	<b>3,716,204</b>

		(Un-Audited)			
		Nine months period		Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Note		(Rupees in '000)			
8.	COST OF GOODS SOLD				
	Raw material consumed	11,405,027	10,801,831	3,822,833	3,427,277
	Manufacturing expenses	3,016,140	2,924,137	1,056,090	967,303
	Outside purchases	115,258	61,851	78,345	33,105
		14,536,425	13,787,819	4,957,268	4,427,685
	Work in process				
	Opening stock	218,812	218,243	238,110	203,997
	Closing stock	(233,625)	(208,049)	(233,625)	(208,049)
		(14,813)	10,194	4,485	(4,052)
	Cost of goods manufactured	14,521,612	13,798,013	4,961,753	4,423,633
	Finished Goods				
	Opening stock	644,450	405,347	359,481	616,596
	Closing stock	(448,057)	(580,468)	(448,057)	(580,468)
		196,393	(175,121)	(88,576)	36,128
		14,718,005	13,622,892	4,873,177	4,459,761

		(Un-Audited)			
		Nine months period		Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		(Rupees in '000)			
8.1	Manufacturing expenses				
	Salaries, wages and benefits	895,505	892,822	295,118	302,473
	Fuel, water and power	1,139,491	1,073,762	426,328	387,854
	Stores and spares consumed	292,806	226,790	95,854	48,136
	Packing material consumed	197,695	247,734	68,769	67,432
	Insurance	22,162	18,837	7,690	5,534
	Repairs and maintenance	28,823	21,856	8,925	8,854
	Rent, rate and taxes	2,297	1,940	1,430	149
	Depreciation	421,858	427,423	145,966	142,219
	Others	15,503	12,973	6,010	4,652
		3,016,140	2,924,137	1,056,090	967,303

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. 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.

The charge for deferred tax is based on net taxable temporary differences that exist at period end for local operations. It is likely that the income of the Company will be taxable based on turnover tax and under final tax regime in future. Hence, deferred tax is recognized to the extent of local operations.

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## 10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries [(Indus Wind Energy Limited), (Indus Lyallpur Limited), (Indus Home Limited) and (Indus Home US Inc.)], associate (Sunrays Textiles Mills Limited) and entities where directors held interest (Riaz Cotton Factory and Haji Moula Bux) 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:

		<b>Nine months period</b>	
		<b>March 31</b>	<b>March 31</b>
		<b>2018</b>	<b>2017</b>
		<b>(Un-Audited)</b>	<b>(Un-Audited)</b>
		<b>----- (Rupees in '000) -----</b>	
<b>10.1 Transactions during the period</b>			
<b>Relationship with the Company</b>	<b>Nature of transactions</b>		
Subsidiaries			
	Sale of fiber and yarn	<b>102,745</b>	-
	Received yarn conversion cost	<b>280,719</b>	198,002
	Purchase of machinery	-	-
	Paid yarn conversion cost	<b>27,303</b>	58,151
Associate			
	Sale of yarn / fiber	-	2,250
	Received yarn conversion cost	-	13,125
Key management personnel	Remuneration paid	<b>124,526</b>	68,541
		<b>March 31,</b>	<b>June 30,</b>
		<b>2018</b>	<b>2017</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
		<b>----- (Rupees in '000) -----</b>	
<b>10.2 Balances with related parties:</b>			
Subsidiaries - receivable		<b>38,679</b>	27,972
Subsidiaries - payable		<b>9,487</b>	1,111
Associate - receivable		<b>8,964</b>	-
Associate - payable		-	260
Other related parties - common directorship:			
- Payable		<b>3,170</b>	3,170

## 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either 'directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Company's financial assets which are carried at fair value:

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

Carrying Amount				Fair Value			
Fair value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
As at March 31, 2018 (Un-Audited)							
(Rupees in '000)							

## Financial assets measured at fair value

Other financial assets	336,306	-	-	336,306	336,306	-	-	336,306
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## Financial assets not measured at fair value (note 11.1)

Long-term deposits	-	4,851	-	4,851
Trade debts	-	2,118,031	-	2,118,031
Loans and advances	-	24,704	-	24,704
Trade deposits	-	1,577	-	1,577
Other receivables	-	37,517	-	37,517
Bank balances	-	222,503	-	222,503
	-	2,409,183	-	2,409,183

