

**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**JULY 01, 2018
to
DECEMBER 31, 2018
(Un - audited)**

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Company profile

Board of Directors

1	Mian Mohammad Ahmed	Chairman
2	Mr. Shahzad Ahmed	Chief Executive Officer
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

Auditors

M/s Deloitte Yousuf Adil
Chartered Accountants

Registrar & Share Transfer Office

JWAFFS Registrar (Pvt) Ltd.

407-408, Al - Ameera Centre,
Shahrah-e-Iraq, Saddar, Karachi.

Tel. 35662023 - 24
Fax. 35221192

Factory location

- 1 P 1 S.I.T.E. Hyderabad, Sindh. Tel. 0223 - 880219 & 252
- 2 Plot # 3 & 7, Sector - 25, Korangi Industrial Area, Karachi. Tel. 021- 35061577 - 9
- 3 Muzaffergarh, Bagga Sher, District Multan. Tel. 0662 - 490202 - 205
- 4 Indus Lyallpur Limited. 38th Kilometer, Shaikhupura Road, District Faisalabad. Tel. 041 - 4689235 - 6
- 5 Indus Home Limited. 2.5 Kilometer, Off Manga Raiwind Road, Manga Mandi, Lahore. Tel. 042 - 35385021 - 7
111 - 404 - 405

Director's Review to the Shareholders

The directors of Indus Dyeing and Manufacturing Company Limited are pleased to present financial results of the Group's Consolidated Interim Financial Statements for the half year ended December 31st 2018.

STATE OF AFFAIRS AND FINANCIAL RESULTS

Interim Consolidated turnover for the six months period ending on December 31, 2018 was Rs 17,489 million against Rs. 14,790 million for the same period last year, whereas the interim consolidated net profit after tax is Rs 1,303 million as compared to Rs. 504 million in the last corresponding period. The Company has shown satisfactory performance during the half year under review despite various challenges such as increased raw cotton prices, borrowing costs and wages etc. Due to the persistent efforts of the management in procurement of raw material and cash flow planning the Company was able to achieve these results.

Following are the operating financial results:

	Six months ended December 31, (Rs in Million)	
	2018	2017
Sales-Net	17,489	14,790
Gross Profit	2,426	1,362
Other Operating Income/(loss)	148	38
Profit Before Taxation	1,567	648
Taxation	(264)	(144)
Profit After Taxation	1,303	504

REVIEW OF OPERATIONS

Sales increased by 18.25 % during the six months under review over the last corresponding period. During the period raw material prices, minimum wages slab, distribution and administrative costs have increased but due to increase sales volume and yarn prices and devaluation of Pakistan rupee, net profit before tax has increased substantially. The towel unit's sales during the six months period ended December 31, 2018 were Rs. 3,681 million and contributed Rs. 237 million toward profits after tax in the above mentioned consolidated results.

EARNINGS PER SHARE

On a consolidated basis, the earnings per share for the half year ended December 31, 2018 were Rs. 72.10 per share as compared to Rs. 27.90 per share over the previous corresponding period.

FUTURE PROSPECTS

The textile sector being a back bone of the country, contributes in foreign exchange reserves and creates employment. The government must take serious steps to facilitate the exporters by extending the DLTL facility on yarn and reducing borrowing costs. Further payments from the government for DLTL, Income Tax and Sales Tax refunds are very slow and causing liquidity issues which ultimately affecting the industry from being able to operate and grow optimally.

For the future, exploration of new market is vital and Group is trying but this is a slow and time taking process. Government policies toward export can benefit the exporters if DLT, borrowing costs, energy cost and stuck up refunds related issues are addressed and resolved amicably.

ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Group. 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
Chief Executive Officer

Karachi: March 01, 2019

حصص یافتگان کے لئے ڈائریکٹرز کا جائزہ

انڈس ڈائینگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2018 کو ختم ہونے والے ششماہی کیلئے گروپ کے مجموعی مالیاتی گوشواروں کے مالی نتائج پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

امور کی حالت اور مالیاتی نتائج

31 دسمبر 2018 کو ختم ہونے والے چھ مہینوں کے لئے مجموعی حسابات پچھلے سال کی اسی مدت کے لئے 14,790 ملین روپے کے مقابلہ میں 17,489 ملین روپے جب کہ ٹیکس کے بعد مستحکم مجموعی منافع اسی مدت کے دوران 504 ملین روپے کے مقابلہ میں 1,303 ملین روپے تھا۔ کمپنی نے مختلف مشکلات جیسے کہ خام روئی کی قیمتوں میں اضافہ، قرضہ جات کی لاگتیں اور تنخواہیں وغیرہ کے باوجود نظر ثانی کے تحت ششماہی کے دوران تسلی بخش کارکردگی دکھائی۔ خام مال کی خریداری میں انتظامیہ کی ثابت قدم کاوشوں اور کیش فلو پلاننگ کی وجہ سے کمپنی ان نتائج کو حاصل کرنے کی اہل ہوئی تھی۔

آپریٹنگ مالیاتی نتائج درج ذیل ہیں۔

31 دسمبر کو ختم ہونے والی ششماہی (روپے ملین میں)		
2017	2018	
14,790	17,489	کل فروخت
1,362	2,426	مجموعی نفع
38	148	دیگر فعال آمدنی (نقصان)
648	1,567	ٹیکس سے پہلے نفع
(144)	(264)	ٹیکس
504	1,303	ٹیکس کے بعد نفع

جائزہ برائے افعال

پچھلے سال اس مدت میں جائزہ کے تحت چھ مہینوں کے دوران سیلز میں 18.25 فیصد کا اضافہ ہوا۔ مدت کے دوران خام مال کی قیمتوں، کم سے کم تنخواہوں کے سلیب، تقسیم کاری اور انتظامی اخراجات میں اضافہ ہوا لیکن فروخت کے حجم اور دھاگہ کی قیمتوں میں اضافہ اور پاکستانی روپے کی قدر میں کمی کی وجہ سے ٹیکس سے قبل منافع میں اضافہ ممکن ہوا۔ 31 دسمبر 2018 کو ختم ہونے والے چھ

