



**INDUS DYEING & MANUFACTURING  
COMPANY LIMITED**



**Condensed Interim  
Financial Information Half Year Ended  
July 01, 2020 to December 31, 2020  
(Un-Audited)**

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## **Company Profile**

### **Board of Directors**

- |    |                           |                         |
|----|---------------------------|-------------------------|
| 1  | Mr. Naveed Ahmed          | Chairman                |
| 2  | Mr. Shahzad Ahmed         | Chief Executive Officer |
| 3  | Mian Riaz Ahmed           |                         |
| 4  | Mr. Kashif Riaz           |                         |
| 5  | Mr. Imran Ahmed           |                         |
| 6  | Mr. Irfan Ahmed           |                         |
| 7  | Mr. Sheikh Shafqat Masood |                         |
| 8  | Mr. Faisal Hanif          |                         |
| 9  | Mr. Aamir Amin ( NIT )    |                         |
| 10 | Ms. Azra Yaqub Vawda      |                         |

### **Audit Committee**

- |   |                           |          |
|---|---------------------------|----------|
| 1 | Mr. Faisal Hanif          | Chairman |
| 2 | Mr. Kashif Riaz           | Member   |
| 3 | Mr. Sheikh Shafqat Masood | Member   |

### **Human Resource and Remuneration Committee**

- |   |                           |          |
|---|---------------------------|----------|
| 1 | Mr. Faisal Hanif          | Chairman |
| 2 | Mr. Irfan Ahmed           | Member   |
| 3 | Mr. Sheikh Shafqat Masood | Member   |

### **Company Secretary**

Mr. Ahmed Faheem Niazi

### **Chief Financial Officer**

Mr. Zahid Mahmood

### **Chief Internal Auditor**

Mr. Yaseen Hamidia

### **Legal Advisor**

Mr. M. Yousuf Naseem ( Advocates & Solicitors )

### **Registered Office**

Office # 508,	UAN	111 - 404 - 404
5th floor, Beaumont Plaza,	Tel	009-221-35693641 - 60
Civil Lines Quarters, Karachi.		

### **Symbol of the Company**

IDYM

### **Website**

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

### **Auditors**

M/s Yousuf Adil  
Chartered Accountants

**Registrar & Share Transfer Office**

JWAFFS Registrar ( Pvt ) Ltd.

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

Tel. 35662023 - 24  
Fax. 35221192

**Factory Location**

- 1 P 1 S.I.T.E. Hyderabad, Sindh. Tel. 0223 - 886281 & 84
- 2 Plot # 3 & 7, Sector - 25, Korangi Industrial Area, Karachi. Tel. 021- 35061577 - 9
- 3 Muzaffergarh, Bagga Sher, District Multan. Tel. 0662 - 490202 - 205
- 4 Indus Lyallpur Limited. 38th Kilometer, Shaikhupura Road, District Faisalabad. Tel. 041 - 4689235 - 6
- 5 Indus Home Limited. 2.5 Kilometer, Off Manga Raiwind Road, Manga Mandi, Lahore. UAN 111 - 404 - 405  
Tel. 042 - 35385021 - 7
- 6 Indus Wind Energy Limited Deh Kohistan 7/3 & 7/4 , Tapo Jungshahi, Taluka & District Thatta. UAN 111 - 404 - 405  
Tel. 021 - 35693654 ( Ext - 17

## Director's Review to the Shareholders

The directors of Indus Dyeing and Manufacturing Company Limited are pleased to present the Group's Consolidated Interim Financial Statements for the half year ended December 31, 2020.

### FINANCIAL RESULTS

Consolidated turnover for the six months period ending on December 31, 2020 is Rs. 22,345 million as compared to a turnover of Rs. 20,019 million for the same period last year showing an increase of 11.62%. In spite of the challenges posed by the corona virus and growing competition coupled with an increase in raw cotton prices, the company's results have shown an improving trend. As always, the management continues to strive for cost reductions which is depicted in these half yearly accounts under the head of administrative and distribution expenses.

Following are the operating financial results:

	Six months ended December 31, (Rs in Millions)	
	2020	2019
Sales-Net	22,345	20,019
Gross Profit	2,546	2,468
Other Operating Income	508	277
<b>Profit Before Taxation</b>	<b>1,779</b>	<b>1,597</b>
Taxation	(368)	(293)
<b>Profit After Taxation</b>	<b>1,411</b>	<b>1,304</b>

### REVIEW OF OPERATIONS

Sales have increased by Rs.2,326 million during the six months under review over the last corresponding period. Net profit has increased from Rs. 1,304 million to Rs. 1,411 million. There are no major changes in distribution and administrative expenses, however manufacturing expenses have increased by Rs.376 million and financial cost has also increased by Rs. 152 million over the last corresponding period.

The towel unit's sales during the six months period ended December 31, 2020 were Rs. 4,730 million and contributed Rs. 435 million towards after tax profits in the above-mentioned consolidated results.

### DIVIDEND

The Board of Directors have declared two (2) ordinary shares for every one (1) ordinary share held as interim dividend in the form of bonus shares for the year ending June 30, 2021. For this purpose, the authorized capital of the Company has been increased from Rs. 450 million to Rs. 1000 million in extraordinary general meeting held on February 24, 2021.

### EARNINGS PER SHARE

On a consolidated basis, the earnings per share for the half year ended December 31, 2020 are Rs. 78.11 per share as compared to Rs. 72.18 per share over the previous corresponding period.

## **FUTURE PROSPECTS**

The future outlook for the business of the company depends on the impact of the 2nd wave of the Covid-19 virus, however the country's textile industry has seen a surge in production capacity to meet the strong demand shown by foreign buyers for the next six months. Furthermore, the government's decision to keep businesses open during the pandemic has led to a diversion in orders from closed economies to Pakistan's. This, added to the US-China rift, has also contributed towards increased orders to Pakistan.

## **ACKNOWLEDGEMENT**

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

On behalf of the Board



**SHAHZAD AHMED**  
**Chief Executive Officer**

Karachi: March 01, 2021

حصص یافتگان کے لئے ڈائریکٹرز کا جائزہ

ایگز ڈائینگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والے دوسری سہ ماہی کیلئے گروپ کے مجموعی مالیاتی کوششوں کے مالی نتائج پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

امور کی حالت اور مالیاتی نتائج

31 دسمبر 2020 کو ختم ہونے والی چھ ماہ کی مدت کے لئے مجموعی حسابات افر ونگلی 22,345 ملین روپے کے کاروبار کے مقابلے میں گذشتہ سال کی اسی مدت کے لئے 20,019 ملین روپے جو 11.62 فیصد کا اضافہ دکھارہے ہیں۔ کورونا وائرس اور بڑھتی مسابقت کے نتیجے میں درپیش چیلنجوں کے باوجود کپاس کی قیمتوں میں اضافے کے ساتھ کمپنی کے نتائج میں بہتری کا رجحان ظاہر ہوا ہے۔ ہمیشہ کی طرح انتظامیہ لاکٹ میں کمی کے لئے کوشش جاری رکھے ہوئے ہے جس میں انتظامیہ اور تقسیم کے اخراجات کو ان نصف سالانہ کھاتوں میں دکھایا گیا ہے۔

آپریٹنگ مالیاتی نتائج درج ذیل ہیں۔

31 دسمبر کو ختم ہونے والی دوسری سہ ماہی (روپے ملین میں)		
2019	2020	
20,019	22,345	کل فروخت
2,468	2,546	مجموعی نفع
277	508	دیگر فعال آمدنی (نقصان)
1,597	1,779	ٹیکس سے پہلے نفع
(293)	(368)	ٹیکس
1,304	1,411	ٹیکس کے بعد نفع

