



INDUS DYEING & MANUFACTURING
COMPANY LIMITED

FIRST QUARTERLY REPORT
Condensed Interim Financial Information
July 01, 2016 to September 30, 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. 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 Kilometre, Shaikhupura Road, District Faisalabad. Tel. 041 - 4689235 - 6
- 5 Indus Home Limited. 2.5 Kilometre, Off Manga Raiwind Road, Manga Mandi, Lahore. Tel. 042 - 35385021 - 7
111 - 404 - 405

INDUS DYEING & MANUFACTURING COMPANY LIMITED

DIRECTORS' REVIEW FOR THE QUARTER ENDED SEPTEMBER 30, 2016

The Board of Directors is pleased to present the un-audited financial statements of Company for the quarter ended September 30, 2016.

OPERATING RESULTS

The summary of consolidated operating results is as follows:

	Quarter Ended September 30, 2016 Rupees (million)	Quarter Ended September 30, 2015 Rupees (million)
Sales	6,515	6,237
Gross Profit	598	317
Expenses	309	355
Profit/(Loss) after taxation	241	(85)
Earnings Per Share (EPS)	13.32	(4.71)

BUSINESS PERFORMANCE

Sales revenue of the Company for the quarter ended September 30, 2016 was Rs 5,008 million as against Rs. 4,543 million for the similar period last year while the cost of sales was Rs.4,550 million as compared to Rs. 4,363 million in the corresponding quarter. The gross profit was, thus, increased by 154%, mainly due to the good prices of yarn in local as well as international market. The margins will expected to be shrinking with the consumption of new season crop in the next quarter.

The revenue from home textile products is reduced due to the reduced demand in the overseas market, from Rs.1,216 million in the quarter ended September 30, 2015 to Rs.881 million in the similar period current year. Resultantly, overall profit is lower than comparative period last year.

On Behalf of the Board



SHAHZAD AHMED
Chief Executive Officer

Karachi:
31st October, 2016

انڈس ڈائینگ اینڈ میٹو-فیکٹری کمپنی لمیٹڈ

ڈائریکٹرز رپورٹ

پہلی سرمایہ - ستمبر ۲۰۱۶، ۳۰

بورڈ آف ڈائریکٹرز ۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی پہلی سرمایہ کے مالیاتی گوشوارے (نیر آڈٹ شدہ) بخوشی پیش کرتے ہیں۔

مجموعی کنسولیدیشن مالیاتی نتائج کا خلاصہ

پہلی سرمایہ
۲۰۱۵، ۳۰ ستمبر
روپے (ملین)

پہلی سرمایہ
۲۰۱۶، ۳۰ ستمبر
روپے (ملین)

۶،۲۳۷	۶،۵۱۵	فروخت
۳۱۷	۵۹۸	خام منافع
۳۵۵	۳۰۹	تفرقات
(۸۵)	۲۲۱	ابداء ٹیکس منافع
(۳،۷۱)	۱۳،۳۲	نی حصص آمدن

کاروباری صورتحال:-

۳۰ ستمبر ۲۰۱۶ کو ختم ہونے والی پہلی سرمایہ کے دوران کمپنی کی مصنوعات کی فروخت 5,008 ملین روپے رہی جو کہ پچھلے سال اسی مدت کے دوران 4,543 ملین روپے تھی۔ پیداواری لاگت 4,550 ملین روپے رہی جو کہ پچھلے سال اسی مدت میں 4,363 ملین روپے تھی۔

یوں کمپنی کے خام منافع میں 154% کی شرح سے اضافہ ہوا ہے۔ اس اضافہ کی بنیادی وجہ دھماگے کی قیمتوں میں کمی اور بین الاقوامی منڈیوں میں ہونے والی بہتری ہے۔ آنے والی سرمایہ میں کپاس کی نئی فصل کے استعمال کے ساتھ ہی موجودہ مارجن میں کمی متوقع ہے۔

زیر جائزہ مدت میں بین الاقوامی منڈیوں میں کمپنی کی گھریلو مصنوعات کی طلب میں کمی دیکھنے میں آئی جسکی وجہ سے فروخت جو کہ 1,216 ملین روپے پچھلے سال کی پہلی سرمایہ میں تھی گھٹ کر اس سال اسی مدت میں 881 ملین روپے ہو گئی تھی۔ خالص منافع بھی پچھلے سال کے اسی مدت میں ہونے والے منافع سے کم رہا۔

