



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**Condensed Interim Financial Information
Half Year Ended July 01, 2016 to December 31, 2016
(Un - audited)**

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COMPANY INFORMATION

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. Irfan Ahmed | |
| 7 | Mr. Shafqat Masood | |
| 8 | Mr. Shahwaiz Ahmed | |
| 9 | Sheikh Nishat Ahmed | |
| 10 | 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. Mohammad Adil Ashraf

Chief financial officer

Mr. Arif Abdul Majeed

Chief Internal auditor

Mr. Yaseen Hamidia

Legal Advisor

Mr. M. Yousuf Naseem (Advocates & Solicitors)

INDUS DYEING & MANUFACTURING COMPANY LIMITED

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/web/download.htm

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 Muzaffergarh, 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 HALF YEAR ENDED DECEMBER 31, 2016

The Board of Directors is pleased to present the un-audited financial statements of Company for the half year ended December 31, 2016 duly reviewed by the external auditors.

OPERATING RESULTS

Consolidated turnover for the half year ended December 31, 2016 was Rs 13,741 million as against Rs 12,080 million for the similar period last year while the consolidated net profit is Rs. 660 million as compared to Rs. 67 million in the corresponding period.

The cotton prices moved higher due to lower than estimated crop targets. To compensate for the increase of cotton prices the Government has offered various incentives in the form of duty drawback of taxes on exports and withdrawal of duties on raw material and machinery. However increase in cotton prices become blessing for the Companies having stock in hand in the form of increase in yarn prices. The following financial results of the Company clearly show the impact of increase in yarn prices with better results.

FINANCIAL HIGHLIGHTS

	Half year ended December 31, (Rs. In million)	
	2016	2015
Sales-Net	13,741	12,080
Gross Profit	1,535	842
Other Operating Income	15	104
Profit Before Taxation	887	223
Taxation	(227)	(156)
Net Profit After Tax	660	67
Earning Per Share	36.50	3.70

REVIEW OF OPERATIONS

There has been an increase of 13.75 % in sales during six months under review over the corresponding period; however gross profit has been increased by 82.30% which shows the effect of increased yarn prices. Due to better management and control over distribution and financial cost combined with increased yarn prices, the net profit after tax has been increased by 885.07% over the corresponding period.

EARNINGS PER SHARE

The earnings per share for the half year ended December 31, 2016 is Rs. 36.50 as compared to Rs. 3.70 for the previous corresponding period.

FUTURE PROSPECT

As the Pakistan's economy continues to grow on account of softer inflation and improved sentiments of investments planned under the umbrella of CPEC, it will boost the economic performance and further boost the overall business environment. The positive trend of our operations clearly shows that cost reduction and efficiency improvement initiatives of the management along with other economic factors will take the Company to more profitable positions in the coming periods despite of various challenges.

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 the bankers for continued support to the Company. We are also grateful to our shareholders for their confidence in our management.

Karachi:

Date: 28th February 2017

On Behalf of the Board



SHAHZAD AHMED
CHIEF EXECUTIVE

ڈائریکٹرز رپورٹ

ششماہی ۳۱ دسمبر ۲۰۱۶

بورڈ آف ڈائریکٹرز اپنی کمپنی کے جائزہ شدہ ششماہی مالیاتی گوشوارہ برائے ۳۱ دسمبر ۲۰۱۶ بخوشی پیش کرتے ہیں۔

عملی نتائج:

مجموعی حسابات برائے ششماہی ۳۱ دسمبر ۲۰۱۶ روپے 13,741 ملین رہے جبکہ پچھلی اسی مدت میں روپے 12,080 ملین تھے۔ مجموعی خالص منافع برائے ششماہی ۳۱ دسمبر ۲۰۱۶ 60 ملین روپے رہا جبکہ پچھلی اسی مدت میں 67 ملین روپے تھا۔ کپاس کی قیمت میں اضافہ کی اصل وجہ پیداوار میں مقررہ ہدف حاصل نہ ہونا ہے۔ خام مال کی بڑھتی ہوئی قیمتوں پر قابو پانے اور نیک سائیکل کی صنعت کی مدد کے لیے حکومت نے دھاگہ کی برآمد پر رعایت اور خام مال اور مشینری کی درآمد پر ڈیوٹی کی چھوٹ جیسے اقدامات کیے ہیں۔ بحر حال کپاس کی قیمتوں میں اضافہ، کپاس کا زخمیہ اور دھاگے کی بڑھتی قیمت نے کمپنی کے منافع میں اچھی صورتحال پیدا کی اور اسے موجودہ مدت کے نتائج میں دیکھا جاسکتا ہے۔