جائزہ برائے افعال

گذشتہ اسی عرصے کے دوران جائزہ کے تحت چھ ماہ کے دوران فروخت میں 2,326 ملین روپے کا اضافہ ہوا ہے۔ خالص منافع 1,304 ملین روپے سے 1,411 ملین روپے بڑھ گیا ہے۔ تقسیم اور انتظامی اخراجات میں کوئی بڑی تبدیلی نہیں ہوئی ہے البتہ مینوفیکچرنگ لاکٹ میں 376 ملین روپے کا اضافہ ہوا ہے اور مالی لاکٹ میں بھی 152 ملین روپے کا اضافہ ہوا ہے۔ پچھلی اسی مدت کے مقابلے میں۔ 31 دسمبر 2020 کو ختم ہونے والے چھ مہینوں کے دوران تولیہ یونٹ کی فروخت 4,730 ملین روپے تھی اور اوپر بیان کئے گئے مجموعی نتائج میں ٹیکس کے بعد نفع میں 435 ملین روپے کی معاونت کی۔

منافع

بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے منافع کو بونس حصص کی شکل میں ہر ایک (1) عام حصص کے لئے دو (2) عام حصص کا اعلان کیا ہے۔ اس مقصد کے لئے، کمپنی کا اختیار شدہ سرمایہ 450 ملین روپے سے بڑھا کر 1000 ملین روپے کر دیا گیا ہے جس کا فیصلہ 24 فروری 2021 کو غیر معمولی عام اجلاس میں ہوا۔

فی حصص آمدنی

مجموعی بنیاد پر 31 دسمبر 2020 کو ختم ہونے والی دوسری سہ ماہی کے لئے فی حصص کمائی 78.11 روپے جبکہ پچھلے سال اسی مدت کے دوران فی حصص کمائی 72.18 تھی۔

مستقبل کے امکانات

کمپنی کے کاروبار کے لئے مستقبل کا نقطہ نظر کاویڈ 19 وائرس کی دوسری لہر کے اثرات پر منحصر ہے تاہم، ملک کی ٹیکسٹائل انڈسٹری نے اگلے چھ ماہ تک غیر ملکی خریداروں کی طرف سے دکھائی جانے والی مضبوط طلب کو پورا کرنے کے لئے پیداواری صلاحیت میں اضافہ دیکھا ہے۔ مزید برآں وبائی امراض کے دوران حکومت کا کاروبار کو کھلا رکھنے کا فیصلہ بند معیشتوں سے لے کر پاکستان جانے کے احکامات میں تبدیلی کا باعث بنا ہے۔ اس سے امریکا اور چین کی افزائش میں اضافہ ہوا ہے جس نے پاکستان کو زیادہ آرزو دینے میں بھی مدد فراہم کی ہے۔

اکہبار تشکر

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

بورڈ کی جانب سے



شہزاد احمد

چیف ایگزیکٹو آفیسر

کراچی۔ 01 مارچ 2021



## **INDEPENDENT AUDITORS' REVIEW REPORT**

### **TO THE MEMBERS OF INDUS DYEING AND MANUFACTURING COMPANY LIMITED**

#### **Report on review of unconsolidated condensed interim financial statements**

##### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Indus Dyeing and Manufacturing Company Limited** (the Company) as at December 31, 2020 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial statement based on our review.

##### **Scope of review**

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

##### **Conclusion**

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

##### **Other matters**

The figures of the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and related notes for the three months period ended December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

The engagement partner on the review resulting in this independent auditor's review report is Nadeem Yousuf Adil.



**Chartered Accountants**

Place: Karachi

Date: March 01, 2021

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
Note	----- (Rupees in '000) -----		Note	----- (Rupees in '000) -----	
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>Authorised share capital</b>			<b>Non-current assets</b>		
45,000,000 ordinary shares of Rs. 10/- each	<u>450,000</u>	<u>450,000</u>	Property, plant and equipment	5 <b>6,911,277</b>	6,383,628
<b>Share capital and reserves</b>			Intangibles	<b>8,642</b>	10,167
<b>Issued, Subscribed and Paid-up Capital</b>	<b>180,737</b>	180,737	Long-term investments	7 <b>5,949,992</b>	4,149,680
18,073,732 ordinary shares of Rs. 10/- each			Long-term deposits	<b>6,287</b>	6,287
Reserves	<b>9,000,000</b>	7,000,000		<b>12,876,198</b>	10,549,762
Unappropriated profits	<b>4,093,068</b>	5,286,763			
	<b>13,273,805</b>	12,467,500			
<b>Non-current liabilities</b>			<b>Current assets</b>		
Long-term financing	<b>4,072,829</b>	2,078,896	Stores, spares and loose tools	<b>367,261</b>	361,256
Deferred liabilities	<b>1,168,356</b>	387,413	Stock-in-trade	<b>6,898,180</b>	6,636,909
	<b>5,241,185</b>	2,466,309	Trade debts	<b>3,857,155</b>	3,389,567
<b>Current liabilities</b>			Loans and advances	<b>328,293</b>	199,912
Trade and other payables	<b>2,492,463</b>	2,843,986	Short term prepayments	<b>25,255</b>	1,898
Unclaimed dividend	<b>3,362</b>	209,634	Other receivables	<b>59,312</b>	55,286
Interest / mark-up payable	<b>65,839</b>	65,715	Other financial assets	<b>115,634</b>	191,993
Short-term borrowings	6 <b>3,463,161</b>	3,695,663	Tax refundable	<b>361,954</b>	347,623
Current portion of long-term financing	<b>364,081</b>	90,388	Cash and bank balances	<b>103,778</b>	116,432
Current maturity of lease liability	<b>14,360</b>	-		<b>12,116,822</b>	11,300,876
Current portion of deferred government grant	<b>31,488</b>	11,443			
Taxation payable	<b>43,276</b>	-			
	<b>6,478,030</b>	6,916,829			
<b>CONTINGENCIES AND COMMITMENTS</b>					
	<b>24,993,020</b>	21,850,638			
	<b>24,993,020</b>	21,850,638			

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.



Shahzad Ahmed

CHIEF EXECUTIVE OFFICER



Sheikh Shafqat Masood

DIRECTOR



Zahid Mahmood

CHIEF FINANCIAL OFFICER

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Note	Six months period ended		Three months period ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- (Rupees in '000) -----					
Sales - net		<b>14,074,026</b>	14,885,334	<b>7,755,274</b>	7,267,418
Cost of goods sold	8	<b>(12,484,049)</b>	(13,164,105)	<b>(6,715,020)</b>	(6,470,789)
Gross profit		<b>1,589,977</b>	1,721,229	<b>1,040,254</b>	796,629
Other income	9	<b>372,180</b>	63,037	<b>303,450</b>	45,949
		<b>1,962,157</b>	1,784,266	<b>1,343,704</b>	842,578
Distribution cost		<b>(174,789)</b>	(185,634)	<b>(89,184)</b>	(95,014)
Administrative expenses		<b>(174,763)</b>	(158,724)	<b>(83,353)</b>	(80,266)
Other operating expenses		<b>(92,799)</b>	(68,930)	<b>(63,276)</b>	(23,668)
Finance cost		<b>(268,021)</b>	(162,727)	<b>(156,806)</b>	(66,456)
<b>Profit before taxation</b>		<b>1,251,785</b>	1,208,251	<b>951,085</b>	577,173
Taxation	10	<b>(264,743)</b>	(222,327)	<b>(176,048)</b>	(142,628)
<b>Profit after taxation</b>		<b>987,042</b>	985,924	<b>775,037</b>	434,545
Earnings per share - Basic and diluted		<b>54.61</b>	54.55	<b>42.88</b>	24.04

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.