## Financial liabilities not measured at fair value (note 11.1)

Long-term financing	-	-	1,691,241	1,691,241
Trade and other payables	-	-	980,990	980,990
Short-term borrowings	-	-	4,975,874	4,975,874
Interest / mark-up payable	-	-	68,983	68,983
	-	-	7,717,088	7,717,088

Carrying Amount				Fair Value			
Fair value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2017 (Audited)							
(Rupees in '000)							

## Financial assets measured at fair value

Other financial assets	584,330	-	-	584,330	584,330	-	-	584,330
------------------------	---------	---	---	---------	---------	---	---	---------

## Financial assets not measured at fair value (note 11.1)

Long-term deposits	-	4,105	-	4,105
Trade debts	-	1,296,900	-	1,296,900
Loans and advances	-	21,115	-	21,115
Trade deposits	-	1,577	-	1,577
Other receivables	-	34,034	-	34,034
Bank balances	-	243,958	-	243,958
	-	1,601,689	-	1,601,689

## Financial liabilities not measured at fair value (note 11.1)

Long-term financing	-	-	1,477,539	1,477,539
Trade and other payables	-	-	1,191,089	1,191,089
Short-term borrowings	-	-	3,911,125	3,911,125
Interest / mark-up payable	-	-	41,436	41,436
	-	-	6,621,189	6,621,189



## INDUS DYEING & MANUFACTURING COMPANY LIMITED

11.1 The Company has not disclosed the fair values of these financial assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

### 11.2 Transfers during the period

There were no transfers of items between various levels of fair value hierarchy during the period.

### 12 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issue on 30th April 2018 by the Board of Directors of the Company.

### 13 GENERAL

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


13.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation, the effect of which is not material.



Arif Abdul Majeed  
Chief Financial Officer



Shahzad Ahmed  
Chief Executive Officer



Naveed Ahmed  
Director



# INDUS DYEING & MANUFACTURING COMPANY LIMITED

**Consolidated Condensed Interim Financial Information**  
**July 01, 2017 to March 31, 2018**

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## CONSOLIDATED CONDENSED INTERIM BALANCE SHEET ( UN-AUDITED ) AS AT MARCH 31, 2018

AS AT MARCH 31, 2018

	March 31, 2018	June 30, 2017		March 31, 2018	June 30, 2017
Note	(Unaudited)	(Audited)	Note	(Unaudited)	(Audited)
	----- (Rupees in '000) -----			----- (Rupees in '000) -----	
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>Share capital and reserves</b>			<b>Non-current assets</b>		
<b>Authorised share capital</b>					
45,000,000 ordinary shares of Rs. 10/- each	<b>450,000</b>	450,000			
Issued, subscribed and paid up capital	<b>180,737</b>	180,737	Property, plant and equipment	8 <b>10,773,688</b>	10,431,373
			Intangible assets	<b>23,337</b>	27,759
Reserves	<b>7,000,000</b>	6,999,444	Long-term investments	9 <b>23,791</b>	22,567
Unappropriated profit	<b>5,421,446</b>	4,786,250	Long-term deposits	<b>15,515</b>	14,757
	<b>12,602,183</b>	11,966,431		<b>10,836,331</b>	10,496,456
<b>Non-current liabilities</b>			<b>Current assets</b>		
Long-term financing	6 <b>1,809,798</b>	1,193,821			
Deferred liabilities	<b>636,842</b>	500,626	Stores, spares and loose tools	<b>483,187</b>	527,318
	<b>2,446,640</b>	1,694,447	Stock-in-trade	<b>8,000,027</b>	6,550,142
<b>Current liabilities</b>			Trade debts	<b>3,465,774</b>	2,020,014
Trade and other payables	<b>2,344,724</b>	2,130,541	Loans and advances	<b>228,873</b>	228,353
Interest / mark-up payable	<b>82,216</b>	53,005	Trade deposits and short-term prepayments	<b>28,905</b>	28,879
Short-term borrowings	6 <b>6,669,521</b>	5,691,516		-	-
Current portion of long-term financing	6 <b>418,138</b>	448,442	Other receivables	<b>110,604</b>	98,705
			Other financial assets	<b>338,931</b>	994,123
			Tax refundable	<b>785,057</b>	754,180
			Cash and bank balances	<b>285,733</b>	286,212
	<b>9,514,599</b>	8,323,504		<b>13,727,091</b>	11,487,926
<b>CONTINGENCIES AND COMMITMENTS</b>					
	7				
	<b>24,563,422</b>	21,984,382		<b>24,563,422</b>	21,984,382


The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.