ششماہی ۳۱ دسمبر ۲۰۱۶
ملین روپے

تفصیل	2016	2015
فروختگی	13,741	12,080
خام منافع	1,535	842
دیگر آمدن	15	104
قبل از ٹیکس منافع	887	223
ٹیکس	(227)	(156)
بعد از ٹیکس منافع	660	67
فی حصص آمدن	36.50	3.70

آپریشنل تجزیہ:

چھ ماہ جس کا جائزہ لیا جاسکتا ہے اس کی فروختگی میں پچھلی اسی مدت کے مقابلہ میں 13.75 فیصد کا اضافہ ہوا ہے۔ تاہم کل منافع میں 82.30 فیصد اضافہ ہوا ہے جس میں دھاگہ کی قیمت میں اضافہ کا عنصر نظر آتا ہے۔ فروختگی پر اخراجات اور پیسک کے اخراجات کو بہتر انداز سے کنٹرول کیا گیا۔ جس کی وجہ سے پچھلی اسی مدت کے مقابلہ میں بعد از ٹیکس منافع میں 885.07 فیصد کا اضافہ ہوا۔

فی حصص آمدن:

فی حصص آمدن ششماہی ۳۱ دسمبر ۲۰۱۶ تم ہونے پر 36.50 روپے ہے، جبکہ پچھلی اسی مدت میں یہ 3.70 روپے تھی۔

مستقبل کی صورتحال:

معتدل افراط زر اور C.P.E.C کی چھتری کے تحت سرمایہ کاری کے منصوبوں اور بہتر اقتصادی ماحول کی وجہ سے پاکستان کی مصیبت بہتر ہو رہی ہے۔ ہماری مثبت کارکردگی کے رجحان، پیداواری آلات میں کمی اور اقتصادی بہتری سے واضح طور پر دیکھا جاسکتا ہے کہ مختلف چیلنجوں کے باوجود نئے والے وقت میں منیجمنٹ کمپنی کو زیادہ منافع بخش پوزیشن میں لائے گی۔

اظہار تشکر:

ادارے کے ڈائریکٹرز تمام ملازمین کی کوششوں کا اعتراف کرتے ہیں۔ ہم اپنے ان تمام کامیابوں کا شکریہ ادا کرتے ہیں جنہوں نے ہماری مصنوعات پر اعتماد کیا اور وہ تمام بینکرز جنہوں نے دستلسل کے ساتھ ہماری معاونت کی۔ ہم اپنے تمام حصہ داروں کے شکر گزار ہیں جنہوں نے انتظامیہ پر اپنے اعتماد کا اظہار کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

Shadman

شہزاد احمد

چیف ایگزیکٹو آفیسر

**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF UNCONSOLIDATED
INTERIM FINANCIAL INFORMATION****Introduction**

We have reviewed the accompanying unconsolidated condensed interim balance sheet of INDUS DYEING AND MANUFACTURING COMPANY LIMITED (the Company) as at December 31, 2016 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement and unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "unconsolidated interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarter ended December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

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 interim financial information 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Chartered Accountants****Engagement Partner:
Naresh Kumar****Date:** 28th February 2017

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2016

	Note	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
		----- Rupees in '000' -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
45,000,000 ordinary shares of Rs. 10/- each		450,000	450,000
Issued, subscribed and paid-up capital			
18,073,732 ordinary shares of Rs. 10/- each		180,737	180,737
Reserves		5,022,432	5,022,432
Unappropriated profit		4,553,450	4,214,866
		9,756,619	9,418,035
Non-current liabilities			
Long-term financing		1,023,383	1,224,199
Deferred liabilities		402,165	254,134
		1,425,548	1,478,333
Current liabilities			
Trade and other payables		1,797,663	1,211,461
Interest / mark-up payable		39,782	24,593
Short-term borrowings		4,478,291	4,377,109
Current portion of long-term financing		253,957	272,965
		6,569,693	5,886,128
		17,751,860	16,782,496
CONTINGENCIES AND COMMITMENTS			
	4		
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,256,273	6,455,820
Long-term investments	6	3,729,680	3,722,723
Long-term deposits		4,105	4,105
		9,990,058	10,182,648
Current assets			
Stores, spares and loose tools		261,616	218,856
Stock-in-trade		5,135,153	3,599,444
Trade debts		1,097,377	1,424,500
Loans and advances		142,175	119,769
Trade deposits and short-term prepayments		26,837	9,405
Other receivables		14,264	10,097
Other financial assets		541,068	275,762
Tax refundable		376,672	358,270
Cash and bank balances		166,640	583,745
		7,761,802	6,599,848
		17,751,860	16,782,496