**Shahzad Ahmed**

CHIEF EXECUTIVE OFFICER



**Sheikh Shafqat Masood**

DIRECTOR



**Zahid Mahmood**

CHIEF FINANCIAL OFFICER

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>December 31,</u> <b>2020</b>	<u>December 31,</u> 2019	<u>December 31,</u> <b>2020</b>	<u>December 31,</u> 2019
	----- (Rupees in '000) -----			
Profit after taxation	<b>987,042</b>	985,924	<b>775,037</b>	434,545
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>987,042</b>	985,924	<b>775,037</b>	434,545

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.



**Shahzad Ahmed**

CHIEF EXECUTIVE OFFICER



**Sheikh Shafqat Masood**

DIRECTOR




**Zahid Mahmood**

CHIEF FINANCIAL OFFICER

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Reserves					Total
	Capital		Revenue			
	Share Premium	Merger Reserve	General Reserve	Un- appropriated Profits		
Issued, subscribed and paid-up capital	(Rupees in '000)					
<b>Balance at June 30, 2019 (Audited)</b>	180,737	10,920	11,512	6,977,568	5,322,368	12,503,105
<b>Comprehensive Income</b>						
Profit for the six months period ended December 31, 2019	-	-	-	-	985,924	985,924
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	985,924	985,924
Interim cash dividend for the year ended June 30, 2019 @ Rs. 25/- per share	-	-	-	-	(451,843)	(451,843)
<b>Balance at December 31, 2019 (Un-Audited)</b>	180,737	10,920	11,512	6,977,568	5,856,449	13,037,186
<b>Balance at June 30, 2020 (Audited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>6,977,568</b>	<b>5,286,763</b>	<b>12,467,500</b>
<b>Comprehensive Income</b>						
Profit for the six months period ended December 31, 2020	-	-	-	-	<b>987,042</b>	<b>987,042</b>
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	<b>987,042</b>	<b>987,042</b>
Transfer from unappropriated profits to general reserves	-	-	-	<b>2,000,000</b>	<b>(2,000,000)</b>	-
<b>Transaction with owners:</b>						
Interim cash dividend for the year ended June 30, 2020 @ Rs. 10/- per share	-	-	-	-	<b>(180,737)</b>	<b>(180,737)</b>
<b>Balance at December 31, 2020 (Un-Audited)</b>	<b>180,737</b>	<b>10,920</b>	<b>11,512</b>	<b>8,977,568</b>	<b>4,093,068</b>	<b>13,273,805</b>

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
**Shahzad Ahmed**  
 CHIEF EXECUTIVE OFFICER

  
**Sheikh Shafqat Masood**  
 DIRECTOR

  
**Zahid Mahmood**  
 CHIEF FINANCIAL OFFICER

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	<b>Six months period ended</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	----- (Rupees in '000) -----	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,251,785	1,208,251
<b>Adjustments for non-cash items:</b>		
Depreciation of property, plant and equipment	314,242	307,289
Amortisation on intangibles	1,526	2,178
Provision for gratuity	61,596	58,857
Unrealised gain on revaluation of foreign currency loans	(16,049)	(4,611)
Loss on revaluation of foreign currency debtors	3,972	6,159
Loss/ (Gain) on disposal of property, plant and equipment	5,494	(5,597)
Amortisation of grant income	(10,188)	-
Gain on forward booking	(17,198)	(6,677)
Unrealised Gain on revaluation of other financial assets	(17,976)	(6,488)
Dividend income	(52,840)	(5,954)
Finance cost	268,021	162,727
Unrealised gain on revaluation of units of mutual funds	(7,636)	-
Discounting of provision of GIDC	(196,481)	-
<b>Cash generated before working capital changes</b>	<b>1,588,268</b>	<b>1,716,134</b>
Working capital changes		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(6,005)	2,549
Stock in trade	(261,271)	(645,438)
Trade debts	(471,560)	488,294
Loans and advances	(246,597)	(43,340)
Trade deposits and short-term prepayments	(23,357)	1,748
Other receivables	(4,026)	(3,132)
	<b>(1,012,816)</b>	<b>(199,319)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(155,042)	646,028
Short Term Borrowings	481,714	822,847
<b>Cash generated from operations</b>	<b>902,124</b>	<b>2,985,690</b>
Income taxes paid	(108,046)	(112,941)
Finance cost paid	(267,897)	(241,013)
Gratuity paid	(63,931)	(30,166)
<b>Net cash generated from / (used in) operating activities</b>	<b>462,250</b>	<b>2,601,570</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments made for acquisition of property, plant and equipment	(857,281)	(147,225)
Increase in long term investments	(1,800,312)	-
Payment for advance against shares	-	(90,559)
Proceeds from disposal of property, plant and equipment	9,897	22,110
Proceeds from disposal of other financial assets	101,971	56,946
Increase in long term deposits	-	(562)
Payment made for investment in other financial assets	-	(106,058)
Dividend received	52,840	5,954
<b>Net cash used in investing activities</b>	<b>(2,492,885)</b>	<b>(259,394)</b>

<b>Six months period ended</b>	
<b>December 31, 2020</b>	<b>December 31, 2019</b>
------(Rupees in '000) -----	

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from long-term financing	2,482,633	71,360
Repayment of long-term financing	(142,876)	(151,783)
Increase in finance lease	61,502	-
Dividend paid	(387,010)	(390,589)
Deferred liabilities	717,948	-
<b>Net cash used in financing activities</b>	<b>2,732,197</b>	<b>(471,012)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>701,562</b>	<b>1,871,165</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>(2,934,766)</b>	<b>(3,369,701)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>(2,233,204)</b>	<b>(1,498,536)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	103,778	251,804
Short-term running finance	(2,336,982)	(1,754,951)
Effect of exchange rate changes on cash and cash equivalents	-	4,611
	<b>(2,233,204)</b>	<b>(1,498,536)</b>

The annexed explanatory notes from 1 to 14 form an integral part of these condensed interim financial statements.



**Shahzad Ahmed**

CHIEF EXECUTIVE OFFICER



**Sheikh Shafqat Masood**

DIRECTOR



**Zahid Mahmood**

CHIEF FINANCIAL OFFICER

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

Indus Dyeing & Manufacturing Company Limited (the Company) was incorporated in Pakistan on July 23, 1957 as a public limited company under the Companies Act, 1913 (subsequently replaced by repealed Companies Ordinance, 1984 and now Companies Act, 2017). Registered office of the Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Company is currently listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of yarn. The manufacturing facilities of the Company are located in Karachi, Hyderabad and Muzaffargarh. The Company has the following investees:

- Indus Lyallpur Limited - 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

**1.1 Update on covid 19 impact on the Company's performance**

In continuation of note 1.1 to annual audited financial statements for the year ended June 30, 2020, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The management is closely monitoring the situation and so far there is no impact on this condensed interim financial information of the Company.

**2. STATEMENT OF COMPLIANCE**

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

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

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

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

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

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

**2.4** These unconsolidated condensed interim financial statements do 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, 2020.