مہینوں کے دوران تولیہ پونٹ کی فروخت 3,681 ملین روپے تھی اور اوپر بیان کئے گئے مجموعی نتائج میں ٹیکس کے بعد نفع میں 237 ملین روپے کی معاونت کی۔

نی حصص آمدنی

مجموعی بنیاد پر 31 دسمبر 2018 کو ختم ہونے والی ششماہی کے لئے نی حصص کمائی 72.10 روپے جبکہ پچھلے سال اسی مدت کے دوران نی حصص کمائی 27.90 تھی۔

مستقبل کے امکانات

ٹیکسٹائل کا شعبہ ملک میں ریڑھ کی ہڈی کی حیثیت رکھتا ہے اور زرمبادلہ کے ذخائر میں حصہ لیتا اور ملازمتیں پیدا کرتا ہے۔ حکومت کو ایکسپورٹرز کو سہولت دینے کے لئے دھاگہ پر DLTL سہولت بڑھانے اور قرضہ جات کی لاگتوں میں کمی کرنے کے لئے سخت اقدامات اٹھانے ہوں گے۔ مزید یہ کہ DLTL، انکم ٹیکس اور سیلز ٹیکس کے لئے حکومت سے ادائیگیاں بہت سست ہیں جو کہ لیکویڈیٹی مسائل کا سبب بن رہی ہیں اور انڈسٹری کو چلانے اور ترقی کو متاثر کر رہی ہے۔

مستقبل کے لئے نئے منڈیوں کی دریافت بہت ضروری ہے اور گروپ کوشش کر رہا ہے لیکن یہ سست اور وقت صرف کرنے والا عمل ہے۔ ایکسپورٹ کے لیے حکومت کی پالیسیاں ایکسپورٹرز کے لئے سود مند ہو سکتی ہیں اگر DLTL، قرضہ جات کی لاگتیں، توانائی کی قیمت، ریفرنڈ سے متعلق رکے ہوئے مسائل کو دور کیا جائے اور انہیں خوشگوار طریقے سے حل کیا جائے۔

اظہار تشکر

ہم اپنی کمپنی کے ہر ملازم، صارفین، بینکرز اور حصص یافتگان کے مشکور ہیں جنہوں نے کمپنی کے مقاصد میں اپنا حصہ لیا اور ہم پر اعتماد کیا۔

بورڈ کی جانب سے

شہزاد احمد

چیف ایگزیکٹو آفیسر

کراچی۔ یکم مارچ 2019

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF INDUS DYEING AND MANUFACTURING COMPANY LIMITED

Report on review of unconsolidated condensed interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Indus Dyeing and Manufacturing Company Limited** (the Company) as at December 31, 2018 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and related notes for the three months period ended December 31, 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2018.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Naresh Kumar.



Chartered Accountants

Date: March 01, 2019

Place: Karachi

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	December 31, 2018 (Un-Audited)	June 30, 2018 (Audited)		December 31, 2018 (Un-Audited)	June 30, 2018 (Audited)
Note	----- Rupees in '000' -----		Note	----- Rupees in '000' -----	
EQUITY AND LIABILITIES			ASSETS		
Authorised share capital			Non-current assets		
45,000,000 ordinary shares of Rs. 10/- each	<u>450,000</u>	<u>450,000</u>	Property, plant and equipment	6,248,607	6,310,579
Share capital and reserves			Intangibles	17,463	19,592
Issued, subscribed and paid-up capital			Long-term investments	3,689,680	3,689,680
18,073,732 ordinary shares of Rs. 10/- each	180,737	180,737	Long-term deposits	4,831	4,810
Reserves	7,000,000	7,000,000		9,960,581	10,024,661
Unappropriated profit	4,641,728	3,889,946			
	11,822,465	11,070,683			
Non-current liabilities			Current assets		
Long-term financing	1,313,988	1,323,195	Stores, spares and loose tools	320,148	265,723
Deferred liabilities	424,423	373,007	Stock-in-trade	7,301,165	4,716,028
	1,738,411	1,696,202	Trade debts	2,541,897	3,533,973
Current liabilities			Loans and advances	112,231	165,097
Trade and other payables	2,163,998	1,920,207	Trade deposits and short-term prepayments	7,481	1,649
Unclaimed dividend	51,724	11,080	Other receivables	48,923	63,547
Interest / mark-up payable	85,220	44,631	Other financial assets	298,292	315,213
Short-term borrowings	5,134,762	4,594,774	Tax refundable	539,061	489,286
Current portion of long-term financing	265,108	353,889	Cash and bank balances	131,909	116,289
	7,700,812	6,924,581		11,301,107	9,666,805
CONTINGENCIES AND COMMITMENTS					
5				21,261,688	19,691,466
	21,261,688	19,691,466			

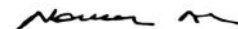
The annexed notes 1 to 13 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2018

	Note	Six months period ended		Three months period ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
----- Rupees in '000' -----					
Sales - net		12,135,108	10,841,831	5,571,502	5,471,824
Cost of goods sold	8	(10,390,207)	(9,844,828)	(4,909,316)	(5,095,616)
Gross profit		1,744,901	997,003	662,186	376,208
Other income		78,119	28,810	70,787	36,892
		1,823,020	1,025,813	732,973	413,100
Distribution cost		(156,395)	(163,164)	(86,239)	(72,903)
Administrative expenses		(140,890)	(128,962)	(67,003)	(69,159)
Other operating expenses		(109,906)	(76,030)	(29,983)	(33,307)
Finance cost		(179,875)	(90,965)	(105,039)	(48,819)
Profit before taxation		1,235,954	566,692	444,709	188,912
Taxation	9	(194,992)	(110,938)	(146,462)	(54,405)
Profit after taxation		1,040,962	455,754	298,247	134,507
Earnings per share - Basic and diluted		57.60	25.22	16.50	7.44