**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

		Nine months period		Quarter ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Note ----- (Rupees in '000) -----					
Sales - net		22,571,202	21,218,867	7,781,012	7,477,390
Cost of goods sold	10	(20,317,767)	(18,775,400)	(6,889,435)	(6,568,892)
Gross profit		2,253,435	2,443,467	891,577	908,498
Other income		53,352	38,390	15,605	23,762
		2,306,787	2,481,857	907,182	932,260
Distribution cost		(441,729)	(421,629)	(141,978)	(152,990)
Administrative expenses		(322,957)	(290,349)	(102,369)	(100,612)
Other operating expenses		(125,813)	(114,800)	(33,186)	(40,930)
Finance cost		(244,446)	(177,124)	(105,776)	(45,945)
		(1,134,945)	(1,003,902)	(383,309)	(340,477)
Share of profit from associate - net of tax	9.1	1,338	867	912	305
Profit before taxation		1,173,180	1,478,822	524,785	592,088
Taxation	11	(302,719)	(378,604)	(158,141)	(151,551)
Profit for the period - attributable to ordinary share holders of the Holding Company		870,461	1,100,218	366,644	440,537
Earnings per share - basic and diluted		48.16	60.87	22.29	24.37


The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.



**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

	Nine months period		Quarter ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in '000)			
Profit for the period	870,461	1,100,218	366,644	440,537
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit and loss</b>				
Exchange gain / ( loss ) on translation of balances of foreign subsidiary	250	(67)	12	(133)
<b>Items that will not be reclassified subsequently to profit and loss</b>	-	-	-	-
<b>Total comprehensive income for the period - attributable to ordinary share holders of the Holding Company</b>	<b>870,711</b>	<b>1,100,151</b>	<b>366,656</b>	<b>440,404</b>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.



**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

	Reserves						Total
	Issued, subscribed and paid-up capital	Capital			Revenue		
		Share premium	Merger reserve	Exchange translation reserve	General reserve	Unappropri- ated profit	
(Rupees in '000)							
Balance at June 30, 2016 (audited)	180,737	10,920	11,512	(468)	5,000,000	5,913,069	11,115,770
Comprehensive income for the period							
Profit for the period ended March 31, 2017	-	-	-	-	-	1,100,218	1,100,218
Exchange gain on translation of foreign subsidiary	-	-	-	(67)	-	-	(67)
Total comprehensive income for the period	-	-	-	(67)	-	1,100,218	1,100,151
Associate's transfer of surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	182	182
Transactions with owners recorded directly in equity							
Final cash dividend for the year ended June 30, 2016 @ Rs. 5/- per share	-	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended September 2016 @ Rs. 5/- per share	-	-	-	-	-	(90,369)	(90,369)
Transfer to general reserve	-	-	-	-	1,977,568	(1,977,568)	-
Balance at March 31, 2017 (unaudited)	180,737	10,920	11,512	(535)	6,977,568	4,855,163	12,035,365
Balance at June 30, 2017 (audited)	180,737	10,920	11,512	(556)	6,977,568	4,786,250	11,966,431
Comprehensive income for the period							
Profit for the period ended March 31, 2018	-	-	-	-	-	870,461	870,461
Exchange gain on translation of foreign subsidiary	-	-	-	250	-	-	250
Total comprehensive income for the period	-	-	-	250	-	870,461	870,711
Transactions with owners recorded directly in equity							
Final cash dividend for the year ended June 30, 2017 @ Rs. 13/- per share	-	-	-	-	-	(234,959)	(234,959)
Balance at March 31, 2018 (unaudited)	180,737	10,920	11,512	(306)	6,977,568	5,421,752	12,602,183

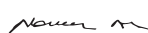
The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.