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



**2.6** The comparative statement of financial position presented has been extracted from unconsolidated annual audited financial statements for the year ended June 30, 2020, whereas comparative unconsolidated condensed interim statement of profit and loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity presented in these unconsolidated condensed interim financial statements have been extracted from the unaudited unconsolidated condensed interim financial statements for the six months period ended December 31, 2019.

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

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

The accounting policies, underlying estimates and methods of computations adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2020 except for as disclosed in note 3.3.

**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, 2020.

#### **3.3 Impact of initial application of IFRS 16 'Leases'**

The Company has applied IFRS 16 for the first time as of July 01, 2020, using the cumulative catch-up approach in accordance with the transition provisions set out in IFRS 16. This approach allows the application of IFRS 16 retrospectively without restating the prior-year figures while accounting for the aggregate amount of any transition effects by way of an adjustment to equity and presenting the comparative period in line with previous rules. The Company as a lessee, recognises a right of use asset and a lease liability on the initial application date (i.e. July 01, 2020)

The incremental borrowing rate applied to lease liabilities recognized on July 01, 2020 was 7.78%.

Lease liabilities and right-of-use assets recognized as of July 01, 2020 are as follows:

	<b>Rupees</b>
<b>Lease liabilities</b>	
Operating lease commitments as at July 01, 2020	<u>71,832</u>
Amounts not included in lease liabilities	<u>-</u>
Total lease payment which were reasonably certain	<u>71,832</u>
Discounted using the lessee's incremental borrowing rate	<u>7.78%</u>
Lease liability as at July 01, 2020	<u><u>59,241</u></u>
Current portion	<u>14,360</u>
Long-term portion	<u>44,880</u>
	<u><u>59,241</u></u>
<b>Right-of-use assets</b>	
Right-of-use assets as at July 01, 2020	<u><u>73,311</u></u>

The impact of implementation of IFRS 16 on the financial statements is as follows:

Impact on assets, liabilities and equity as at July 01, 2020

	As at July 01, 2020	IFRS 16 adjustments	Amount after adjustment
	----- (Rupees in '000) -----		
<b>Net impact on total assets</b>	<b>21,850,638</b>	<b>73,311</b>	<b>21,923,949</b>
- long-term portion	2,466,309	44,880	2,511,189
- current portion	6,916,829	14,360	6,931,189
<b>Net impact on total liabilities</b>	<b>9,383,138</b>	<b>59,241</b>	<b>9,442,379</b>
<b>Net impact on retained earnings</b>	<b>5,286,763</b>	-	<b>5,286,763</b>
<b>4. CONTINGENCIES AND COMMITMENTS</b>		<b>December 31, 2020 (Un-Audited)</b>	<b>June 30, 2020 (Audited)</b>
		----- (Rupees in '000) -----	
<b>4.1 Contingencies</b>			
<b>4.1.1</b> 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.		<b>453</b>	453
<b>4.1.2</b> Guarantees issued by banks in favour of custom authorities on behalf of the Company		<b>3,817</b>	3,817
<b>4.1.3</b> Guarantees issued by banks in favour of gas / electric companies		<b>112,369</b>	105,144
<b>4.1.4</b> Bank guarantees against payment of infrastructure cess		<b>467,542</b>	432,542
<b>4.1.5</b> SBLC for Indus Wind Energy Limited		<b>7,633</b>	-
<b>4.1.6</b> Contingencies are not materially changed as disclosed in the note 14.2 to the annual financial statements for the year ended June 30, 2020.			
		<b>December 31, 2020 (Un-Audited)</b>	<b>June 30, 2020 (Audited)</b>
		-----Rupees in '000'-----	
<b>4.2 Commitments</b>			
Letters of credit for raw material and stores and spares		<b>3,776,679</b>	1,701,395
Letters of credit for property, plant and equipment		<b>451,170</b>	437,949
Sales contracts to be executed		<b>6,820,472</b>	61,511

5. PROPERTY, PLANT AND EQUIPMENT	Note	December 31, 2020 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Operating fixed assets	5.1	6,686,247	6,316,371
Capital work in progress	5.2	225,030	67,257
		<u>6,911,277</u>	<u>6,383,628</u>
<b>5.1 Operating fixed assets - owned</b>			
Opening written down value		6,316,371	6,584,413
<b>Additions during the period / year</b>			
<b>Owned assets</b>			
Leasehold land		-	10,705
Factory building		38,182	49,896
Non factory building		562	-
Plant and machinery		473,598	147,740
Electric installations		30	21,221
Power generators		106,412	125,340
Office equipment		-	5,177
Furniture and fixtures		2,210	1,065
Vehicles		5,202	36,231
		<u>626,197</u>	<u>397,375</u>
Right-of-use assets		73,311	-
Written down value of property, plant and equipment disposed off		(15,390)	(43,087)
<b>Depreciation charged during the period / year</b>			
- Owned assets		(306,911)	(622,330)
- Right-of-use assets		(7,331)	-
		<u>(314,242)</u>	<u>(622,330)</u>
Written down value at end of the period / year		<u>6,686,247</u>	<u>6,316,371</u>
<b>5.2 Capital work in progress</b>			
Opening balance		67,257	93,326
Additions during the period / year		487,145	187,579
Transfers during the period / year		(329,372)	(213,648)
Closing balance		<u>225,030</u>	<u>67,257</u>
<b>6. SHORT-TERM BORROWINGS</b>			
<b>- Banking companies - secured</b>			
Running finance		2,336,982	3,051,198
Foreign currency finance		1,126,179	644,465
		<u>3,463,161</u>	<u>3,695,663</u>
<b>7. LONG TERM INVESTMENTS</b>			
Investment in an associate - at cost		13,476	13,476
Investment in subsidiaries - at cost	7.1	5,936,516	4,136,204
		<u>5,949,992</u>	<u>4,149,680</u>

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in '000) -----	
<b>7.1 Investment in subsidiaries - at cost</b>		
Indus Home Limited (IHL)	2,491,204	2,491,204
Indus Lyallpur Limited (ILP)	1,185,000	1,185,000
Indus Wind Energy Limited (IWE)	2,260,312	460,000
	<u>5,936,516</u>	<u>4,136,204</u>

	----- (Un-Audited) -----			
	Six months period ended		Three months period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			

Note

## 8. COST OF GOODS SOLD

Raw material consumed	10,052,157	10,436,368	5,488,997	5,273,031
Manufacturing expenses	2,556,053	2,692,830	1,339,805	1,305,261
Outside purchases	243,951	100,923	165,526	34,849
	<u>12,852,161</u>	<u>13,230,121</u>	<u>6,994,328</u>	<u>6,613,141</u>
Work in process				
Opening stock	268,040	269,740	287,126	294,841
Closing stock	(296,936)	(299,503)	(296,935)	(299,502)
	<u>(28,896)</u>	<u>(29,763)</u>	<u>(9,809)</u>	<u>(4,661)</u>
Cost of goods manufactured	<u>12,823,265</u>	<u>13,200,358</u>	<u>6,984,519</u>	<u>6,608,480</u>
Finished Goods				
Opening stock	607,759	774,412	677,477	672,975
Closing stock	(946,976)	(810,666)	(946,976)	(810,666)
	<u>(339,217)</u>	<u>(36,254)</u>	<u>(269,499)</u>	<u>(137,691)</u>
	<u>12,484,049</u>	<u>13,164,105</u>	<u>6,715,020</u>	<u>6,470,789</u>

	----- (Un-Audited) -----			
	Six months period ended		Three months period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			

### 8.1 Manufacturing expenses

Salaries, wages and benefits	766,976	777,664	370,445	404,516
Fuel, water and power	982,833	1,166,679	532,612	581,096
Stores and spares consumed	240,987	248,866	141,396	126,372
Packing material consumed	175,835	166,651	94,199	85,311
Insurance	7,887	2,433	4,246	(1,314)
Repairs and maintenance	31,752	26,343	10,986	16,322
Rent, rate and taxes	1,370	955	760	(225)
Depreciation	290,361	291,642	151,120	146,213
Others	58,051	11,597	34,040	(53,030)
	<u>2,556,053</u>	<u>2,692,830</u>	<u>1,339,805</u>	<u>1,305,261</u>

## 9. OTHER INCOME

Other income includes an amount of Rs. 196 million recognized due to discounting of GIDC provision.

