

Indus Dyeing and Manufacturing Co. Limited
Notes to the account (un - audited)
For the first quarter ended September 30, 2005

1. Selected explanatory notes to the accounts.

- 1.1 The Company was incorporated in Pakistan on July 23, 1957 is a public limited company and its shares are quoted in Karachi Stock Exchange (Guarantee) Ltd. The principal activity of the company is to manufacture and sale of yarn and terry towel.
- 1.2 These unaudited interim financial statements have been prepared in accordance with the International Accounting Standard (IAS 34. Interim financial reporting and in compliance with requirement of section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.
- 1.3 The accounting convention, policies and methods of computation followed in the preparation of the first quarterly report are the same as those of the published annual financial statements for the period ended June 30, 2005.

		<u>Rupees in (' 000 ')</u>	
		<u>Sept - 2005</u>	<u>June - 2005</u>
2.	<u>Contingency</u>		
	Arrears of Social security contribution	453	453
	Guarantees issued by banks on behalf of the company.	85,520	112,270
	<u>Commitments</u>		
	Building extension	16,000	27,625
	Letters of credit for store, raw materials and machinery	350,254	520,227

3. Acquisition and disposal of property, plants and machinery

		<u>September 30, 2005</u>	
		<u>Acquisition</u>	<u>Disposal</u>
	Mill building on leasehold land	78,644	-
	Plant and machinery	558,092	-
	Electric installations and appliances	20,147	-
	Office equipment and fixtures	1,641	-
	Vehicles	1,002	(1,005)
		<u>659,526</u>	<u>(1,005)</u>

Un - audited
Jul to Sept
Rupees in (' 000 ')

4. Cost of goods sold

Raw material consumed	1,018,163	4.1
Stores and spares consumed	49,054	4.2
Manufacturing expenses	231,062	
Outside purchases	4,282	
	1,302,561	

Work in process

Opening stock	52,321
Closing stock	(65,721)
	(13,400)

Cost of goods manufactured **1,289,161**

Finished goods

Opening stock	144,704
Closing stock	(150,995)
	(6,291)
	1,282,870

4.1 Raw material consumed

Opening stock	791,648
Purchases	991,318
	1,782,966
Closing stock	(764,803)
	1,018,163

4.2 Manufacturing expenses

Salaries, wages & benefits	59,884
Other over heads	11,216
Fuel & power	77,797
Insurance	3,478
Repairs & maintenance	1,755
Rent rates and taxes	36
Depreciation	76,896
	231,062

5. **Transaction with associated undertakings.**

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

	Sept. 30 2005
	(Rupees in ' 000 ')
Sales of goods and services	<u>106,234</u>
Purchase of goods and services	<u>256,403</u>
Loans obtained from directors and spouses - unsecured interest free	<u>7,137</u>
Loan settled from directors and spouses	<u>117,702</u>

6. **Date of authorization.**

These financial statements were authorized for issue on **December 08, 2005** by the Board of

7 **Figures.**

Figures have been rounded off to the nearest thousand.

Shahzad Ahmed
Chief Executive

Naveed Ahmed
Director