**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

	Nine months period	
	March 31, 2018	March 31, 2017
	----- (Rupees in '000) -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,173,180	1,478,822
<b>Adjustments for:</b>		
Depreciation and Amortization	750,576	776,942
Provision for gratuity	95,734	110,667
Share of profit from associate	(1,338)	(867)
Unrealised gain on revaluation of foreign currency loans	2,931	(2,490)
Unrealised loss on revaluation of derivative asset	(1,890)	-
Loss on disposal of property, plant and equipment	10,703	7,263
Unrealised loss / (gain) on revaluation of other financial assets	18,645	(13,871)
Finance cost	244,446	189,408
Dividend income	(3,444)	(753)
<b>Cash generated before working capital changes</b>	<b>2,289,543</b>	<b>2,545,121</b>
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	44,131	(67,610)
Stock in trade	(1,449,885)	(2,147,330)
Trade debts	(1,445,760)	15,964
Loans and advances	(10,188)	(738,248)
Long term deposits	(758)	(11)
Trade deposits and short-term prepayments	(36,267)	(5,350)
Other receivables	24,414	(60,706)
Tax refundable	45,737	(36,676)
	(2,828,576)	(3,039,967)
Increase in current liabilities		
Trade and other payables	138,453	514,624
<b>Cash generated from operations</b>	<b>(400,580)</b>	<b>19,778</b>
Income taxes paid	(204,518)	(183,678)
Finance cost paid	(206,150)	(188,440)
Gratuity paid	(76,551)	(59,110)
<b>Net cash generated from / (used in) operating activities</b>	<b>(887,799)</b>	<b>(411,450)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	(1,126,858)	(397,281)
Proceeds from disposal of property, plant and equipment	8,634	36,894
Other financial assets	636,547	(458,316)
Dividend received	3,444	753
<b>Net cash used in investing activities</b>	<b>(478,233)</b>	<b>(817,950)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term financing	905,409	221,944
Long term finance repaid - net	(319,737)	(341,775)
Dividend paid	(198,374)	(166,037)
<b>Net cash generated from / (used in) financing activities</b>	<b>387,298</b>	<b>(285,868)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(978,734)</b>	<b>(1,515,268)</b>
Cash and cash equivalents at beginning of the period	(5,405,304)	(5,477,806)
Effects of exchange rate changes on cash and cash equivalents	250	67
<b>Cash and cash equivalents at end of the period</b>	<b>(6,383,788)</b>	<b>(6,993,007)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	285,733	113,674
Short-term borrowings	(6,669,521)	(7,106,681)
	<b>(6,383,788)</b>	<b>(6,993,007)</b>

The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.

# INDUS DYEING & MANUFACTURING COMPANY LIMITED

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2018

### 1. THE GROUP AND ITS OPERATIONS

The "Group" consists of Indus Dyeing & Manufacturing Company Limited (the Holding Company), its subsidiaries and associates.

#### 1.1 Holding Company

Indus Dyeing & Manufacturing Company Limited (the Holding 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 Holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Holding Company is manufacturing and sale of yarn. The manufacturing facilities of the Holding Company are located in Karachi, Hyderabad and Muzaffargarh.

#### 1.2 Subsidiary Companies

##### 1.2.1 Indus Lyallpur Limited - 100% owned

Indus Lyallpur Limited ( ILL ) is an unlisted public company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984. Principal business of the ILL is manufacturing and sale of yarn. Its manufacturing facility is located at 38th kilometer, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the ILL is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

##### 1.2.2 Indus Home Limited - 100% owned

Indus Home Limited ( IHL ) was incorporated in Pakistan as a public limited company on May 18, 2006 under the Companies Ordinance 1984. The registered office of the company is located at 174 Abu Bakar Block, New Garden Town, Lahore. The principal activities of the IHL are to manufacture and export the greige and finished terry cloth and other textile products. The manufacturing facility of the Company is located at Manga Mandi, Lahore. On November 21, 2013, the Holding Company acquired 75 million shares of Indus Home Limited from WestPoint Pakistan LLC for an aggregate purchase consideration of USD 12 million. As a result of the acquisition, the Holding Company acquired controlling interest in Indus Home Limited by way of 100% ownership.

##### 1.2.3 Indus Home USA Inc. (100% owned by Indus Home Limited)

Indus Home USA Inc. was established during the year ended June 30, 2014. Its principal business activity is to act as commission agent to generate sales order in textile sector.