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended		Three months period ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- Rupees in '000' -----			
Profit after taxation	1,040,962	455,754	298,247	134,507
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,040,962	455,754	298,247	134,507

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Reserves					Total
	Capital		Revenue			
Issued, subscribed and paid-up capital	Share Premium	Merger Reserve	General Reserve	Un-appropriated Profit		
----- Rupees in '000' -----						
Balance at June 30, 2017 (Audited)	180,737	10,920	11,512	6,977,568	2,742,795	9,923,532
Comprehensive Income						
Profit for the six months period ended December 31, 2017	-	-	-	-	455,754	455,754
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	455,754	455,754
Transaction with owners:						
Final cash dividend for the year ended June 30, 2017 @ Rs. 13/- per share	-	-	-	-	(234,959)	(234,959)
Balance at December 31, 2017 (Un-Audited)	180,737	10,920	11,512	6,977,568	2,963,590	10,144,327
Balance at June 30, 2018 (Audited)	180,737	10,920	11,512	6,977,568	3,889,946	11,070,683
Comprehensive Income						
Profit for the six months period ended December 31, 2018	-	-	-	-	1,040,962	1,040,962
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,040,962	1,040,962
Transaction with owners:						
Final cash dividend for the year ended June 30, 2018 @ Rs. 16/- per share	-	-	-	-	(289,180)	(289,180)
Balance at December 31, 2018 (Un-Audited)	180,737	10,920	11,512	6,977,568	4,641,728	11,822,465

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

	Six months period ended	
	December 31, 2018	December 31, 2017
-----Rupees in '000'-----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,235,954	566,692
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	293,690	289,709
Amortisation on intangibles	2,129	2,463
Provision for gratuity	45,269	39,733
Unrealised loss / (gain) on revaluation of foreign currency loans	26,958	(13,084)
Unrealised gain on revaluation of foreign currency debtors	41,340	-
Loss on disposal of property, plant and equipment	4,615	10,605
Gain on disposal of other financial assets	(573)	(2,509)
Unrealised loss on revaluation of other financial assets	10,977	29,806
Dividend income	(2,700)	(2,628)
Finance cost	179,875	90,965
Cash generated before working capital changes	1,837,534	1,011,752
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(54,425)	3,496
Stock in trade	(2,585,137)	(33,284)
Trade debts	950,736	(1,418,632)
Loans and advances	(38,417)	(103,066)
Trade deposits and short-term prepayments	(5,832)	(17,843)
Other receivables	14,624	11,483
	(1,718,451)	(1,557,846)
Increase / (decrease) in current liabilities		
Trade and other payables	243,791	619,338
Cash generated from operations	362,874	73,244
Income taxes paid	(121,249)	(51,175)
Finance cost paid	(139,286)	(87,325)
Gratuity paid	(26,089)	(27,400)
Net cash generated from / (used in) operating activities	76,250	(92,656)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(240,658)	(499,746)
Proceeds from disposal of property, plant and equipment	4,326	22,755
Proceeds from disposal of other financial assets	13,128	414,292
Increase in long term deposits	(21)	(725)
Payment made for investment in other financial assets	(6,611)	(188,682)
Dividend received	2,700	2,628
Net cash used in investing activities	(227,136)	(249,478)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	114,812	386,762
Repayment of long-term financing	(212,800)	(219,856)
Dividend paid	(248,536)	(191,266)
Net cash used in financing activities	(346,524)	(24,360)
Net decrease in cash and cash equivalent (A+B+C)	(497,410)	(366,494)
Cash and cash equivalents at beginning of the period	(4,478,485)	(3,661,076)
Cash and cash equivalents at end of the period	(4,975,895)	(4,027,570)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	131,909	259,098
Short-term running finance	(5,134,762)	(4,273,584)
Effect of exchange rate changes on cash and cash equivalents	26,958	(13,084)
	(4,975,895)	(4,027,570)

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited company under the Companies Act, 1913. 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 has the following investees:

- 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

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 comprises of:

- International Accounting Standard (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.

2.2 These unconsolidated condensed interim financial statements are unaudited. However, a limited scope review of these condensed interim financial statements have been performed by the external auditors of the Company in accordance with the requirements of Regulation 27 of Listed Companies (Code of Corporate Governance) Regulations, 2018 and they have issued their review report thereon. These unconsolidated condensed interim financial statements are submitted to the shareholders as required by section 237 of the Companies Act, 2017.

2.3 These unconsolidated condensed interim financial statements has been prepared under the historical cost convention modified by: -

- recognition of certain employee retirement benefits at present value.
- recognition of certain financial instruments at fair value.

2.4 These unconsolidated condensed interim financial statements 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, 2018.

2.5 These unconsolidated condensed interim financial statements is presented in Pakistani Rupees which is also the Company's functional currency.

2.6 The comparative statement of financial position presented has been extracted from unconsolidated annual audited financial statements for the year ended June 30, 2018, whereas comparative unconsolidated condensed interim statement of profit and loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity presented in these unconsolidated condensed interim financial statements have been extracted from the unaudited unconsolidated condensed interim financial statement for the six months period ended December 31, 2017.

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

3.1 The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of 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 recognised prospectively commencing from the period of revision.

The accounting policies, underlying estimates and methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements 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, 2018 except for as disclosed in note 3.3 and 3.4.

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, 2018.

3.3 IFRS 15 "Revenue from contracts with customers" is applicable for periods beginning on or after July 01, 2018. The changes laid down by this standard do not have any significant impact on these condensed interim financial statements of the Company.