بورڈ آف ڈائریکٹرز کی جانب سے

Madan

شہزاد احمد

چیف ایگزیکٹو

کراچی


مورخہ: 31 اکتوبر 2016ء

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

	Sept 30, 2016 (Unaudited)	June 30, 2016 (Audited)
EQUITY AND LIABILITIES	Note	----- Rupees in '000' -----
Share capital and reserves		
Authorized		
45,000,000 ordinary shares of Rs. 10 each	<u>450,000</u>	<u>450,000</u>
Issued, subscribed and paid up		
18,073,732 ordinary shares of Rs. 10 each	<u>180,737</u>	180,737
Reserves	<u>5,022,432</u>	5,022,432
Unappropriated profit	<u>4,436,212</u>	4,214,866
	<u>9,639,381</u>	9,418,035
Non-current liabilities		
Long-term financing	<u>1,134,078</u>	1,224,199
Deferred liabilities	<u>268,028</u>	254,134
	<u>1,402,106</u>	1,478,333
Current liabilities		
Trade and other payables	<u>1,462,603</u>	1,211,461
Interest / mark-up payable	<u>25,928</u>	24,593
Short-term borrowings	<u>3,474,490</u>	4,377,109
Current portion of long-term financing	<u>153,977</u>	272,965
	<u>5,116,998</u>	5,886,128
	<u>16,158,485</u>	<u>16,782,496</u>
CONTINGENCIES AND COMMITMENTS		
	4	
ASSETS		
Non-current assets		
Property, plant and equipment	5	<u>6,326,693</u>
Long-term investments	6	6,455,820
Long-term deposits		<u>3,729,680</u>
		4,105
		<u>10,060,478</u>
Current assets		
Stores, spares and loose tools		<u>233,964</u>
Stock-in-trade		218,856
Trade debts		<u>3,217,325</u>
Loans and advances		3,599,444
Trade deposits and short-term prepayments		<u>1,301,847</u>
Other receivables		1,424,500
Other financial assets		<u>180,263</u>
Tax refundable		119,769
Cash and bank balances		<u>34,815</u>
		9,405
		<u>25,996</u>
		10,097
		<u>165,301</u>
		275,762
		<u>355,716</u>
		358,270
		<u>582,780</u>
		583,745
		<u>6,098,007</u>
		6,599,848
		<u>16,158,485</u>
		<u>16,782,496</u>

The annexed notes 1 to 10 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 PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

		Three months period ended	
		Sept 30, 2016	Sept 30, 2015
Note	-----	Rupees in '000' -----	
Sales - net		5,008,281	4,542,760
Cost of goods sold	7	(4,550,269)	(4,363,371)
Gross profit		458,012	179,389
Other income		4,516	4,497
		462,528	183,886
Distribution cost		(82,756)	(94,686)
Administrative expenses		(52,258)	(58,852)
Other operating expenses		(19,803)	(3,764)
Finance cost		(40,515)	(66,815)
Profit / (loss) before taxation		267,196	(40,231)
Taxation		(45,850)	(40,456)
Profit / (loss) after taxation		221,346	(80,687)
Earnings per share - Basic and diluted		12.25	(4.46)

The annexed notes 1 to 10 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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Three months period ended	
	Sept 30, 2016	Sept 30, 2015
	----- Rupees in '000' -----	
Profit / (loss) after taxation	221,346	(80,687)
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss account	-	-
Items that will not be reclassified subsequently to profit and loss account	-	-
Total comprehensive income / (loss) for the period	221,346	(80,687)