##### 1.2.4 Indus Wind Energy Limited - 100% owned

Indus Wind Energy Limited was established during the year ended June 30, 2015. Its principal business activity is to generate and sale electricity to the national grid.

#### 1.3 Sunrays Textile Mills Limited - Associated Company

Sunrays Textile Mills Limited was incorporated in Pakistan on August 27, 1987 as a public limited company under the Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating a spinning unit and an ice factory on leasing arrangements. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab. The Holding Company has 0.99% voting rights in the Company and it is regarded associate due to common directorship.

#### 1.4 Indus Heartland Limited - Associated Company

Indus Heartland Limited was incorporated in Pakistan on February 25, 2011 as a public limited company (unlisted) under the Companies Ordinance, 1984. Registered office of the Company is situated at office No. 508, 5th Floor, Beaumont Plaza, Civil Lines Quarter Karachi. The Company has not yet started its commercial operation.

The Holding Company has no voting rights in the Company and it is regarded associate due to common directorship.

#### 1.5 The management wish to achieve capacity enhancement for its towel manufacturing business and for this purpose entered into a MOU with Feroze 1888 Mills Ltd, to explore the feasibility of potentially entering into a joint venture with one another. The same is subject to due diligence exercise and obtaining the necessary corporate and regulatory approvals.

### 2. BASIS OF CONSOLIDATION

- The consolidated condensed interim financial information includes the condensed interim financial information of the Holding Company, its subsidiaries and an associate company collectively referred to as "the Group" in these financials information.
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.
- The condensed interim financial information of the subsidiary companies are prepared for the same reporting period as of the Holding Company for the purpose of consolidation, using consistent accounting policies.



## INDUS DYEING & MANUFACTURING COMPANY LIMITED

- The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis.
- Material inter-group balances and transactions have been eliminated.
- Non-controlling Interest in equity of the subsidiary companies are measured at fair value as of the acquisition date of the subsidiaries.

### 3. STATEMENT OF COMPLIANCE

- 3.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

'- International accounting standards ( IAS ) 34, Interim Financial Reporting, issued by the International Accounting Standards Board ( IASB ) as notified under the Companies Act , 2017; and '- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of ( IAS ) 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

- 4.1 The accounting policies applied in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended June 30, 2017.
- 4.2 The financial risk management policies and objectives adopted by the Group are consistent with those disclosed in the Group's annual audited consolidated financial statements for the year ended June 30, 2017.
- 4.3 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on this condensed interim financial information of the Company except for IFRS 9: 'Financial Instruments' (IFRS 9), which will replace IAS 39: 'Financial Instruments: Recognition and Measurement' (IAS 39) of financial assets and financial liabilities. The Securities and Exchange Commission of Pakistan (SECP) has notified that IFRS 9 would be applicable for periods beginning on or after July 01, 2018; therefore, the requirements of IFRS 9 will be applicable on Company. Management is currently in process of assessing impact of this standard on the Company.

### 5. BASIS OF PREPARATION

- 5.1 This consolidated condensed interim financial information has been prepared under the historical cost convention modified by:
- recognition of certain employee retirement benefits at present value.
  - certain financial instruments at fair value.
- 5.2 This consolidated 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 consolidated financial statements of the Group for the year ended June 30, 2017.
- 5.3 This consolidated condensed interim financial information is presented in Pakistani Rupees which is also the Group's functional currency.
- 5.4 The comparative consolidated interim balance sheet presented has been extracted from annual consolidated financial statements for the year ended June 30, 2017, whereas comparative consolidated condensed interim profit and loss account, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity are stated from the unaudited consolidated condensed interim financial information for the third quarter ended March 31, 2017.