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

Shahzad Ahmed

Shahzad Ahmed
Chief Executive Officer

07

Naveed Ahmed

Naveed Ahmed
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Note	-----Rupees in '000'-----			
Sales - net	10,296,173	8,929,664	5,287,892	4,386,904
Cost of goods sold	7 (9,163,131)	(8,405,255)	(4,612,862)	(4,041,884)
Gross profit	1,133,042	524,409	675,030	345,020
Other income	13,045	3,033	8,529	-
	1,146,087	527,442	683,559	345,020
Distribution cost	(159,769)	(188,833)	(77,013)	(94,147)
Administrative expenses	(115,596)	(114,891)	(63,338)	(56,039)
Other operating expenses	(55,248)	(24,944)	(35,445)	(22,644)
Finance cost	(92,578)	(130,766)	(52,063)	(63,951)
Profit before taxation	722,896	68,008	455,700	108,239
Taxation	8 (203,574)	(132,883)	(157,724)	(92,427)
Profit / (loss) after taxation	519,322	(64,875)	297,976	15,812
Earnings per share - Basic and diluted	28.73	(3.59)	16.49	0.87

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



 Shahzad Ahmed
 Chief Executive Officer



 Naveed Ahmed
 Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2016	2015	2016	2015
----- Rupees in '000' -----				
Profit / (loss) after taxation	519,322	(64,875)	297,976	15,812
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	519,322	(64,875)	297,976	15,812

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

Shahzad Ahmed

Shahzad Ahmed
Chief Executive Officer

Naveed Ahmed

Naveed Ahmed
Director


INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Reserves					Total
	Issued, subscribe d	Capital		Revenue		
		Share Premium	Merger Reserve	General Reserve	Un- appropriat ed Profit	
Rupees in '000'						
Balance at June 30, 2015 (audited)	180,737	10,920	11,512	5,000,000	4,127,696	9,330,865
Comprehensive Income						
Loss for the half year ended December 31, 2015	-	-	-	-	(64,875)	(64,875)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(64,875)	(64,875)
Balance at December 31, 2015 (unaudited)	180,737	10,920	11,512	5,000,000	4,062,821	9,265,990
Balance at June 30, 2016 (audited)	180,737	10,920	11,512	5,000,000	4,214,866	9,418,035
Comprehensive Income						
Profit for the half year ended December 31, 2016	-	-	-	-	519,322	519,322
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	519,322	519,322
Transaction with owners:						
Final cash dividend for the year ended June 30, 2016 @ Rs. 5/-	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended September 30,	-	-	-	-	(90,369)	(90,369)
Balance at December 31, 2016 (unaudited)	180,737	10,920	11,512	5,000,000	4,553,450	9,756,619