3.4 Securities and Exchange Commission of Pakistan (SECP), through SRO 1007(I)/2017, dated October 4, 2017, had notified IFRS 9 "Financial Instruments", replacing the International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" with effect from reporting periods starting July 1, 2018 which has further been deferred upto December 31, 2018, through SRO 229 (I)/2019 dated February 14, 2019. Accordingly the requirements of IFRS 9 have not been considered in the preparation of these condensed interim financial statements.

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.

	Audited	(Un-Audited)			
	June 30, 2018	Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current portion	December 31, 2018
	----- (Rupees in '000) -----				
Long-term financing	<u>1,323,195</u>	<u>114,812</u>	<u>-</u>	<u>(124,019)</u>	<u>1,313,988</u>
Current portion of long-term financing	<u>353,889</u>	<u>-</u>	<u>(212,800)</u>	<u>124,019</u>	<u>265,108</u>
Short-term borrowing	<u>4,594,774</u>	<u>513,032</u>	<u>-</u>	<u>26,958</u>	<u>5,134,764</u>
Dividend payable	<u>11,080</u>	<u>-</u>	<u>(248,536)</u>	<u>289,180</u>	<u>51,724</u>

	Audited	(Un-Audited)			December 31, 2017
	June 30, 2017	Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current portion	
----- (Rupees in '000) -----					
Long-term financing	1,048,036	386,762	-	(200,740)	1,234,058
Current portion of long-term financing	429,503	-	(219,856)	200,740	410,387
Short-term borrowing	3,911,125	375,543	-	(13,084)	4,273,584
Dividend payable	6,326	-	(191,266)	234,959	50,019

December 31,
2018
(Un-Audited)
-----Rupees in '000'-----
June 30,
2018
(Audited)

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.	<u>453</u>	<u>453</u>
5.1.2	Guarantees issued by banks in favour of custom authorities on behalf of the Company	<u>3,817</u>	<u>3,817</u>
5.1.3	Guarantees issued by banks in favour of gas / electric companies	<u>104,768</u>	<u>104,768</u>
5.1.4	Bank guarantees against payment of infrastructure cess	<u>308,042</u>	<u>296,042</u>
5.1.5	Other contingencies are not materially changed as disclosed in the note 12.1 to the annual financial statements for the year ended June 30, 2018 except for the contingency as disclosed in 12.1.2 related to inadmissible input tax which has been decided in favour of the Company through order N. STA/185/LTU/2018/08 dated December 12, 2018 by the Tax Authorities.		

December 31,
2018
(Un-Audited)
-----Rupees in '000'-----
June 30,
2018
(Audited)

5.2 Commitments

Letters of credit for raw material and stores and spares	<u>2,372,811</u>	<u>1,098,318</u>
Letters of credit for property, plant and equipment	<u>608,535</u>	<u>203,663</u>
Sales contracts to be executed	<u>1,798,858</u>	<u>2,530,447</u>

6. PROPERTY, PLANT AND EQUIPMENT

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

----- (Un-Audited) -----			
Six months period ended			
December 31, 2018		December 31, 2017	
Additions / transfers	Disposal at carrying value / transfers	Additions / transfers	Disposal at carrying value / transfers
-----Rupees in '000'-----			
Assets			
Factory building	2,582	-	41,940
Office building	-	-	20,100
Power generator	4,345	(3,166)	-
Plant and machinery	90,238	(5,603)	424,682
Electric installation	-	-	2,963
Furniture and fixtures	1,243	-	1,779
Vehicles	38,504	(172)	30,328
Capital work in progress	114,434	(10,688)	-
	251,346	(19,629)	521,792
			(55,416)

		December 31, 2018 (Un-Audited)	June 30, 2018 (Audited)
		-----Rupees in '000'-----	
		Note	
7. LONG TERM INVESTMENTS			
Investment in an associate - at cost		13,476	13,476
Investment in subsidiaries - at cost	7.1	3,676,204	3,676,204
		3,689,680	3,689,680
7.1 Investment in subsidiaries - at cost			
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)	7.1.2	-	-
		3,676,204	3,676,204
7.1.2 Indus Wind Energy Limited (IWE)			
Opening		40,000	40,000
Impairment on investment		(40,000)	(40,000)
		-	-
Closing		-	-

----- (Un-Audited) -----

	Six months period ended		Three months period ended	
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017

-----Rupees in '000'-----

Note

8. COST OF GOODS SOLD

Raw material consumed	8,492,683	7,582,194	4,030,804	4,031,791
Manufacturing expenses	2,008,180	1,960,050	946,339	988,395
Outside purchases	55,232	36,913	40,562	36,913
	10,556,095	9,579,157	5,017,705	5,057,099
Work in process				
Opening stock	242,775	218,812	287,984	229,617
Closing stock	(275,129)	(238,110)	(275,129)	(238,110)
	(32,354)	(19,298)	12,855	(8,493)
Cost of goods manufactured	10,523,741	9,559,859	5,030,560	5,048,606
Finished Goods				
Opening stock	531,034	644,450	543,324	406,491
Closing stock	(664,568)	(359,481)	(664,568)	(359,481)
	(133,534)	284,969	(121,244)	47,010
	10,390,207	9,844,828	4,909,316	5,095,616

----- (Un-Audited) -----

	Six months period ended		Three months period ended	
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017

-----Rupees in '000'-----

8.1 Manufacturing expenses

Salaries, wages and benefits	672,171	600,387	326,340	299,584
Fuel, water and power	669,867	713,163	279,021	368,870
Stores and spares consumed	208,455	196,952	126,293	115,522
Packing material consumed	144,595	128,926	54,109	44,195
Insurance	7,730	14,472	4,905	4,601
Repairs and maintenance	12,204	19,898	5,482	10,593
Rent, rate and taxes	731	867	(36)	(147)
Depreciation	277,748	275,892	139,191	139,416
Others	14,679	9,493	11,034	5,761
	2,008,180	1,960,050	946,339	988,395

9. TAXATION

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 these unconsolidated condensed interim financial statements 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.