### 6 CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Company's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cashflows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	Audited June 30, 2017	Financing cash inflows	(Un-Audited) Financing cash outflows	Non Cash changes - Transfer current portion	March 31, 2018
	(Rupees in '000)				
Long-term finances	1,193,821	905,409	-	(289,432)	1,809,798
Current portion of long term finances	448,442	-	(319,737)	289,432	418,138
Short term borrowing	5,691,516	991,089	-	(13,084)	6,669,521
Dividend payable	6,326	-	(198,375)	234,959	42,910

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	Audited June 30, 2016	Financing cash inflows	Financing cash outflows	(Un-Audited) Non Cash changes - Transfer current portion	March 31, 2017
				(Rupees in '000)	
Long-term finances	1,363,996	705,066	-	(862,511)	1,206,551
Current portion of long term finances	313,682	-	(824,898)	862,511	351,295
Short term borrowing	6,096,915	1,011,021	-	(1,255)	7,106,681
Dividend payable	25,673	-	(166,038)	180,738	40,373

## 7. CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies

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.

Guarantees issued by banks on behalf of the Group

Guarantees issued by banks in favour of gas and electric distribution companies

Bank guarantees against payment of infrastructure cess

Bank guarantees in favour of Government of Sindh

March 31,  
2018  
(Unaudited)  
----- (Rupees in '000) -----

June 30,  
2017  
(Audited)

453	453
3,817	3,817
272,799	234,167
461,195	308,196
-	2,625

### 7.2 Commitments

Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases

Civil work contracts

Bills discounted

Foreign currency forward contracts - Sale

Foreign currency forward contracts - Purchase

Post dated cheques in favour of

Revenue Department - Government of Pakistan

3,474,978	1,044,075
20,682	73,917
34,266	50,333
336,900	643,503
49,651	37,824
1,152,679	728,891

Contingencies and Commitments note should be read in conjunction with the annual consolidated financial statements of the Group for the year ended June 30, 2017.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the period, the following additions and disposals / transfers were made:

	Un-Audited Nine months period			
	March 31, 2018		March 31, 2017	
	Additions / Transfers	Disposal at carrying value / transfers	Additions / Transfers	Disposal at carrying value / transfers
				(Rupees in '000)
<b>Assets</b>				
Factory building	47,994	-	6,641	-
Office building	20,100	-	-	-
Plant and machinery	592,769	(34,288)	288,660	(31,640)
Electric installations	2,963	-	68	-
Power generator	62,574	-	117,533	(3,920)
Office equipment	241	(10)	1,496	-
Furniture and fixtures	2,399	-	3,587	-
Vehicles	55,185	(8,882)	29,933	(6,991)
Computers	1,134	(29)	1,118	(48)
<b>Capital work in progress</b>	360,733	-	91,715	-
	1,146,092	(43,209)	540,751	(42,599)

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		March 31, 2018	June 30, 2017
	Note	(Unaudited) ----- (Rupees in '000) -----	(Audited)
<b>9. LONG TERM INVESTMENTS</b>			
Investment in an associate	9.1	<b>23,791</b>	<b>22,567</b>
<b>9.1 Investment in associate</b>			
Cost		1,716	1,716
Share of post acquisition profits:			
Opening		20,851	19,895
Dividend received		(275)	(687)
Share of profit from associate for the period		1,499	1,643
		<b>22,075</b>	<b>20,851</b>
		<b>23,791</b>	<b>22,567</b>
Number of shares held		68,654	68,654
Ownership interest		0.99%	0.99%
Market value (Rupees in '000)		11,465	13,559
Cost of investment (Rupees in '000)		1,716	1,716
		----- Un-audited -----	
		Nine months period	Quarter ended
		March 31, 2018	March 31, 2017
		March 31, 2017	March 31, 2017
		----- (Rupees in '000) -----	
<b>10. COST OF GOODS SOLD</b>			
Raw material consumed		12,632,385	12,383,808
Manufacturing expenses		5,257,959	5,238,606
Outside purchases		2,365,873	1,611,789
		<b>20,256,217</b>	19,234,203
Work in process			
Opening stock		671,686	467,680
Closing stock		(743,107)	(673,209)
		<b>(71,421)</b>	<b>(154,087)</b>
Cost of goods manufactured		<b>20,184,796</b>	19,028,674
Finished Goods			
Opening stock		1,103,809	856,153
Closing stock		(970,838)	(1,109,427)
		<b>132,971</b>	<b>(120,323)</b>
		<b>20,317,767</b>	18,775,400
		<b>6,889,435</b>	6,568,892
<b>10.1 Manufacturing expenses</b>			
Salaries, wages and benefits		1,558,933	1,454,411
Fuel, water and power		1,786,161	1,744,819
Stores and spares consumed		788,690	704,857
Packing material consumed		457,293	517,249
Insurance		35,511	28,041
Repairs and maintenance		37,937	29,660
Rent, rate and taxes		2,297	1,940
Depreciation		709,583	740,145
Others		59,935	64,930
Rebate		(178,381)	(47,446)
		<b>5,257,959</b>	5,238,606
		<b>1,865,662</b>	1,851,717
<b>11. TAXATION</b>			

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. In this consolidated 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.