## 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 these unconsolidated condensed interim financial statements, tax expense for the period has been determined on provisional basis. Final liability will be determined on the basis of annual results.

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

## 11. TRANSACTIONS WITH RELATED PARTIES

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

	Six months period ended		
	December 31 2020 (Un-Audited)	December 31 2019 (Un-Audited)	
	----- (Rupees in '000) -----		
<b>11.1 Transactions during the period</b>			
<b>Relationship with the Company</b>	<b>Nature of transactions</b>		
Subsidiaries/ associates	Sale of yarn	56,715	80,328
	Purchase of yarn	20,765	-
	Received yarn conversion cost	211,688	235,635
	Paid yarn conversion cost	50,869	20,013
	Received doubling cost	6,912	4,624
Key management personnel	Remuneration paid	14,422	53,146
		<b>December 31, 2020 (Un-Audited)</b>	<b>June 30, 2020 (Audited)</b>
		----- (Rupees in '000) -----	

### 11.2 Balances with related parties:

Subsidiaries - payable	<u>31,668</u>	<u>-</u>
Subsidiaries - receivable	<u>84,360</u>	<u>293,412</u>
Associates - payable	<u>755</u>	<u>-</u>
Other related parties - common directorship:		
- Receivable	-	12
- Payable	-	2,663

## 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

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

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

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

	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through Other Comprehensive Income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- As at December 31, 2020 (Un-Audited) -----								
----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>								
Other financial assets	<b>115,634</b>	-	-	<b>115,634</b>	<b>115,634</b>	-	-	<b>115,634</b>
<b>Financial assets not measured at fair value</b>								
Long-term deposits	-	-	6,287	6,287				
Trade debts	-	-	3,857,155	3,857,155				
Loans to staff	-	-	32,001	32,001				
Trade deposits	-	-	25,255	25,255				
Other receivables	-	-	59,312	59,312				
Bank balances	-	-	94,050	94,050				
Cash in Hand	-	-	7,101	7,101				
	-	-	<b>4,081,161</b>	<b>4,081,161</b>				
<b>Financial liabilities not measured at fair value</b>								
Long-term financing	-	-	4,433,277	4,433,277				
Trade and other payables	-	-	1,852,886	1,852,886				
Short-term borrowings	-	-	3,463,161	3,463,161				
Interest / mark-up payable	-	-	65,839	65,839				
	-	-	<b>9,815,163</b>	<b>9,815,163</b>				

	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through Other Comprehensive Income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- As at June 30, 2020 (Audited) -----								
----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>								
Other financial assets	91,993	-	-	91,993	91,993	-	-	91,993
<b>Financial assets not measured at fair value</b>								
Long-term deposits	-	-	6,287	6,287				
Trade debts	-	-	3,389,567	3,389,567				
Loans and advances	-	-	33,858	33,858				
Other financial assets	-	-	100,000	100,000				
Other receivables	-	-	55,286	55,286				
Bank balances	-	-	102,082	102,082				
Cash in Hand	-	-	14,350	14,350				
	-	-	3,701,430	3,701,430				
<b>Financial liabilities not measured at fair value</b>								
Long-term financing	-	-	2,169,284	2,169,284				
Trade and other payables	-	-	2,316,329	2,316,329				
Unclaimed dividends	-	-	209,634	209,634				
Short-term borrowings	-	-	3,695,663	3,695,663				
Interest / mark-up payable	-	-	65,715	65,715				
	-	-	8,456,625	8,456,625				

11.1 The carrying amounts are reasonable approximation of their fair values.

**11.2 Transfers during the period**

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

**13. DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorised for issue on March 01, 2021 by the Board of Directors of the Company.

**14. GENERAL**

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

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

14.3 The figures for the three months period ended December 31, 2020 in these unconsolidated condensed interim financial statements, wherever appearing, have not been reviewed by the auditors.



Shahzad Ahmed

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CHIEF EXECUTIVE OFFICER



Sheikh Shafqat Masood

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DIRECTOR



Zahid Mahmood

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CHIEF FINANCIAL OFFICER





**INDUS DYEING & MANUFACTURING  
COMPANY LIMITED**



**Consolidated**

**Condensed Interim**

**Financial Information Half Year Ended**

**July 01, 2020 to December 31, 2020**

**(Un-Audited)**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2020**

	December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)		December 31, 2020 (Un-Audited)	June 30, 2020 (Audited)
Note	----- Rupees in '000' -----		Note	----- Rupees in '000' -----	
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>Authorised share capital</b>			<b>Non-current assets</b>		
45,000,000 ordinary shares of Rs. 10/- each	<u>450,000</u>	<u>450,000</u>	Property, plant and equipment	7 <b>17,119,286</b>	14,237,986
<b>Share capital and reserves</b>			Intangibles	<b>9,588</b>	11,279
<b>Issued, subscribed and paid-up capital</b>	<b>180,737</b>	180,737	Long-term investments	8 <b>34,366</b>	33,431
18,073,732 ordinary shares of Rs. 10/- each			Long-term deposits	<b>120,522</b>	18,240
Reserves	<b>9,000,240</b>	7,000,732	Long term advances	<b>5,445</b>	3,864
Unappropriated profit	<b>7,909,843</b>	8,678,901		<b>17,289,207</b>	14,304,800
	<b>17,090,820</b>	15,860,370			
<b>Non-current liabilities</b>			<b>Current assets</b>		
Long-term financing	<b>8,811,567</b>	5,422,907	Stores, spares and loose tools	<b>779,600</b>	692,603
Deferred liabilities	<b>1,442,977</b>	547,850	Stock-in-trade	<b>11,200,796</b>	10,104,798
	<b>10,254,544</b>	5,970,757	Trade debts	<b>6,174,336</b>	4,365,615
<b>Current liabilities</b>			Loans and advances	<b>378,001</b>	347,248
Trade and other payables	<b>3,542,872</b>	3,949,523	Trade deposits and short-term prepayments	<b>78,783</b>	34,263
Unclaimed dividend	<b>3,362</b>	209,634	Other receivables	<b>203,336</b>	140,134
Interest / mark-up payable	<b>121,891</b>	108,828	Other financial assets	<b>1,194,699</b>	1,319,465
Short-term borrowings	<b>8,399,504</b>	6,743,684	Tax refundable	<b>1,326,737</b>	1,174,646
Current portion of long-term financing	<b>717,153</b>	140,364	Cash and bank balances	<b>1,604,969</b>	524,957
Current portion of deferred grant	<b>39,265</b>	21,473		<b>22,941,256</b>	18,703,729
Current portion of lease liabilities	<b>17,776</b>	3,896			
Taxation payable	<b>43,276</b>	-			
	<b>12,885,100</b>	11,177,402			
<b>CONTINGENCIES AND COMMITMENTS</b>					
5					
	<b>40,230,464</b>	33,008,529		<b>40,230,464</b>	33,008,529

The annexed notes 1 to 14 form an integral part of these consolidated condensed interim financial statements.



**Shahzad Ahmed**  
**CHIEF EXECUTIVE OFFICER**



**Sheikh Shafqat Masood**  
**DIRECTOR**



**Zahid Mahmood**  
**CHIEF FINANCIAL OFFICER**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Note	Six months period ended		Three months period ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- Rupees in '000' -----					
Sales - net		<b>22,345,097</b>	20,019,267	<b>12,196,677</b>	9,931,190
Cost of goods sold	9	<b>(19,799,022)</b>	(17,550,900)	<b>(10,714,673)</b>	(8,596,001)
Gross profit		<b>2,546,075</b>	2,468,367	<b>1,482,004</b>	1,335,189
Other income		<b>508,244</b>	276,891	<b>391,810</b>	200,639
		<b>3,054,319</b>	2,745,258	<b>1,873,814</b>	1,535,828
Distribution cost		<b>(417,746)</b>	(413,615)	<b>(215,170)</b>	(233,684)
Administrative expenses		<b>(302,654)</b>	(372,803)	<b>(106,408)</b>	(222,142)
Other operating expenses		<b>(140,687)</b>	(101,575)	<b>(91,574)</b>	(51,816)
Finance cost		<b>(416,066)</b>	(263,791)	<b>(233,070)</b>	(129,816)
		<b>1,777,166</b>	1,593,475	<b>1,227,592</b>	898,371
Share of profit from Associate - net of tax		<b>2,308</b>	3,526	<b>1,757</b>	3,585
<b>Profit before taxation</b>		<b>1,779,474</b>	<b>1,597,001</b>	<b>1,229,349</b>	<b>901,956</b>
Taxation	10	<b>(367,795)</b>	(292,517)	<b>(230,872)</b>	(231,247)
<b>Profit after taxation</b>		<b>1,411,679</b>	1,304,484	<b>998,477</b>	670,709
Earnings per share - Basic and diluted		<b>78.11</b>	72.18	<b>55.24</b>	37.11

The annexed notes 1 to 14 form an integral part of these consolidated condensed interim financial statements.



**Shahzad Ahmed**  
**CHIEF EXECUTIVE OFFICER**



**Sheikh Shafqat Masood**  
**DIRECTOR**




**Zahid Mahmood**  
**CHIEF FINANCIAL OFFICER**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended		Three months period ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees in '000' -----			
Profit after taxation	1,411,679	1,304,484	998,477	670,709
Other comprehensive income	(492)	(19)	(477)	(7)
<b>Total comprehensive income for the period</b>	<b>1,411,187</b>	<b>1,304,465</b>	<b>998,000</b>	<b>670,702</b>

The annexed notes 1 to 14 form an integral part of these consolidated condensed interim financial statements.

  
 \_\_\_\_\_  
**Shahzad Ahmed**  
**CHIEF EXECUTIVE OFFICER**

  
 \_\_\_\_\_  
**Sheikh Shafqat Masood**  
**DIRECTOR**

  
 \_\_\_\_\_  
**Zahid Mahmood**  
**CHIEF FINANCIAL OFFICER**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY ( UN-AUDITED )**  
**FOR THE SIX MONTHS AND THREE MONTHS ENDED DECEMBER 31, 2020**

	Reserves						Total
	Issued, subscribed and paid up capital	Capital			Revenue		
Share premium		Merger reserve	Exchange translation reserve	General reserve	Unappropriated profit		
(Rupees in '000)							
<b>Balance at June 30, 2019 (audited)</b>	180,737	10,920	11,512	691	6,977,568	8,362,963	15,544,391
<b>Comprehensive income for the period</b>							
Profit for the half year ended December 31, 2019	-	-	-	-	-	1,304,484	1,304,484
Exchange gain on translation of foreign subsidiary	-	-	-	(19)	-	-	(19)
Total comprehensive income for the period	-	-	-	(19)	-	1,304,484	1,304,465
<b>Transactions with owners recorded directly in equity</b>							
Final cash dividend for the year ended June 30, 2019 @ Rs. 25/- per share	-	-	-	-	-	(448,235)	(448,235)
<b>Balance at December 31, 2019 (unaudited)</b>	180,737	10,920	11,512	672	6,977,568	9,219,212	16,400,621
<b>Balance at June 30, 2020 (audited)</b>	180,737	10,920	11,512	732	6,977,568	8,678,901	15,860,370
<b>Comprehensive income for the period</b>							
Profit for the half year ended December 31, 2020	-	-	-	-	-	1,411,679	1,411,679
Exchange loss on translation of foreign subsidiary	-	-	-	(492)	-	-	(492)
	-	-	-	(492)	-	1,411,679	1,411,187
Transfer from unappropriated profits to general reserves	-	-	-	-	2,000,000	(2,000,000)	-
<b>Transactions with owners recorded directly in equity</b>							
Interim cash dividend for the year ended June 30, 2020 @ Rs. 10/- per share	-	-	-	-	-	(180,737)	(180,737)
<b>Balance at December 31, 2020 (unaudited)</b>	180,737	10,920	11,512	240	8,977,568	7,909,843	17,090,820

The annexed notes 1 to 14 form an integral part of these consolidated condensed interim financial statements.



**Shahzad Ahmed**  
Chief Executive Officer



**Sheikh Shafqat Masood**  
Director



**Zahid Mahmood**  
Chief Financial Officer

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

	Six months period ended	
	December 31, 2020	December 31, 2019
-----Rupees in '000' -----		
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,779,474	1,593,475
<b>Adjustments for non-cash items:</b>		
Depreciation and Amortization	645,218	512,199
Provision for gratuity	98,808	99,488
Share of profit from Associate	(2,308)	(3,613)
Unrealised (gain) on revaluation of foreign currency loans	(16,049)	(4,611)
Gain on Forward Booking	(17,198)	(6,678)
Loss/ (gain) on disposal of property, plant and equipment	9,866	(1,368)
Unrealised gain / (loss) on revaluation of foreign debtors	3,972	6,159
Amortisation of grant	(10,188)	-
Unrealised (gain) on revaluation of other financial assets	(75,992)	(19,373)
Discounting of GIDC	(196,481)	-
Finance cost	416,066	263,791
Dividend income	(1,497)	(2,341)
<b>Cash generated before working capital changes</b>	<b>2,633,691</b>	<b>2,437,128</b>
Working capital changes		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	(86,999)	(139,464)
Stock in trade	(1,095,998)	(2,300,725)
Trade debts	(1,547,696)	1,663,189
Loans and advances	(127,271)	(43,856)
(Increase)/ decrease in Long Term Advances and Deposits	(452,994)	6,497
Trade deposits and short-term prepayments	(44,521)	(29,386)
Other receivables	(136,187)	(40,903)
	<b>(3,491,666)</b>	<b>(884,648)</b>
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(491,854)	642,081
Short Term Borrowing	2,350,164	376,884
<b>Cash generated from operations</b>	<b>1,000,335</b>	<b>2,571,445</b>
Income taxes paid	(199,977)	(183,862)
Finance cost paid	(407,753)	(361,388)
Gratuity paid	(81,174)	(147,898)
<b>Net cash generated from / (used in) operating activities</b>	<b>311,431</b>	<b>1,878,297</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments made for acquisition of property, plant and equipment	(3,462,100)	(1,742,070)
Proceeds from disposal of property, plant and equipment	12,069	49,731
Proceeds from disposal of other financial assets	101,971	53,511
	-	6,497
Purchase of Other Financial Assets	-	(355,558)
Increase in long term investments	(100,000)	-
Dividend received	52,840	2,341
<b>Net cash used in investing activities</b>	<b>(3,395,220)</b>	<b>(1,985,548)</b>