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries Indus Lyallpur Limited, Indus Home Limited, Indus Home USA Inc. and Indus Wind Energy Limited, the associates (Sunrays Textiles Mills Limited, Indus Heartland Limited, Riaz Cotton Factory and Haji Mola Buksh Cotton Company Limited) and key management personnel. The Company carries out transactions with related parties as per agreed terms. Transactions with related parties during the period and balances with them at period end are as follows:

		Six months period ended	
		Un-Audited	Un-Audited
		December 31	December 31
		2018	2017
		-----Rupees in '000'-----	
10.1	Transactions during the period		
	Relationship with the Company		
	Nature of transactions		
	Subsidiaries		
	Sale of yarn	9,926	47,269
	Received yarn conversion cost	182,954	129,179
	Paid yarn conversion cost	22,088	-
	Associate		
	Reimbursement of expenses	-	8,420
	Key management personnel		
	Remuneration paid	30,262	56,524
		December 31,	June 30,
		2018	2018
		(Un-Audited)	(Audited)
		-----Rupees in '000'-----	
10.2	Balances with related parties:		
	Subsidiaries - receivable	10,983	-
	Subsidiaries - advance	23,310	-
	Subsidiaries - payable	-	3,236
	Associate - payable	7,621	3,295

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:

	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 December 31, 2018 (Un-Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	298,292	-	-	298,292	298,292	-	-	298,292
Financial assets not measured at fair value (note 11.1)								
Long-term deposits	-	4,831	-	4,831				
Trade debts	-	2,541,897	-	2,541,897				
Loans and advances	-	64,180	-	64,180				
Trade deposits	-	1,265	-	1,265				
Other receivables	-	43,786	-	43,786				
Bank balances	-	124,537	-	124,537				
Cash in Hand	-	7,372	-	7,372				
Unclaimed dividend	-	51,724	-	51,724				
	-	2,839,592	-	2,839,592				
Financial liabilities not measured at fair value (note 11.1)								
Long-term financing	-	-	1,579,096	1,579,096				
Trade and other payables	-	-	1,145,777	1,145,777				
Short-term borrowings	-	-	5,134,764	5,134,764				
Interest / mark-up payable	-	-	85,220	85,220				
	-	-	7,944,857	7,944,857				

	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, 2018 (Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	315,213	-	-	315,213	315,213	-	-	315,213
Financial assets not measured at fair value (note 11.1)								
Long-term deposits	-	4,810	-	4,810				
Trade debts	-	3,533,973	-	3,533,973				
Loans and advances	-	30,179	-	30,179				
Trade deposits	-	1,577	-	1,577				
Other receivables	-	63,547	-	63,547				
Bank balances	-	109,951	-	109,951				
Cash in Hand	-	6,338	-	6,338				
	-	3,750,375	-	3,750,375				
Financial liabilities not measured at fair value (note 11.1)								
Long-term financing	-	-	1,677,084	1,677,084				
Trade and other payables	-	-	843,639	843,639				
Unclaimed dividends	-	-	11,080	11,080				
Short-term borrowings	-	-	4,594,774	4,594,774				
Interest / mark-up payable	-	-	44,631	44,631				
Unclaimed dividend	-	-	11,080	11,080				
	-	-	7,182,288	7,182,288				

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

These unconsolidated condensed interim financial statements were authorised for issue on March 01, 2019 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.

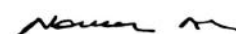
13.3 The figures for the three months period ended December 31, 2018 in these unconsolidated condensed interim financial statements, wherever appearing, have not been reviewed by the auditors.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2018

	Dec 31, 2018 (Unaudited) ----- (Rupees in '000) -----	June 30, 2018 (Audited)		Dec 31, 2018 (Unaudited) ----- (Rupees in '000) -----	June 30, 2018 (Audited)
Note			Note		
EQUITY AND LIABILITIES			ASSETS		
Share capital and reserves			Non-current assets		
Authorised share capital					
45,000,000 ordinary shares of Rs. 10/- each					
	<u>450,000</u>	<u>450,000</u>			
Issued, subscribed and paid up capital	180,737	180,737	Property, plant and equipment	10,966,384	10,638,926
			Intangible assets	25,291	21,861
Reserves	7,000,000	7,000,157	Long-term investments	28,894	26,784
Unappropriated profit	7,342,742	6,328,375	Long-term deposits	15,426	15,475
	<u>14,523,479</u>	<u>13,509,269</u>		<u>11,035,995</u>	<u>10,703,046</u>
Non-current liabilities					
Long-term financing	2,134,111	1,813,143	Current assets		
Deferred liabilities	627,670	563,847	Stores, spares and loose tools	679,182	578,782
	2,761,781	2,376,990	Stock-in-trade	10,485,755	7,384,547
Current liabilities			Trade debts	4,331,387	5,194,308
Trade and other payables	3,107,029	2,742,665	Loans and advances	204,042	256,670
Unclaimed dividend	51,724	11,080	Trade deposits and short-term prepayments	9,616	4,374
Interest / mark-up payable	121,990	65,406	Other receivables	167,716	183,261
Short-term borrowings	8,289,179	6,541,667	Other financial assets	1,171,861	317,838
Current portion of long-term financing	321,001	394,567	Tax refundable	850,208	746,122
	11,890,923	9,755,385	Cash and bank balances	240,421	272,696
				18,140,188	14,938,598
CONTINGENCIES AND COMMITMENTS					
	<u>29,176,183</u>	<u>25,641,644</u>		<u>29,176,183</u>	<u>25,641,644</u>

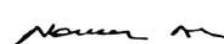
The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2018