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The charge for deferred tax is based on net taxable temporary differences that exist at period end for local operations. It is likely that the income of the Group will be taxable based on turnover tax and under final tax regime in future. Hence, deferred tax is recognized to the extent of local operations.

## 12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited) and entities where directors held interest (Riaz Cotton Factory and Haji Moula Bux) 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:

Un-Audited	
Nine months period	
March,31	March,31
2018	2017
(Rupees in '000)	

## 12.1 Transactions during the period

Relationship	Nature of transactions		
Associate	Purchase of yarn	10,355	2,879
	Paid conversion cost	43,990	69,995
Key management personnel	Remuneration paid	209,038	128,319
		March 31,	June 30,
		2018	2017
		(Un-Audited)	(Audited)
		(Rupees in '000)	

## 12.2 Balances with related parties

Associate - payable	2,030	1,980
Associate - receivable	8,964	-
Balances with other related parties due to common directorship		
- Payable	3,170	3,170

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets (i.e. listed equity shares) are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Company is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either 'directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Company's financial assets which are carried at fair value:

	Carrying Amount				Fair Value			
	Fair value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- As at March 31, 2018 (Un-Audited) -----								
----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>								
Other financial assets	338,931	-	-	338,931	338,931	-	-	338,931
<b>Financial assets not measured at fair value</b>								
Long-term deposits	-	15,515	-	15,515				
Trade debts	-	3,465,774	-	3,465,774				
Loans and advances	-	35,282	-	35,282				
Trade deposits	-	5,965	-	5,965				
Other receivables	-	110,604	-	110,604				
Short term investments	-	338,931	-	338,931				
Bank balances	-	273,577	-	273,577				
	-	4,245,648	-	4,245,648				

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		Carrying Amount				Fair Value			
		Fair value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- As at March 31, 2018 (Un-Audited) -----									
(Rupees in '000)									
<b>Financial liabilities not measured at fair value</b>	13.1								
Long-term financing		-	-	1,809,798	1,809,798				
Trade and other payables		-	-	2,344,724	2,344,724				
Short-term borrowings		-	-	6,669,521	6,669,521				
Interest / mark-up payable		-	-	82,216	82,216				
		-	-	10,906,259	10,906,259				
		Carrying Amount				Fair Value			
		Fair value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- As at June 30, 2017 (Audited) -----									
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
Other financial assets		994,123	-	-	994,123	994,123	-	-	994,123
<b>Financial assets not measured at fair value</b>	13.1								
Long-term deposits		-	14,757	-	14,757				
Trade debts		-	2,020,014	-	2,020,014				
Loans and advances		-	26,966	-	26,966				
Trade deposits		-	11,785	-	11,785				
Other receivables		-	98,705	-	98,705				
Bank balances		-	286,212	-	286,212				
		-	2,458,439	-	2,458,439				
<b>Financial liabilities not measured at fair value</b>	13.1								
Long-term financing		-	-	1,193,821	1,193,821				
Trade and other payables		-	-	2,130,541	2,130,541				
Short-term borrowings		-	-	5,691,516	5,691,516				
Interest / mark-up payable		-	-	53,005	53,005				
		-	-	9,068,883	9,068,883				

- 13.1 The Company has not disclosed the fair values of all this financial assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

## Transfers during the period

There were no transfers of items between various levels of fair value hierarchy during the period.

## 14 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on 30th April, 2018 by the Board of Directors of the Group.

## 15. GENERAL

- 15.1 Figures have been rounded off to the nearest thousand of Rupee.
- 15.2 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation, the effect of which is not material.



**Arif Abdul Majeed**  
Chief Financial Officer



**Shahzad Ahmed**  
Chief Executive Officer



**Naveed Ahmed**  
Director