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


Shahzad Ahmed
Chief Executive Officer


Naveed Ahmed
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	-----Rupees in '000'-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	722,896	68,008
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	299,159	294,993
Provision for gratuity	31,149	28,267
Unrealised (gain) / loss on revaluation of foreign currency loans	(1,248)	631
Gain on disposal of property, plant and equipment	(2,101)	(109)
Unrealised (gain) / loss on revaluation of other financial assets	(4,563)	2,816
Finance cost	92,578	130,766
Dividend income	(888)	(843)
Cash generated before working capital changes	1,136,982	524,529
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(42,760)	5,021
Stock in trade	(1,535,709)	(123,438)
Trade debts	327,123	411,402
Loans and advances	7,925	(5,162)
Trade deposits and short-term prepayments	(17,432)	(29,525)
Other receivables	(4,167)	(2,686)
Tax refundable	(18,402)	77,450
Increase / (decrease) in current liabilities	(1,283,422)	333,062
Trade and other payables	495,002	201,507
Cash generated from operations	348,562	1,059,098
Income taxes paid	(92,270)	(86,660)
Finance cost paid	(77,389)	(145,880)
Gratuity paid	(24,753)	(18,520)
Net cash generated from operating activities	154,150	808,038
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(113,329)	(276,301)
Proceeds from disposal of property, plant and equipment	15,816	4,822
Proceeds from disposal of other financial assets	256,846	-
Payment made for investment in other financial assets	(517,587)	(2,981)
Long-term investments	(6,957)	-
Dividend received	888	843
Net cash used in investing activities	(364,323)	(273,617)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	20,170	51,750
Repayment of long-term financing	(239,994)	(491,280)
Dividend paid	(88,290)	-
Net cash used in financing activities	(308,114)	(439,530)
Net (decrease) / increase in cash and cash equivalent (A+B+C)	(518,287)	94,891
Cash and cash equivalents at beginning of the period	(3,793,364)	(3,180,824)
Cash and cash equivalents at end of the period	(4,311,651)	(3,085,933)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	166,640	113,593
Short-term running finance	(4,478,291)	(3,199,526)
	(4,311,651)	(3,085,933)

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

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 HALF YEAR ENDED DECEMBER 31, 2016

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 Act 1913 repealed by the Companies Ordinance, 1984. 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 ginning units including one on leasing arrangements in District Multan. 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

2. STATEMENT OF COMPLIANCE

- 2.1 This unconsolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail. The disclosures in this condensed interim financial information, however, have been limited to the extent of requirements stated in International Accounting Standard (IAS) 34 'Interim Financial Reporting'.
- 2.2 This unconsolidated condensed interim financial information is unaudited but subject to limited scope review by external auditors of the Company in accordance with the requirements of rule 5.19.13(b) of rule book of Pakistan Stock Exchange Limited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.
- 2.3 This unconsolidated 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.
- 2.4 This 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, 2016.
- 2.5 This unconsolidated condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.
- 2.6 The comparative balance sheet presented has been extracted from unconsolidated annual audited financial statements for the year ended June 30, 2016, 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 half year ended December 31, 2015.

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 recognised 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, 2016.

- 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, 2016.
- 3.3 Certain amendments to existing IFRSs have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2016. None of these amendments are expected to have a significant effect on this condensed interim financial information.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
-----Rupees in '000'-----		
4. CONTINGENCIES AND COMMITMENTS		
4.1 Contingencies		
4.1.1 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.	453	453
4.1.2 Guarantees issued by banks on behalf of the Company	3,817	3,817
4.1.3 Guarantees issued by banks in favour of gas / electric companies	77,558	77,558
4.1.4 Bank guarantees against payment of infrastructure cess	216,042	195,042
4.2 Commitments		
Letters of credit for raw material and stores and spares	1,313,698	1,440,775
Letters of credit for property, plant and equipment	225,004	64,645
Civil work contracts	-	20,000

5. PROPERTY, PLANT AND EQUIPMENT

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

	----- (Un-audited) -----			
	Half year ended			
	December 31, 2016		December 31, 2015	
	Additions / transfers	Disposal at carrying value / transfers	Additions / transfers	Disposal at carrying value / transfers
-----Rupees in '000'-----				
Assets				
Factory building	-	-	38,218	-
Plant and machinery	127,275	(7,378)	93,285	(532)
Power generator	-	-	7,000	-
Office equipment	-	-	212	-
Furniture and fixtures	3,179	-	905	-
Vehicles	12,008	(6,337)	12,429	(4,181)
Capital work in progress	79,139	(109,488)	189,874	-
	221,601	(123,203)	341,923	(4,713)

	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
-----Rupees in '000'-----		
6. LONG TERM INVESTMENTS		
Investment in an associate - at cost	13,476	13,476
Investment in subsidiaries - at cost	3,716,204	3,709,247
	3,729,680	3,722,723
6.1 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)	40,000	33,043
	3,716,204	3,709,247