	Note	Six months ended		Three months ended	
		Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
----- (Rupees in '000) -----					
Sales - net		17,488,655	14,790,190	8,414,982	7,579,834
Cost of goods sold	10	(15,062,558)	(13,428,332)	(7,394,901)	(7,010,661)
Gross profit		2,426,097	1,361,858	1,020,081	569,173
Other income		148,311	37,747	117,069	1,412
		2,574,408	1,399,605	1,137,150	570,585
Distribution cost		(325,275)	(299,751)	(171,789)	(148,702)
Administrative expenses		(251,763)	(220,588)	(131,127)	(113,725)
Other operating expenses		(162,027)	(92,627)	(65,103)	(25,389)
Finance cost		(271,003)	(138,670)	(157,651)	(70,420)
		(1,010,068)	(751,636)	(525,670)	(358,236)
Share of profit from associate - net of tax	9.1	2,728	426	1,118	272
Profit before taxation		1,567,068	648,395	612,598	212,621
Taxation	11	(263,990)	(144,578)	(188,179)	(74,832)
Profit for the period - attributable to ordinary share holders of the Holding Company		1,303,078	503,817	424,419	137,789
Earnings per share - basic and diluted		72.10	27.90	23.48	7.60

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



Chief Executive Officer



Chief Financial Officer



Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2018

	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>Dec 31,</u> <u>2018</u>	<u>Dec 31,</u> <u>2017</u>	<u>Dec 31,</u> <u>2018</u>	<u>Dec 31,</u> <u>2017</u>
	----- (Rupees in '000) -----			
Profit for the period	1,303,078	503,817	424,419	137,789
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Exchange gain / (loss) on translation of balances of foreign subsidiary	-	238	-	260
Items that will not be reclassified subsequently to profit and loss	-	-	-	-
Total comprehensive income for the period - attributable to ordinary share holders of the Holding Company	1,303,078	504,055	424,419	138,049

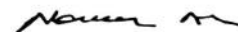
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Chief Executive Officer



Chief Financial Officer



Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2018

	Reserves						Total
	Issued, subscribed and paid up capital	Capital		Exchange translation reserve	Revenue		
		Share premium	Merger reserve		General reserve	Unappropriated profit	
(Rupees in '000)							
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 half year ended December 31, 2017	-	-	-	-	-	503,817	503,817
Exchange gain on translation of foreign subsidiary	-	-	-	238	-	-	238
Total comprehensive income for the period	-	-	-	238	-	503,817	504,055
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 December 31, 2017 (unaudited)	180,737	10,920	11,512	(318)	6,977,568	5,055,108	12,235,527
Balance at June 30, 2018 (audited)	180,737	10,920	11,512	157	6,977,568	6,328,375	13,509,269
Comprehensive income for the period							
Profit for the half year ended December 31, 2018	-	-	-	-	-	1,303,078	1,303,078
Exchange gain on translation of foreign subsidiary	-	-	-	312	-	-	312
Total comprehensive income for the period	-	-	-	312	-	1,303,078	1,303,390
Transactions with owners recorded directly in equity							
Final cash dividend for the year ended June 30, 2018 @ Rs. 16/- per share	-	-	-	-	-	(289,180)	(289,180)
Balance at December 31, 2018 (unaudited)	180,737	10,920	11,512	469	6,977,568	7,342,273	14,523,479

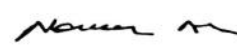
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Chief Executive Officer



Chief Financial Officer



Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2018

	Six months ended	
	Dec 31, 2018	Dec 31, 2017
----- (Rupees in '000) -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,567,068	648,395
Adjustments for:		
Depreciation and Amortization	497,373	493,966
Provision for gratuity	71,651	70,653
Share of profit from associate	(2,728)	(426)
Unrealised loss / (gain) on revaluation of foreign currency loans	26,958	(13,084)
Loss on disposal of property, plant and equipment	15,997	8,164
Unrealised loss / (gain) on revaluation of other financial assets	18,783	39,983
Finance cost	271,003	138,670
Dividend income	(2,082)	(2,971)
Cash generated before working capital changes	2,464,023	1,383,350
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(100,400)	240,356
Stock in trade	(3,101,208)	440,223
Trade debts	862,921	(1,621,850)
Loans and advances	(86,518)	(84,078)
Long term deposits	(21)	(738)
Trade deposits and short-term prepayments	(5,242)	(46,466)
Other receivables	15,545	7,509
	(2,414,923)	(1,065,044)
Increase in current liabilities		
Trade and other payables	366,057	856,517
Cash generated from operations	415,157	1,174,823
Income taxes paid	(187,871)	(89,195)
Finance cost paid	(214,328)	(131,288)
Gratuity / w.p.p.f paid	(56,406)	(61,643)
Net cash generated from / (used in) operating activities	(43,448)	892,697
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(845,778)	(160,156)
Proceeds from disposal of property, plant and equipment	6,176	8,633
Proceeds from disposal of other financial assets	13,128	48,736
Payments for other financial assets	(6,611)	(714,089)
Purchase of short term investment	(877,556)	-
Dividend received	2,082	2,971
Net cash used in investing activities	(1,708,559)	(813,905)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	478,120	493,593
Long term finance repaid -net	(230,719)	(228,670)
Dividend paid	(248,535)	(191,266)
Net cash generated from / (used in) financing activities	(1,134)	73,657
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,753,141)	152,449
Cash and cash equivalents at beginning of the period	(6,268,971)	(5,405,304)
Effects of exchange rate changes on cash and cash equivalents	312	238
Cash and cash equivalents at end of the period	(8,021,800)	(5,252,617)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	240,421	327,999
Short-term borrowings	(8,289,179)	(5,567,532)
Effect of exchange rate changes on cash and cash equivalents	26,958	(13,084)
	(8,021,800)	(5,252,617)

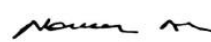
The annexed notes from 1 to 15 form an integral part of this consolidated condensed interim financial information.