<b>Six months period ended</b>	
<b>December 31, 2020</b>	<b>December 31, 2019</b>
<b>-----Rupees in '000' -----</b>	

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from long-term financing	<b>4,133,504</b>	1,108,187
Issue of share capital	<b>450,000</b>	-
Advance against shares	<b>(132)</b>	-
Long term finance repaid -net	<b>(142,876)</b>	(188,259)
Increase in lease liability	<b>58,396</b>	-
Dividend paid	<b>(387,010)</b>	(390,589)
Deferred liabilities	<b>667,948</b>	-
<b>Net cash used in financing activities</b>	<b>4,779,830</b>	529,339
<b>Net decrease in cash and cash equivalent (A+B+C)</b>	<b>1,696,041</b>	422,088
<b>Cash and cash equivalents at beginning of the period</b>	<b>(4,014,264)</b>	(4,046,998)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(134)</b>	-
<b>Cash and cash equivalents at end of the period</b>	<b>(2,318,357)</b>	(3,624,910)

**CASH AND CASH EQUIVALENTS**

Cash and bank balances	<b>1,604,968</b>	683,316
Short-term running finance	<b>(3,923,325)</b>	(4,312,837)
Effect of exchange rate changes on cash and cash equivalents	<b>-</b>	4,611
	<b>(2,318,357)</b>	(3,624,910)



**Shahzad Ahmed**

**CHIEF EXECUTIVE OFFICER**



**Sheikh Shafqat Masood**

**DIRECTOR**



**Zahid Mahmood**

**CHIEF FINANCIAL OFFICER**

**INDUS DYEING & MANUFACTURING COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS ( UN-AUDITED )**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020**

**1. THE GROUP AND ITS OPERATIONS**

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

**1.1 Holding Company**

Indus Dyeing & Manufacturing Company Limited (the Holding Company) was incorporated in Pakistan on July 23, 1957 as a public limited Company under the Companies Act 1913 ( subsequently replaced by the repealed Companies Ordinance, 1984 and now Companies Act 2017 ). Registered office of the Holding Company is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company is currently listed on Pakistan Stock Exchange Limited. The principal activity of the Holding Company is manufacturing and sale of yarn. The manufacturing facilities of the Holding Company are located in Karachi, Hyderabad and Muzaffargarh. The addresses of these facilities are as follows:

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

**1.2 Subsidiary Companies**

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

Indus Lyallpur Limited ( ILL ) is an unlisted public company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984 (subsequently replaced by the repealed Companies Act 2017). Principal business of the ILL is manufacturing and sale of yarn. Its manufacturing facility is located at 38th kilometer, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the ILL is situated at Office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

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

Indus Home Limited ( IHL ) was incorporated in Pakistan as a public limited Company on May 18, 2006 under the Companies Ordinance 1984 (subsequently replaced by the repealed Companies Act 2017). The registered office of the company is located at 174 Abu Bakar Block, New Garden Town, Lahore. The principal activities of the IHL are to manufacture and export the greige and finished terry cloth and other textile products. The manufacturing facility of the Company is located at Manga Mandi, Lahore. On November 21, 2013, the Holding Company acquired 75 million shares of Indus Home Limited from WestPoint Pakistan LLC for an aggregate purchase consideration of USD 12 million. As a result of the acquisition, the Holding Company acquired controlling interest in Indus Home Limited by way of 100% ownership.

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

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

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

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

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

Sunrays Textile Mills Limited was incorporated in Pakistan on August 27, 1987 as a public limited company under the Companies Ordinance, 1984 (subsequently replaced by the repealed Companies Act 2017). Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in trade, manufacture and sale of yarn. The Company is also operating a ginning unit and an ice factory on leasing arrangements. The registered office of the Company is situated at Karachi. The mill is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab. The Holding Company has 0.99% voting rights in the Company and it is regarded associate due to common directorship.



## **2. BASIS OF CONSOLIDATION**

- These consolidated condensed interim financial statements includes the condensed interim financial statements of the Holding Company, its subsidiaries and an associate company collectively referred to as "the Group" in these financial statements.
- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.
- The condensed interim financial statements of the subsidiary companies are prepared for the same reporting period as of the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis.
- Material inter-group balances and transactions have been eliminated.
- Non-controlling Interest in equity of the subsidiary companies are measured at fair value as of the acquisition date of the subsidiaries.

## **3. STATEMENT OF COMPLIANCE**

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

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

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

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

**4.1** The preparation of the condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

The accounting policies, underlying estimates and methods of computations adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended June 30, 2020.

**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, 2020.

## **5. BASIS OF PREPARATION**

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

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

**5.2** These consolidated condensed interim financial statements does not include all of the information required for annual audited financial statements and therefore should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2020.

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

**5.4** The comparative consolidated statement of financial position presented has been extracted from annual consolidated audited financial statements for the year ended June 30, 2020, whereas comparative consolidated condensed interim statement of profit and loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity presented in these consolidated condensed interim financial statements have been extracted from the unaudited consolidated condensed interim financial statement for the six months period ended December 31, 2019.

	December 31, 2020 (Un-Audited) ----- (Rupees in '000)-----	June 30, 2020 (Audited)
<b>6. CONTINGENCIES AND COMMITMENTS</b>		
<b>6.1 Contingencies</b>		
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.	<u>453</u>	<u>453</u>
Bank guarantees in favour of Collector of Customs on behalf of the Group	<u>91,971</u>	<u>26,467</u>
Guarantees issued by banks in favour of gas and electric distribution companies	<u>317,177</u>	<u>301,203</u>
Bank guarantees against payment of infrastructure cess	<u>544,542</u>	<u>499,542</u>
Bank guarantees in favour of Government of Sindh	<u>-</u>	<u>58,154</u>
Bank guarantees in favour of Pakistan State Oil Company Limited	<u>17,500</u>	<u>8,750</u>
SBLC for Indus Wind Energy Limited	<u>7,633</u>	<u>-</u>
<b>6.2 Commitments</b>		
Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	<u>8,729,973</u>	<u>3,776,370</u>
Civil work contracts	<u>401,793</u>	<u>31,512</u>
Guarantee for Central Power Purchase Authority for completion of Wind Power Project	<u>294,088</u>	<u>294,088</u>
Processing fee for long term financing for Wind Power Project	<u>-</u>	<u>110,118</u>
Post dated cheques in favour of : Revenue Department - Government of Pakistan	<u>-</u>	<u>1,254,173</u>
Sales contract to be executed	<u>8,345,607</u>	<u>808,178</u>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>	<b>December 31, 2020</b>	<b>June 30, 2020</b>
Operating fixed assets	<u>14,037,713</u>	<u>13,240,246</u>
Capital work in progress	<u>3,081,573</u>	<u>997,740</u>
	<u>17,119,286</u>	<u>14,237,986</u>
<b>7.1 Operating fixed assets - owned</b>		
Opening written down value	<b>13,240,246</b>	11,321,205
<b>Additions during the period / year</b>		
<b>Owned assets</b>		
Free hold land	-	88,474
Leasehold land	-	10,705
Factory building	<b>97,057</b>	483,534
Non factory building	<b>562</b>	-
Office building	-	-
Plant and machinery	<b>1,098,642</b>	2,272,117
Electric installations	<b>30</b>	21,221
Power generator	<b>106,412</b>	125,340