INDUS DYEING & MANUFACTURING COMPANY LIMITED

----- (Un-audited) -----					
		Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2016	2015	2016	2015
Note		----- Rupees in '000' -----			
7. COST OF GOODS SOLD					
Raw material consumed		7,374,554	6,222,581	3,724,184	2,991,693
Manufacturing expenses	7.1	1,956,834	1,891,988	946,339	956,289
Outside purchases		28,746	186,496	21,852	77,987
		9,360,134	8,301,065	4,692,375	4,025,969
Work in process					
Opening stock		218,243	243,052	222,444	247,134
Closing stock		(203,997)	(237,726)	(203,997)	(237,726)
		14,246	5,326	18,447	9,408
Cost of goods manufactured		9,374,380	8,306,391	4,710,822	4,035,377
Finished Goods					
Opening stock		405,347	442,438	518,636	350,081
Closing stock		(616,596)	(343,574)	(616,596)	(343,574)
		(211,249)	98,864	(97,960)	6,507
		9,163,131	8,405,255	4,612,862	4,041,884

----- (Un-audited) -----					
		Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2016	2015	2016	2015
Note		----- Rupees in '000' -----			
7.1 Manufacturing expenses					
Salaries, wages and benefits		590,349	508,686	286,137	241,380
Fuel, water and power		685,908	758,310	317,181	410,239
Stores and spares consumed		178,654	151,031	85,848	77,759
Packing material consumed		180,302	156,554	98,962	71,284
Insurance		13,303	10,863	6,524	-
Repairs and maintenance		13,002	14,900	3,675	8,155
Rent, rate and taxes		1,791	1,485	475	750
Depreciation		285,204	280,476	143,430	141,433
Others		8,321	9,683	4,107	5,289
		1,956,834	1,891,988	946,339	956,289

8. 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 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.

The Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

9. AGGREGATE 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 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:

INDUS DYEING & MANUFACTURING COMPANY LIMITED

Half year ended
Unaudited Unaudited
December 31 December 31
2016 2015
 -----Rupees in '000'-----

9.1 Transactions during the period

Relationship with the Company Nature of transactions

Subsidiaries		71,777	223,735
Sale of fiber and yarn		71,777	223,735
Received yarn conversion cost		123,881	40,627
Purchase of machinery		1,755	7,000
Paid yarn conversion cost		25,046	71,754
Associate			
Sale of yarn		118,045	-
Key management personnel			
Remuneration paid		49,151	45,953
		December 31,	June 30,
		2016	2016
		(Unaudited)	(Audited)
		-----Rupees in '000'-----	

9.2 Balances with related parties:

Subsidiaries - receivable	28,442	59,532
Subsidiaries - payable	26,186	17,987
Associate - receivable	128,498	1,533
Associate - payable	214	-
Other related parties - common directorship:		
- Receivable	-	1,917
- Payable	3,170	1,253

10. 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.

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:

	As at December 31, 2016			
	Level 1	Level 2	Level 3	Total
-----Rupees in '000'-----				
Assets				
Investments in securities - at fair value				
	541,068	-	-	541,068
As at June 30, 2016				
	Level 1	Level 2	Level 3	Total
-----Rupees in '000'-----				
Assets				
Investments in securities - at fair value through profit or loss - held for trading				
	275,762	-	-	275,762

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

11. SUBSEQUENT EVENT

The Board of Directors of the Company in their meeting held on 28th February, 2017 decided to transfer an amount of Rs. 1,978 billion from un-appropriated profit to general reserve.

12. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue on 28th February, 2017 by the Board of Directors of the Company.

13. GENERAL

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

13 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant reclassifications have been made during the current period.



Shahzad Ahmed
Chief Executive Officer



Naveed Ahmed
Director



INDUS DYEING & MANUFACTURING
COMPANY LIMITED

**Consolidated Condensed Interim Financial Information
Half Year Ended December 31, 2016**

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2016

		December 31, 2016	June 30, 2016
	Note	(Unaudited)	(Audited)
----- Rupees in '000' -----			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
45,000,000 ordinary shares of Rs. 10/- each		450,000	450,000
Issued, subscribed and paid up capital		180,737	180,737
Reserves		5,022,030	5,021,964
Unappropriated profit		6,392,133	5,913,069
		11,594,900	11,115,770
Non-current liabilities			
Long-term financing		1,161,126	1,363,996
Deferred liabilities		533,484	373,548
		1,694,610	1,737,544
Current liabilities			
Trade and other payables		2,307,635	1,687,178
Interest / mark-up payable		52,652	33,572
Short-term borrowings		6,528,617	6,096,915
Current portion of long-term financing		271,305	313,682
		9,160,209	8,131,347
CONTINGENCIES AND COMMITMENTS	6	22,449,719	20,984,661
		22,449,719	20,984,661
		December 31, 2016	June 30, 2016
	Note	(Unaudited)	(Audited)
----- Rupees in '000' -----			
ASSETS			
Non-current assets			
Property, plant and equipment	7	10,545,739	10,918,118
Intangible assets		4,517	4,633
Long-term investments	8	21,951	21,611
Long-term deposits		14,757	14,757
		10,586,964	10,959,119
Current assets			
Stores, spares and loose tools		558,880	537,609
Stock-in-trade		7,487,541	5,514,619
Trade debts		1,697,702	1,831,228
Loans and advances		166,377	154,345
Trade deposits and short-term prepayments		28,520	10,921
Other receivables		92,559	80,652
Other financial assets		993,057	676,603
Tax refundable		620,929	600,456
Cash and bank balances		217,190	619,109
		11,862,755	10,025,542
		22,449,719	20,984,661

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

Shahzad Ahmed
Shahzad Ahmed
Chief Executive Officer


Naveed Ahmed
Naveed Ahmed
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED


CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Note	Rupees in '000'		Rupees in '000'	
Sales - net	13,741,477	12,079,920	7,226,664	5,842,623
Cost of goods sold	9 (12,206,508)	(11,238,359)	(6,289,731)	(5,317,918)
Gross profit	1,534,969	841,561	936,933	524,705
Other income	14,628	103,568	8,081	98,052
	1,549,597	945,129	945,014	622,757
Distribution cost	(268,639)	(330,085)	(140,428)	(162,675)
Administrative expenses	(189,737)	(185,346)	(100,916)	(93,421)
Other operating expenses	(73,870)	(34,951)	(37,635)	(27,276)
Finance cost	(131,179)	(172,252)	(75,015)	(84,203)
	(663,425)	(722,634)	(353,994)	(367,575)
Share of profit from associate -net of tax	8.1 562	419	162	316
Profit before taxation	886,734	222,914	591,182	255,498
Taxation	10 (227,053)	(156,097)	(172,185)	(103,473)
Profit for the period - attributable to ordinary share holders of the Holding Company	659,681	66,817	418,997	152,025
Earnings per share - basic and diluted	36.50	3.70	23.20	8.41

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



 Shahzad Ahmed
 Chief Executive Officer



 Naveed Ahmed
 Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED


CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2016

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
-----Rupees in '000' -----				
Profit for the period	659,681	66,817	418,997	152,025
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Exchange gain / (loss) on translation of balances of foreign subsidiary	66	585	6,024	342
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	659,747	67,402	425,021	152,367

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



Shahzad Ahmed
Chief Executive Officer



Naveed Ahmed
Director

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Reserves					Total
	Capital			Revenue		
	Issued, subscribed and paid up capital	Share premium	Merger reserve	Exchange translation reserve	General reserve	Unappropriated profit
	Rupees in '000'					
Balance at June 30, 2015 (audited)	180,737	10,920	11,512	243	5,000,000	5,470,799
Comprehensive income for the period						10,674,211
Profit for the period ended December 31, 2015	-	-	-	-	-	66,817
Exchange gain on translation of foreign subsidiary	-	-	-	585	-	585
Total comprehensive income for the period	-	-	-	585	-	67,402
Transactions with owners recorded directly in equity	-	-	-	-	-	-
Balance at December 31, 2015 (unaudited)	180,737	10,920	11,512	828	5,000,000	5,537,616
Balance at June 30, 2016 (audited)	180,737	10,920	11,512	(468)	5,000,000	5,913,069
Comprehensive income for the period						
Profit for the period ended December 31, 2016	-	-	-	-	-	659,681
Exchange gain on translation of foreign subsidiary	-	-	-	66	-	-
Total comprehensive income for the period	-	-	-	66	-	659,747
Associate's share of surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	121
Transactions with owners recorded directly in equity						
Final cash dividend for the year ended June 30, 2016 @ Rs. 5/- per share	-	-	-	-	-	(90,369)
Interim cash dividend for the period ended September 30, 2016 @ Rs. 5/- per share	-	-	-	-	-	(90,369)
Balance at December 31, 2016	180,737	10,920	11,512	(402)	5,000,000	6,392,133

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

Shahtaz Ahmed

Shahtaz Ahmed
Chief Executive Officer

Naveed Ahmed


Naveed Ahmed
Director


INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	-----Rupees in '000'-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	886,734	222,914
Adjustments for:		
Depreciation and Amortization	516,157	485,678
Provision for gratuity	51,439	45,970
Share of profit from associate	(562)	(419)
Unrealised gain on revaluation of foreign currency loans	(788)	(617)
Loss / (Gain) on disposal of property, plant and equipment	4,963	(109)
(Gain) / Loss on revaluation / disposal of other financial assets	(4,563)	2,815
Finance cost	131,179	172,252
Dividend income	(888)	(843)
Cash generated before working capital changes	1,583,671	927,641
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(21,271)	124,208
Stock in trade	(1,972,922)	(147,105)
Trade debts	133,526	312,532
Loans and advances	6,746	(3,726)
Trade deposits and short-term prepayments	(17,599)	(35,915)
Other receivables	(11,907)	9,540
Tax refundable	(20,473)	84,188
	(1,903,900)	343,722
Increase in current liabilities		
Trade and other payables	528,009	164,384
Cash generated from operations	207,780	1,435,747
Income taxes paid	(104,195)	(86,660)
Finance cost paid	(112,099)	(185,597)
Gratuity paid	(33,137)	(31,078)
Net cash (used in) / generated from operating activities	(41,651)	1,132,412
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(184,635)	(374,115)
Proceeds from disposal of property, plant and equipment	36,010	4,822
Proceeds from disposal of other financial assets	256,846	-
Payment for purchase of other financial assets	(568,735)	(4,226)
Refunds from long-term deposits	-	582
Dividend received	1,227	843
Net cash used in investing activities	(459,287)	(372,094)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	70,931	136,522
Long term finance repaid -net	(315,390)	(660,208)
Dividend paid	(88,290)	-
Net cash used in financing activities	(332,749)	(523,686)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(833,687)	236,632
Cash and cash equivalents at beginning of the period	(5,477,806)	(4,522,598)
Effects of exchange rate changes on cash and cash equivalents	66	585
Cash and cash equivalents at end of the period	(6,311,427)	(4,285,381)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	217,190	135,624
Short-term running finance	(6,528,617)	(4,421,005)
	(6,311,427)	(4,285,381)

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


Shahzad Ahmed
 Chief Executive Officer


Naveed Ahmed
 Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

1. THE GROUP AND ITS OPERATIONS

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

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. The Holding Company is also operating two ginning units including one on leasing arrangements in District Lodhran.

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 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

- 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

This consolidated condensed interim financial information are unaudited and have been prepared in accordance with the approved Accounting Standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail. The disclosures in this condensed interim financial information, however, have been limited to the extent of requirements stated in International Accounting Standard (IAS) 34 'Interim Financial Reporting' .

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, 2016.
- 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, 2016.
- 4.3 Certain new International Financial Reporting Standards (IFRSs) and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2016, which does not have any impact on this condensed interim financial information except for IFRS 13 "Fair Value Measurement", which required certain additional disclosures presented in note 12 to this consolidated condensed interim financial information.

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, 2016.
- 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, 2016, 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 half year ended December 31, 2015.

6. CONTINGENCIES AND COMMITMENTS

6.1 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

December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
-----Rupees in '000'-----	

	453	453
	3,817	26,970
	113,888	223,286
	372,195	218,992

INDUS DYEING & MANUFACTURING COMPANY LIMITED

6.2 Commitments

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

	1,538,702	1,641,095
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Contingencies and Commitments note should be read in conjunction with the annual consolidated financial statements of the Group for the year ended June 30, 2016.

7. PROPERTY, PLANT AND EQUIPMENT

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

	-----Un-audited-----			
	Half year ended			
	December 31, 2016		December 31, 2015	
Additions / Transfers	Disposal at carrying value / transfers	Additions / Transfers	Disposal at carrying value / transfers	
----- Rupees in '000'-----				
Assets				
Factory building	6,541	-	48,455	-
Plant and machinery	169,182	(28,090)	192,257	(532)
Electric installations	-	-	2,945	-
Power generator	1,575	(3,920)	38,689	(13,015)
Office equipment	-	-	347	-
Furniture and fixtures	3,179	-	2,614	-
Vehicles	22,531	(322)	13,230	(4,181)
Computers	954	(8,012)	941	-
Capital work in progress	130,238	(154,688)	205,139	-
	334,200	(195,032)	504,618	(17,728)

	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
Note	-----Rupees in '000'-----	
8. LONG TERM INVESTMENTS		
Investment in an associate	8.1 21,951	21,611
8.1 Investment in associate		
Cost	1,716	1,716
Share of post acquisition profits:		
Opening	19,895	19,562
Dividend received	(343)	-
Share of profit from associate for the period	562	333
Accounting policy adjustment	121	-
	20,235	19,895
	21,951	21,611
Number of shares held	68,654	68,654
Ownership interest	0.99%	0.99%
Market value (Rupees in '000)	16,353	14,601
Cost of investment (Rupees in '000)	1,716	1,716

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		----- Un-audited -----			
		Half year ended		Quarter ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
9. COST OF GOODS SOLD	Note	----- Rupees in '000' -----			
Raw material consumed		8,517,776	7,295,642	4,393,373	3,324,643
Manufacturing expenses	9.1	3,386,889	3,282,865	1,727,291	1,654,007
Outside purchases		823,680	497,621	443,939	432,758
		12,728,345	11,076,128	6,564,603	5,411,408
Work in process					
Opening stock		467,680	696,608	545,297	638,870
Closing stock		(703,842)	(669,265)	(703,842)	(669,265)
		(236,162)	27,343	(158,545)	(30,395)
Cost of goods manufactured		12,492,183	11,103,471	6,406,058	5,381,013
Finished Goods					
Opening stock		856,153	993,543	1,025,501	795,560
Closing stock		(1,141,828)	(858,655)	(1,141,828)	(858,655)
		(285,675)	134,888	(116,327)	(63,095)
		12,206,508	11,238,359	6,289,731	5,317,918
9.1 Manufacturing expenses					
Salaries, wages and benefits		947,440	808,804	475,067	401,564
Fuel, water and power		1,111,143	1,288,738	552,795	669,984
Stores and spares consumed		462,937	372,853	244,122	183,060
Packing material consumed		322,356	273,995	187,251	133,097
Insurance		19,950	19,687	9,485	2,610
Repairs and maintenance		17,590	24,015	5,791	12,734
Rent, rate and taxes		1,791	1,485	475	750
Depreciation		492,918	499,304	248,730	251,469
Others		38,917	25,388	21,051	12,559
Rebate		(28,153)	(31,404)	(17,476)	(13,820)
		3,386,889	3,282,865	1,727,291	1,654,007

10. 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.

The Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

11. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of an associate (Sunrays Textiles Mills Limited), entities with common directorship, key management personnel and post employment benefit scheme. The Group carries out transactions with related parties on agreed terms. Significant transactions with related parties and balances with them, other than those shown elsewhere in this consolidated condensed interim financial information, are as follows:

		----- Un-audited -----	
		Half year ended	
		December 31, 2016	December 31, 2015
		----- Rupees in '000' -----	
11.1 Transactions during the period			
Relationship	Nature of transactions		
Associate	Sale of yarn	118,045	-
	Purchase of yarn / cotton & machinery	2,681	54,409
	Conversion cost	40,794	17,068
Key management personnel	Remuneration paid	89,567	72,206

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	December, 31 2016 (Unaudited)	June 30, 2016 (Audited)
	Rupees in '000'	
11.2 Balances with related parties		
Associate - payable	469	1,733
Associate - receivable	126,498	-
Balances with other related parties due to common directorship		
- Receivable	3,170	1,917
- Payable	-	1,253

12. 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.

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:

	As at December 31, 2016			Total
	Level 1	Level 2	Level 3	
	Rupees in '000'			
Assets				
Other financial assets	993,057	-	-	993,057
	As at June 30, 2016			Total
	Level 1	Level 2	Level 3	
	Rupees in '000'			
Assets				
Other financial assets	275,762	400,841	-	676,603

13. SUBSEQUENT EVENT

The Board of Directors of the Group in their meeting held on 28th February, 2017 decided to transfer an amount of Rs. 1,978 billion from un-appropriated profit to general reserve.

14. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on 28th February, 2017 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. No significant reclassifications have been made during the current period.



Shahzad Ahmed
Chief Executive Officer



Naveed Ahmed
Director