Chief Executive Officer



Chief Financial Officer



Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 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 (subsequently replaced by the repealed Companies Ordinance, 1984 and now Companies Act 2017). Registered office of the Holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company is currently 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. The addresses of these facilities are as follows:

Manufacturing Unit	Address
Hyderabad	P-1, S.I.T.E, Hyderabad, Sindh
Karachi	Plot No. 03 & 07, Sector 25, Korangi Industrial Area, Karachi
Muzaffargarh	Muzaffargarh, Bagga Sher, District Multan.
Faisalabad	Chak No. 61 R/B, Mouza Bedianwala, Tehsil Jaranwala at 38-Km, Sheikhpura Road, District Faisalabad.
Lahore	Raiwand Road, Manga Mandi, Lahore.

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 (subsequently replaced by the repealed Companies Act 2017). 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 (subsequently replaced by the repealed Companies Act 2017). 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 (subsequently replaced by the repealed Companies Act 2017). 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 ginning 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.

2. BASIS OF CONSOLIDATION

- These consolidated condensed interim financial statements includes the condensed interim financial statements of the Holding Company, its subsidiaries and an associate company collectively referred to as "the Group" in these financial statements.
- 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 statements 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.
- 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 consolidated 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 comprises 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 preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of 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 recognised prospectively commencing from the period of revision.

The accounting policies, underlying estimates and methods of computations adopted in the preparation of these consolidated condensed interim financial statements 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, 2018 except for as disclosed in note 4.3 and 4.4.

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, 2018.

4.3 IFRS 15 "Revenue from contracts with customers" is applicable for periods beginning on or after July 01, 2018. The changes laid down by this standard do not have any significant impact on these consolidated condensed interim financial statements of the Group.

4.4 Securities and Exchange Commission of Pakistan (SECP), through SRO 1007(I)/2017, dated October 4, 2017, had notified IFRS 9 "Financial Instruments", replacing the International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" with effect from reporting periods starting July 1, 2018 which has further been deferred upto December 31, 2018, through SRO 229 (I)/2019 dated February 14, 2019. Accordingly the requirements of IFRS 9 have not been considered in the preparation of these consolidated condensed interim financial statements of the Group.

5. BASIS OF PREPARATION

5.1 These consolidated condensed interim financial statements has been prepared under the historical cost convention modified by: -

- recognition of certain employee retirement benefits at present value.
- recognition of certain financial instruments at fair value.

5.2 These consolidated condensed interim financial statements does not include all of the information required for annual audited financial statements and therefore should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2018.

5.3 These unconsolidated condensed interim financial statements is presented in Pakistani Rupees which is also the Group's functional currency.

5.4 The comparative consolidated statement of financial position presented has been extracted from annual consolidated audited financial statements for the year ended June 30, 2018, whereas comparative consolidated condensed interim statement of profit and loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity presented in these consolidated condensed interim financial statements have been extracted from the unaudited consolidated condensed interim financial statement for the six months period ended December 31, 2017.

6 CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Group'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 Group's statement of cash flows as cash flows from financing activities.

	Audited	(Un-Audited)			December 31, 2018
	June 30, 2018	Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current portion	
----- (Rupees in '000) -----					
Long-term finances	<u>1,813,143</u>	<u>478,120</u>	<u>-</u>	<u>(157,152)</u>	<u>2,134,111</u>
Current portion of long term finances	<u>394,567</u>	<u>-</u>	<u>(230,719)</u>	<u>157,152</u>	<u>321,001</u>
Short term borrowing	<u>6,541,667</u>	<u>1,720,554</u>	<u>-</u>	<u>26,958</u>	<u>8,289,179</u>
Dividend payable	<u>11,080</u>	<u>-</u>	<u>(248,535)</u>	<u>289,179</u>	<u>51,724</u>
----- (Rupees in '000) -----					
	Audited	(Un-Audited)			December 31, 2017
	June 30, 2017	Financing cash inflows	Financing cash outflows	Non Cash changes - Transfer current portion	
----- (Rupees in '000) -----					
Long-term finances	<u>1,193,821</u>	<u>493,593</u>	<u>-</u>	<u>(216,202)</u>	<u>1,471,212</u>
Current portion of long term finances	<u>448,442</u>	<u>-</u>	<u>(228,670)</u>	<u>216,202</u>	<u>435,974</u>
Short term borrowing	<u>5,691,516</u>	<u>(110,900)</u>	<u>-</u>	<u>(13,084)</u>	<u>5,567,532</u>
Dividend payable	<u>6,326</u>	<u>-</u>	<u>(191,266)</u>	<u>234,959</u>	<u>50,019</u>

December 31, June 30,
2018 2018
(Un-Audited) **(Audited)**
----- **(Rupees in '000)**-----

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.

453 453

Bank guarantees in favour of Collector of Customs on behalf of the Group

3,817 3,817

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

188,780 279,460

Bank guarantees against payment of infrastructure cess

343,042 328,042

Bank guarantees in favour of Collector of Customs

- 3,040

Bank guarantees in favour of Government of Sindh

- 43,154

7.2 Commitments

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

3,713,631 1,862,873

Civil work contracts

10,369 12,832

Sales contract to be executed

2,280,508 2,530,447

Other contingencies are not materially changed as disclosed in the note 13.1 to the annual consolidated financial statements for the year ended June 30, 2018 except for the contingency as disclosed in 13.1.2 related to inadmissible input tax which has been decided in favour of the Company through order N. STA/185/LTU/2018/08 dated December 12, 2018 by the Tax Authorities.