Office equipment	963	8754
Factory equipment	-	3,538
Furniture and fixtures	4,087	4,128
Vehicles	22,837	62,398
Computers	726	-
	<b>1,331,316</b>	3,080,209

Right-of-use assets	112,378	52,654
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Written down value of property, plant and equipment disposed off	(22,472)	(102,929)
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**Depreciation charged during the period / year**

- Owned assets	(613,961)	(1,107,383)
- Right-of-use assets	(9,794)	(3,510)
	<b>(623,755)</b>	(1,110,893)

Written down value at end of the period / year	<b>14,037,713</b>	13,240,246
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**7.2 Capital work in progress**

Opening balance	997,740	403,760
Additions during the period / year	3,237,087	3,343,363
Transfers during the period / year	(1,153,254)	(2,749,383)
Closing balance	<b>3,081,573</b>	997,740

8. LONG TERM INVESTMENTS	Note	December 31, 2020 (Unaudited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)
Investment in an associate	8.1	<u>33,431</u>	<u>33,431</u>
<b>8.1 Investment in associate</b>			
Cost		1,716	1,716
Share of post acquisition profits:			
Opening		31,715	29,926
Dividend received		(1,373)	(3,757)
Share of profit from associate for the period		2,308	5,546
		<u>32,650</u>	<u>31,715</u>
		<u>34,366</u>	<u>33,431</u>
Number of shares held		68,654	68,654
Ownership interest		0.99%	0.99%
Market value (Rupees in '000)		25,096	22,952
Cost of investment (Rupees in '000)		1,716	1,716

9. COST OF GOODS SOLD	Note	----- Un-Audited -----			
		Six months ended		Three months ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- (Rupees in '000) -----					
Raw material consumed		15,082,841	12,858,214	8,322,078	6,072,150
Manufacturing expenses	9.1	4,993,838	4,618,199	2,644,348	2,301,957
Outside purchases		250,863	360,135	165,526	294,061
		<u>20,327,542</u>	<u>17,836,547</u>	<u>11,121,952</u>	<u>8,668,167</u>
Work in process					
Opening stock		915,662	845,789	(5)	1,007,898
Closing stock		(1,265,376)	(1,079,447)	(123,890)	(1,079,447)
		<u>(349,714)</u>	<u>(233,658)</u>	<u>(123,895)</u>	<u>(71,549)</u>
Cost of goods manufactured		<u>19,977,828</u>	<u>17,602,890</u>	<u>10,998,057</u>	<u>8,596,620</u>
Finished Goods					
Opening stock		1,617,725	1,341,417	2,656	1,392,788
Closing stock		(1,796,531)	(1,393,407)	(286,040)	(1,393,407)
		<u>(178,806)</u>	<u>(51,990)</u>	<u>(283,384)</u>	<u>(619)</u>
		<u>19,799,022</u>	<u>17,550,900</u>	<u>10,714,673</u>	<u>8,596,001</u>
<b>9.1 Manufacturing expenses</b>					
Salaries, wages and benefits		1,428,894	1,338,970	722,158	692,890
Fuel, water and power		1,619,413	1,553,587	868,659	658,507
Stores and spares consumed		712,922	659,691	396,835	369,453
Packing material consumed		454,681	369,638	259,594	200,321
Insurance		21,112	12,781	10,893	3,529
Repairs and maintenance		104,161	82,002	48,070	50,667
Rent, rate and taxes		2,371	1,415	1,761	(275)
Depreciation		609,818	559,683	313,956	306,722
Others		40,466	40,432	13,133	20,144
		<u>4,993,838</u>	<u>4,618,199</u>	<u>2,634,348</u>	<u>2,301,958</u>

## 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.

## 11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited) and entities where directors held interest (Riaz Cotton Factory and Haji Moula Bux) and key management personnel. The Company carries out transactions with related parties on agreed terms. Transactions with related parties during the period and balances with them at period end are as follows:

		----- Un-Audited -----	
		Six months ended	
		December,31 2020	December,31 2019
		----- (Rupees in '000) -----	
<b>11.1</b>	<b>Transactions during the period</b>		
	<b>Relationship</b>	<b>Nature of transactions</b>	
	<b>Associate</b>		
		<b>155,619</b>	-
		-	40,173
		-	49,159
		-	420
		<b>3,166</b>	622
		<b>4,292</b>	-
		<b>December 31, 2020</b>	June 30, 2020
		<b>(Un-Audited)</b>	<b>(Audited)</b>
		----- (Rupees in '000) -----	
<b>11.2</b>	<b>Balances with related parties</b>		
	Associate - payable	<b>123</b>	3,135
	Associate - receivable	-	12
	Balances with other related parties due to common directorship		
	- Receivable from Indus Heartland Limited	-	6
	- Payable to Indus Heartland Limited	<b>632</b>	746
	Payable to:		
	- Riaz Cotton Factory	-	1,917

## 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. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

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

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

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

Carrying Amount				Fair Value				
Fair value through profit and loss	Fair Value through OCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total	
----- As at December 31, 2020 (Un-Audited) -----								
----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>								
Other financial assets	1,194,699	-	-	1,194,699	1,194,699	-	-	1,194,699
<b>Financial assets not measured at fair value</b> 12.1								
Long-term deposits	-	-	120,522	120,522				
Trade debts	-	-	6,174,336	6,174,336				
Loans to Staff	-	-	13,867	13,867				
Trade deposits	-	-	78,783	78,783				
Other receivables	-	-	203,336	203,336				
Bank balances	-	-	1,604,969	1,604,969				
	-	-	8,195,812	8,195,812				
<b>Financial liabilities not measured at fair value</b> 12.1								
Long-term financing	-	-	9,528,720	9,528,720				
Trade and other payables	-	-	3,542,872	3,542,872				
Short-term borrowings	-	-	8,399,504	8,399,504				
Interest / mark-up payable	-	-	121,891	121,891				
	-	-	21,592,988	21,592,988				

Carrying Amount				Fair Value				
Fair value through profit and loss	Fair Value through OCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total	
----- As at June 30, 2020 (Audited) -----								
----- (Rupees in '000) -----								
<b>Financial assets measured at fair value</b>								
Other financial assets	156,644	-	1,162,821	1,319,465	156,644	-	-	156,644
<b>Financial assets not measured at fair value</b> 12.1								
Long-term deposits	-	-	18,240	18,240				
Trade debts	-	-	4,365,615	4,365,615				
Loans to staff	-	-	41,432	41,432				
Other receivables	-	-	87,024	87,024				
Bank balances	-	-	524,957	524,957				
	-	-	5,037,268	5,037,268				
<b>Financial liabilities not measured at fair value</b> 12.1								
Long-term financing	-	-	5,563,271	5,563,271				
Trade and other payables	-	-	3,240,185	3,240,185				
Unclaimed dividend	-	-	209,634	209,634				
Short-term borrowings	-	-	6,743,684	6,743,684				
Interest / mark-up payable	-	-	108,828	108,828				
	-	-	15,865,602	15,865,602				

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

**Transfers during the period**

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

**13 DATE OF AUTHORISATION FOR ISSUE**

This consolidated condensed interim financial information was authorised for issue on March 01, 2021 by the Board of Directors of the Group.

**14. GENERAL**

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



**Shahzad Ahmed**  
CHIEF EXECUTIVE OFFICER



**Sheikh Shafqat Masood**  
DIRECTOR



**Zahid Mahmood**  
CHIEF FINANCIAL OFFICER



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