The annexed notes 1 to 10 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

A. CASH FLOWS FROM OPERATING ACTIVITIES	Three months period ended	
	Sept, 30 2016	Sept, 30 2015
	-----Rupees in '000'-----	
Profit / (loss) before taxation	267,196	(40,231)
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	148,602	146,252
Provision for gratuity	16,409	19,789
Realized loss on revaluation of foreign currency loans	(344)	(3,380)
Gain on disposal of property, plant and equipment	(974)	(85)
Unrealized gain on revaluation of other financial assets	(1,539)	3,500
Finance cost	40,515	66,815
Dividend income	(182)	(663)
Operating profit before working capital changes	469,683	191,997
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(15,108)	(24,740)
Stock in trade	382,119	1,165,951
Trade debts	122,653	180,450
Loans and advances	(49,117)	(64,550)
Trade deposits and short-term prepayments	(25,410)	(11,444)
Other receivables	(15,899)	9,659
Other financial assets	112,000	4,297
Tax refundable	2,554	(85,676)
Increase / (decrease) in current liabilities	513,792	1,173,947
Trade and other payables	251,365	238,583
Cash generated from / (used) in operations	1,234,840	1,604,527
Income taxes paid	(50,226)	39,500
Finance cost paid	(39,188)	(92,505)
Gratuity paid	(9,515)	(7,147)
Net cash generated from / (used) in operating activities	1,135,911	1,544,375
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(27,439)	(88,079)
Proceeds from disposal of property, plant and equipment	8,945	4,328
Long term investment	(6,957)	-
Dividend received	182	663
Net cash used in investing activities	(25,269)	(83,088)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	16,030	42,350
Repayment of long-term financing	(225,139)	(442,129)
Dividend paid	(223)	-
Net cash used in financing activities	(209,332)	(399,779)
Net increase / (decrease) in cash and cash equivalent	901,310	1,061,508
Cash and cash equivalent at beginning of the period	(3,793,364)	(3,180,824)
Effect of exchange rate changes	344	3,380
Cash and cash equivalent at end of the period	(2,891,710)	(2,115,936)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	582,780	40,958
Short-term running finance	(3,474,490)	(2,156,894)
	(2,891,710)	(2,115,936)

The annexed notes 1 to 10 form an integral part of this unconsolidated condensed interim financial information.

Shahzad Ahmed

 Shahzad Ahmed
 Chief Executive Officer

09

Naveed Ahmed

 Naveed Ahmed
 Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Reserves					Total
	Issued, subscribed and paid-up capital	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 three months period ended Sept 30, 2015	-	-	-	-	(80,687)	(80,687)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss) for the period	-	-	-	-	(80,687)	(80,687)
Balance at Sept, 30, 2015 (unaudited)	180,737	10,920	11,512	5,000,000	4,047,009	9,250,178
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 three months period ended Sept 30, 2016	-	-	-	-	221,346	221,346
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	221,346	221,346
Balance at Sept, 30, 2016 (unaudited)	180,737	10,920	11,512	5,000,000	4,436,212	9,639,381

The annexed notes 1 to 10 form an integral part of this unconsolidated condensed interim financial information.

Shahzad Ahmed

Shahzad Ahmed
Chief Executive Officer

Naveed Ahmed

Naveed Ahmed
Director

**SELECTED EXPLANATORY NOTES
TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 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. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company is also operating two spinning units including one on leasing arrangements in District Lodhran. The Company has the following group entities:

Indus Lyallpur Limited	- Wholly owned subsidiary
Indus Home Limited	- Wholly owned subsidiary
Indus Home USA Inc.	- Wholly owned subsidiary of Indus Home Limited
Indus Wind Energy Limited	- Wholly owned subsidiary
Sunrays Textile Mills Limited	- Associated undertaking

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. 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 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'.
- 2.2 This unconsolidated condensed interim financial information is unaudited and 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 financial statements and therefore should be read in conjunction with the annual 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 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 third quarterly ended September 30, 2015.

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

- 3.1 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.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

	Sept 30, 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 distribution companies	77,558	77,558
4.1.4 Bank guarantees against payment of infrastructure cess	210,042	195,042
4.2 Commitments		
Letters of credit for raw material and stores and spares	584,393	1,440,775
Letters of credit for plant and equipment	142,645	64,645
Civil work contracts	-	20,000
5 ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		

During the period, the following additions and disposals were made: -

	----- (Un-audited) -----			
	Sept 30, 2016		Sept 30, 2015	
	Additions / transfers	Disposal at carrying value	Additions / transfers	Disposal at carrying value
	-----Rupees in '000'-----			
Assets				
Factory building	-	-	68,731	(532)
Plant and machinery	112,417	(7,380)	-	-
Power generator	-	-	7,000	-
Office equipment	-	-	127	-
Furniture and fixtures	2,124	-	-	-
Vehicles	2,140	(591)	8,750	(3,711)
Capital work in progress	58,979	-	3,472	-
	175,660	(7,971)	88,080	(4,243)

Three months period ended

	Sept 30, 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

INDUS DYEING & MANUFACTURING COMPANY LIMITED

Three months period ended
(Un-audited)
Quarter ended

Sept 30, 2016	Sept 30, 2015
-----Rupees in '000'-----	

6.1 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	250
Advance against equity (IWE)	-	32,793
	3,716,204	3,709,247

7 COST OF GOODS SOLD

Raw material consumed	7.1	3,650,370	3,230,888
Manufacturing expenses		1,010,495	935,699
Outside purchases		6,894	108,509
		4,667,759	4,275,096
Work in process			
Opening stock		218,243	243,052
Closing stock		(222,444)	(247,134)
		(4,201)	(4,082)
		4,663,558	4,271,014
Cost of goods manufactured			
Finished Goods			
Opening stock		405,347	442,437
Closing stock		(518,636)	(350,080)
		(113,289)	92,357
		4,550,269	4,363,371
7.1 Manufacturing expenses			
Salaries, wages and benefits		304,212	267,306
Fuel, water and power		368,727	348,071
Stores and spares consumed		92,806	73,272
Packing material consumed		81,340	83,428
Insurance		6,779	12,705
Repairs and maintenance		9,327	6,745
Rent, rate and taxes		1,316	735
Depreciation		141,774	139,043
Others		4,214	4,394
		1,010,495	935,699

INDUS DYEING & MANUFACTURING COMPANY LIMITED

8 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, Silver Seeds (Private) Limited, MB Industries (Private) Limited, Gailawal Cotton Company, Indus Heartland Limited, Lyallpur Properties) 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: -

		<u>Three months period ended</u>	
		<u>(Un-audited)</u>	
		<u>Quarter ended</u>	
		Sept 30,	Sept 30,
		2016	2015
		-----Rupees in '000'-----	
8.1	Transactions during the period		
	Relationship with Company		
	Subsidiaries		
	Purchase of yarn	42,447	115,046
	Conversion cost paid	-	33,994
	Purchase of generator	3,194	9,652
	Sale of Machinery	-	7,000
	Conversion Cost Received	1,755	-
		40,273	-
	Key management personnel		
		7,471	7,820

9 DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issue on 31st October 2016 by the Board of Directors of the Company.

10 GENERAL

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

Shahzad Ahmed

Shahzad Ahmed
Chief Executive Officer

Naveed Ahmed

Naveed Ahmed
Director



INDUS DYEING & MANUFACTURING
COMPANY LIMITED

FIRST QUARTERLY REPORT
Condensed Interim Financial Information
July 01, 2016 to September 30, 2016
(Un - audited)

INDUS DYEING & MANUFACTURING COMPANY LIMITED

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2016

	Note	Sept 30, 2016 (Unaudited)	June 30, 2016 (Audited)
----- Rupees in '000' -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized		450,000	450,000
45,000,000 Ordinary shares of Rs. 10 each			
Issued, subscribed and paid up		180,737	180,737
Reserves		5,016,006	5,021,964
Unappropriated profit		6,153,816	5,913,069
		11,350,559	11,115,770
NON CURRENT LIABILITIES			
Long-term financing		1,226,776	1,363,996
Deferred liabilities		395,089	373,548
		1,621,865	1,737,544
CURRENT LIABILITIES			
Trade and other payables		1,957,649	1,687,178
Interest / mark-up payable		30,152	33,572
Short-term borrowings		4,832,363	6,096,915
Current portion of: long-term financing		171,325	313,682
		6,991,489	8,131,347
CONTINGENCIES AND COMMITMENTS	6	19,963,913	20,984,661
ASSETS			
non-current assets			
Property, plant and equipment		10,664,119	10,918,118
Intangible assets		4,286	4,633
Long term investment		22,074	21,611
Long term deposit		14,757	14,757
		10,705,236	10,959,119
current assets			
Stores, spares and loose tools		501,539	537,609
Stock-in-trade		4,929,197	5,514,619
Trade debts		1,693,839	1,831,228
Loans and advances		235,550	154,345
Trade deposits and short-term prepayments		36,330	10,921
Other receivables		101,201	80,652
Other financial assets		568,324	676,603
Tax refundable		573,369	600,456
Cash and bank balances		619,328	619,109
		9,258,677	10,025,542
		19,963,913	20,984,661

The annexed notes from 1 to 12 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

		Three months period ended	
		Sept 30, 2016	Sept 30, 2015
	Note	----- Rupees in '000' -----	
Sales		6,514,813	6,237,297
Cost of goods sold	9	(5,916,777)	(5,920,441)
Gross profit		598,036	316,856
Other operating income		6,547	5,516
		604,583	322,372
Distribution cost		(128,211)	(167,410)
Administrative expenses		(88,821)	(91,925)
Other operating expenses		(36,235)	(7,675)
Financial cost		(56,164)	(88,049)
		(309,431)	(355,059)
Share of profit from associate	8.1	400	103
Profit / (loss) before taxation		295,552	(32,584)
Taxation	10	(54,868)	(52,624)
Profit / (loss) after taxation		240,684	(85,208)
Earnings per share - Basic and diluted		13.32	(4.71)

The annexed notes from 1 to 12 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Three months period ended	
	Sept 30, 2016	Sept 30, 2015
	----- Rupees in '000' -----	
Profit / (loss) after taxation	240,684	(85,208)
Other comprehensive income / (loss)	-	-
Items that may be reclassified subsequently to profit and loss account		
Exchange gain / (loss) on translation of foreign subsidiary	(5,958)	246
Items that will not be reclassified subsequently to profit and loss account	-	-
Total comprehensive income / (loss) for the period	234,726	(84,962)

The annexed notes from 1 to 12 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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Three months period ended	
	Sept 30, 2,016	Sept 30, 2015
	----- Rupees in '000' -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	295,552	(32,584)
Adjustments for:		
Depreciation and Amortization	238,759	259,765
Provision for gratuity	27,625	33,542
Share of profit from associate	(400)	(103)
Unrealized gain on revaluation of foreign currency loans	(1,152)	(3,380)
Loss / (gain) on disposal of property, plant and equipment	8,779	(768)
Gain on revaluation/ disposal of other financial assets	(1,539)	16,731
Finance cost	56,164	88,049
Dividend income	(182)	(663)
Operating profit before working capital changes	623,606	360,589
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	36,070	120,961
Stock in trade	585,422	1,460,610
Trade debts	137,389	7,200
Loans and advances	(19,386)	(101,574)
Trade deposits and short-term prepayments	(25,409)	(12,103)
Other receivables	(20,549)	(3,396)
Other financial assets	108,279	9,448
Tax refundable	27,087	6,960
Increase in current liabilities		
Trade and other payables	229,196	218,580
	1,058,099	1,706,686
Cash used in operations	1,681,705	2,067,275
Income taxes paid	(51,515)	(56,026)
Finance cost paid	(59,592)	(115,606)
Gratuity paid	(2,924)	(16,851)
Net cash generated from / (used in) operating activities	1,567,674	1,878,792
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for purchase of items property, plant and equipment	(40,057)	(121,230)
Proceeds on disposal of property, plant and equipment	24,040	12,598
Payment for right shares	(6,956)	-
Dividend received	182	663
Net cash used in investing activities	(22,791)	(107,969)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing obtained	21,054	42,350
Repayment of long-term financing	(300,631)	(522,542)
Dividend paid	(223)	-
Net cash used in financing activities	(279,800)	(480,192)
Net increase / (decrease) in cash and cash equivalents	1,265,083	1,290,631
Cash and cash equivalents at beginning of the period	(5,477,806)	(4,522,598)
Cash and cash equivalents at end of the period	(4,212,723)	(3,231,967)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	619,328	102,043
Short-term running finance	(4,832,363)	(3,334,010)
Effects of exchange rate changes on cash and cash equivalents	312	-
	(4,212,723)	(3,231,967)

The annexed notes from 1 to 12 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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Reserves						Total
	Issued, subscribed and paid up capital	Capital		Revenue		Total	
		Share premium	Merger reserve	Exchange translation reserve	General reserve		
----- Rupees in '000' -----							
Balance at June 30, 2015 (audited)	180,737	10,920	11,512	243	5,000,000	5,470,799	10,674,211
Comprehensive (loss) / income for the first quarter ;							
Loss for the first quarter ended September 30, 2015	-	-	-	-	-	(85,208)	(85,208)
Exchange gain on translation of foreign subsidiary	-	-	-	246	-	-	246
Other comprehensive (loss) for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	246	-	(85,208)	(84,962)
Associate's share of surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	-	-	72	72
- net of deferred tax							
Balance at September 30, 2015 (unaudited)	180,737	10,920	11,512	489	5,000,000	5,385,663	10,589,321
Balance at June 30, 2016 (audited)	180,737	10,920	11,512	(468)	5,000,000	5,913,069	11,115,770
Comprehensive income for the first quarter ;							
Profit for the first quarter ended September 30, 2016	-	-	-	-	-	240,684	240,684
Exchange loss on translation of foreign subsidiary	-	-	-	(5,958)	-	-	(5,958)
Other comprehensive income for the period quarter	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(5,958)	-	240,684	234,726
Associate's share of surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	63	63
Balance at September 30, 2016 (unaudited)	180,737	10,920	11,512	(6,426)	5,000,000	6,153,816	11,350,559

The annexed notes from 1 to 12 form an integral part of this consolidated condensed interim financial information.

Shahzad Ahmed
Shahzad Ahmed
Chief Executive Officer

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Naveed Ahmed
Naveed Ahmed
Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED

SELECTED EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

The " Group " consists of

1.1 Holding Company - Indus Dyeing & Manufacturing Company Limited

Indus Dyeing & Manufacturing Co. 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 spinning units including one on leasing arrangements in District Multan. The Company has the following group entities :

- Indus Lyallpur Limited - Wholly owned
- Indus Home Limited - Wholly owned
- Indus Wind Energy Limited - Wholly owned
- Indus Home USA Inc. - Wholly owned
- Sunrays Textile Mills Limited - Associated

1.2 Subsidiary Companies

1.2.1 Indus Lyallpur Limited - 100% owned

Indus Lyallpur Limited (the Subsidiary Company) is an unlisted public company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984. Principal business of the Subsidiary Company is manufacturing and sale of yarn. Mill is located at 38th kilometer, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the Subsidiary Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company acquired 71,540,000 ordinary shares representing hundred percent of paid up capital of the Subsidiary Company @ 6.85 per share for aggregate consideration of Rs. 490 million on January 31, 2012.

1.2.2 Indus Home Limited - 100% owned

Indus Home Limited (the Subsidiary Company) 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. Principal business activities of the Subsidiary Company 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 West Point 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 Wind Energy Limited - 100% owned

Indus Wind Energy has been established during the 2015. The principal business activities of the Company is to generate and sale electricity to the national grid.

1.2.4 Indus Home USA Inc. (100% owned by Indus Home

Indus Home USA Inc. was established in the prior year. The principal business activities of the Company is to act as commission agent to generate sales order in textile sector.

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 and its shares are quoted on the Karachi Stock Exchange. The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating a spinning unit and an ice factory on leasing arrangements. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab. The Holding Company has 0.99% voting rights in the Company and it is regarded associate due to common directorship.

2. BASIS OF CONSOLIDATION

- This consolidated condensed interim financial information include the financial information of the Company and its Subsidiary Companies(refer note 1 above) (here-in-after collectively referred to as 'the Group').
- 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 the company 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 Company for the purpose of consolidation, using consistent accounting policies.
 - The assets, liabilities, income and expenses of the Subsidiary Companies have been consolidated on a line by line basis.
 - Material intra-group balances and transactions have been eliminated.

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 Company for the year ended June 30, 2016.
- 4.2 The financial risk management policies and objectives adopted by the Company are consistent with those disclosed in the annual audited consolidated financial statements for the year ended June 30, 2016

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 Company for the year ended June 30, 2016.
- 5.3 This consolidated condensed interim financial information is presented in Pakistani Rupees which is also the Company's functional currency.
- 5.4 The comparative consolidated 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 first quarter ended September 30, 2015.

INDUS DYEING & MANUFACTURING COMPANY LIMITED

	Sept 30, 2016 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000'-----	
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.	453	453
Guarantees issued by banks on behalf of the Group	-	26,970
Guarantees issued by banks in favour of gas / electricity distribution companies	108,286	223,286
Bank guarantees in favor of Collector of Customs	3,817	7,950
Bank guarantees against payment of infrastructure cess	366,196	211,042
6.2 Commitments		
Letters of credit against plant and equipment, stores and spares and raw cotton purchases	851,513	1,641,095
Civil work contracts	-	20,000
Foreign currency forward contracts - sale	476,325	423,695
Foreign currency forward contracts - purchase	-	76,325

7. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During the period, following additions and disposals were made: -

	Un-audited			
	Sept 30, 2016		Sept 30, 2015	
	Additions / Transfers	Disposal at Carrying value	Additions / Transfers	Disposal at Carrying value
	< - - - - - Rupees in '000' - - - - - >			
Assets				
Plant and machinery	120,987	(29,241)	72,023	(532)
Power generator	1,575	(3,920)	7,000	(6,601)
Office equipment	241	-	298	(16)
Furniture and fixtures	2,124	-	767	-
Vehicles	5,352	(913)	8,802	(4,682)
Capital work in - progress	83,578	-	113,548	-
	213,857	(34,074)	202,438	(11,831)

8. LONG TERM INVESTMENTS

Investment in an associate

8.1 Investment in an associate

	Sept 30, 2016 (Unaudited)	June 30, 2016 (Audited)
	-----Rupees in '000'-----	
Investment in an associate	22,074	21,611
Cost	1,716	1,716
Opening	19,895	19,562
Associate's share of transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax.	63	-
Share of profit from associate	400	333
	20,358	19,895
	22,074	21,611
Number of shares held	68,654	68,654
Cost of investment (in Rs. "000")	1,716	1,716
Ownership interest	0.9950%	0.9950%
Market value (in Rs. "000")	14,417	14,601

INDUS DYEING & MANUFACTURING COMPANY LIMITED

		----- Un-audited ----- Three months period ended	
		Sept 30, 2016	Sept 30, 2015
		-----Rupees in '000'-----	
9.	COST OF GOODS SOLD	Note	
	Raw material consumed		4,124,403
	Manufacturing expenses	9.1	1,659,598
	Outside purchases		379,741
			6,163,742
	Work in process		5,664,810
	Opening stock		467,680
	Closing stock		(545,297)
			(77,617)
	Cost of goods manufactured		6,086,125
	Finished Goods		5,722,548
	Opening stock		856,153
	Closing stock		(1,025,501)
			(169,348)
			5,916,777
			57,738
			993,453
			(795,560)
			197,893
			5,920,441
9.1	Manufacturing expenses		
	Salaries, wages and benefits		472,373
	Fuel, water and power		558,348
	Stores and spares consumed		218,815
	Packing material consumed		135,105
	Insurance		10,465
	Repairs and maintenance		11,799
	Rent, rate and taxes		1,316
	Depreciation		244,188
	Others		17,866
	Rebate		(10,677)
			407,240
			618,754
			189,793
			140,898
			17,077
			11,281
			735
			247,835
			12,830
			(17,584)
			1,659,598
			1,628,859

10. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited) and entities where directors held interest (Riaz Cotton Factory, Silver Seeds (Private) Limited, MB Industries (Private) Limited, Gailawala Cotton Company, Indus Heartland Limited, Lyallpur Properties) and key management personnel and post employment benefit schemes. The group 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 ----- Three months period ended	
		Sept,30 2016	Sept,30 2015
		-----Rupees in '000'-----	
10.1	Transactions during the period Relationship with Company Associate	Nature of transaction	
		Purchase of yarn	2,659
		Conversion cost	17,269
	Key management personnel	Remuneration paid	17,379
			48,524
			-
			16,248
		Sept,30 2016	June 30, 2016
		(Unaudited)	(Audited)
10.2	Balances with related parties	-----Rupees in '000'-----	
	Associate		
	- Payable	1,739	1,733
	Other related parties		
	- receivable	1,917	1,917
	- payable	1,253	1,253

11. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 31st October 2016 by the Board of Directors of the Company.

12. GENERAL

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

Shahzad Ahmed

Shahzad Ahmed
Chief Executive Officer

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Naveed Ahmed

Naveed Ahmed
Director