8. PROPERTY, PLANT AND EQUIPMENT

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

	----- Un-Audited -----			
	Six months ended			
	December 31, 2018		December 31, 2017	
Additions / Transfers	Disposal at carrying value / transfers	Additions / Transfers	Disposal at carrying value / transfers	
----- (Rupees in '000) -----				
Assets				
Free hold land	143,247	-	-	-
Factory building	6,958	-	47,190	-
Non factory building	30,386	-	-	-
Office building	-	-	20,100	-
Plant and machinery	98,413	(18,672)	492,894	(33,907)
Electric installations	-	-	2,963	-
Power generator	4,345	(3,166)	-	(1,826)
Office equipment	-	(103)	171	-
Factory equipment	800	-	-	-
Furniture and fixtures	2,643	(115)	2,043	(2,165)
Vehicles	39,151	(172)	52,148	(12,597)
Computers	674	-	850	(99)
Capital work in progress	-	(113,382)	-	-
	<u>326,617</u>	<u>(135,610)</u>	618,359	(50,594)

9. LONG TERM INVESTMENTS	Note	December 31, 2018 (Unaudited) ----- (Rupees in '000) -----	June 30, 2018 (Audited)
Investment in an associate	9.1	<u>28,894</u>	<u>26,784</u>
9.1 Investment in associate			
Cost		1,716	1,716
Share of post acquisition profits:			
Opening		25,068	20,851
Dividend received		(618)	(275)
Share of profit from associate for the period		2,728	4,492
		<u>27,178</u>	<u>25,068</u>
		<u>28,894</u>	<u>26,784</u>
Number of shares held		68,654	68,654
Ownership interest		0.99%	0.99%
Market value (Rupees in '000)		14,383	11,702
Cost of investment (Rupees in '000)		1,716	1,716

		----- Un-Audited -----			
		Six months ended		Three months ended	
10. COST OF GOODS SOLD	Note	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		----- (Rupees in '000) -----			
Raw material consumed		11,380,239	9,259,918	5,671,642	5,290,449
Manufacturing expenses	10.1	3,842,303	3,392,297	1,897,913	1,686,726
Outside purchases		62,532	440,157	47,862	(136,266)
		<u>15,285,074</u>	13,092,372	<u>7,617,417</u>	6,840,909
Work in process					
Opening stock		811,992	671,686	811,992	660,687
Closing stock		(775,743)	(589,020)	(775,743)	(589,020)
		<u>36,249</u>	82,666	<u>36,249</u>	71,667
Cost of goods manufactured		<u>15,321,323</u>	13,175,038	<u>7,653,666</u>	6,912,576
Finished Goods					
Opening stock		1,098,374	1,103,809	1,098,374	948,598
Closing stock		(1,357,139)	(850,515)	(1,357,139)	(850,515)
		<u>(258,765)</u>	253,294	<u>(258,765)</u>	98,083
		<u>15,062,558</u>	13,428,332	<u>7,394,901</u>	7,010,659
10.1 Manufacturing expenses					
Salaries, wages and benefits		1,163,798	1,034,390	572,661	524,745
Fuel, water and power		1,202,649	1,102,694	559,690	576,884
Stores and spares consumed		576,125	524,603	311,173	278,464
Packing material consumed		326,408	297,915	147,590	141,751
Insurance		17,871	23,760	9,915	9,564
Repairs and maintenance		38,623	23,649	28,578	12,931
Rent, rate and taxes		730	867	(37)	(147)
Depreciation		468,198	466,263	234,446	234,822
Others		47,901	37,452	33,897	13,173
Rebate		-	(119,296)	-	(105,461)
		<u>3,842,303</u>	3,392,297	<u>1,897,913</u>	1,686,726

11. TAXATION

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.

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 -----	
Six months ended	
December,31 2018	December,31 2017
----- (Rupees in '000) -----	

12.1 Transactions during the period

Relationship	Nature of transactions		
Associate	Purchase of yarn	26,790	386
	Received yarn conversion cost	47,527	32,770
Key management personnel	Remuneration paid	93,108	103,002

December 31, 2018 (Un-Audited)	June 30, 2018 (Audited)
----- (Rupees in '000) -----	

12.2 Balances with related parties

Associate - payable	5,240	4,812
Associate - receivable	-	62
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 Group'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 December 31, 2018 (Un-Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	1,171,861	-	-	1,171,861	1,171,861	-	-	1,171,861
Financial assets not measured at fair value	13.1							
Long-term deposits	-	15,426	-	15,426				
Trade debts	-	4,331,387	-	4,331,387				
Loans and advances	-	156,001	-	156,001				
Trade deposits	-	1,265	-	1,265				
Other receivables	-	48,486	-	48,486				
Bank balances	-	228,647	-	228,647				
Cash in hand	-	11,774	-	11,774				
	-	4,792,986	-	4,792,986				
Financial liabilities not measured at fair value	13.1							
Long-term financing	-	-	2,455,112	2,455,112				
Trade and other payables	-	-	1,904,178	1,904,178				
Short-term borrowings	-	-	8,289,179	8,289,179				
Interest / mark-up payable	-	-	121,990	121,990				
	-	-	12,770,459	12,770,459				

	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, 2018 (Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	317,838	-	-	317,838	317,838	-	-	317,838
Financial assets not measured at fair value 13.1								
Long-term deposits	-	15,475	-	15,475				
Trade debts	-	5,194,308	-	5,194,308				
Loans and advances	-	39,353	-	39,353				
Trade deposits	-	4,302	-	4,302				
Other receivables	-	114,384	-	114,384				
Bank balances	-	272,696	-	272,696				
	-	5,640,518	-	5,640,518				
Financial liabilities not measured at fair value 13.1								
Long-term financing	-	-	2,207,710	2,207,710				
Trade and other payables	-	-	2,240,155	2,240,155				
Unclaimed dividend	-	-	11,080	11,080				
Short-term borrowings	-	-	6,541,667	6,541,667				
Interest / mark-up payable	-	-	65,406	65,406				
	-	-	11,066,018	11,066,018				

13.1 The Group 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 01st March, 2019 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.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR