



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**



FIRST QUARTERLY REPORT
Condensed Interim Financial Information
July 01, 2021 to September 30, 2021
(Un-Audited)

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COMPANY PROFILE

Board of Directors

1. Mr. Naveed Ahmed Chairman
2. Mian Shahzad Ahmed Chief Executive
3. Mian Imran Ahmed
4. Mr. Kashif Riaz
5. Mrs. Fadia Kashif
6. Mr. Irfan Ahmed
7. Mr. Shafqat Masood
8. Mr. Faisal Hanif
9. Mr. Aamir Amin
10. Ms. Azra Yaqub Vawda

AUDIT COMMITTEE

1. Mr. Faisal Hanif (Chairman)
2. Mr. Irfan Ahmed (Member)
3. Mr. Sheikh Shafqat Masood (Member)

HUMAN RESOURCES AND REMUNERATION COMMITTEE

1. Mr. Faisal Hanif (Chairman)
2. Mr. Sheikh Shafqat Masood (Member)
3. Mrs. Fadia Kashif (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, 5th floor, Beaumont Plaza,
Civil Lines Quarters, Karachi

Tel: 111-404-404
Fax: 35693593-94

SYMBOL OF THE COMPANY

IDYM

WEBSITE

<http://www.Indus-group.com>

AUDITORS

M/s Yousuf Adil

Chartered Accountants.

REGISTRAR & SHARE TRANSFER OFFICE

JWAFFS REGISTRAR SERVICES (PVT) LTD

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

Tel. 35662023 – 24

Fax. 35221192

FACTORY LOCATION

- | | | | |
|---|---|------------|---------------------------------------|
| 1 | P 1 S.I.T.E.,
Hyderabad, Sindh | Tel. | 0223 - 880219 & 252 |
| 2 | Muzaffargarh, Bagga Sher,
District Multan. | Tel. | 0662 - 490202 – 205 |
| 3 | Plot No. 3 & 7, Sector-25
Korangi Industrial Area, Karachi. | Tel: | 021 – 35061577-9 |
| 4 | Indus Lyallpur Limited.
38 th Kilometer, Shaikhupura Road,
District Faisalabad. | Tel: | 041-4689235-6 |
| 5 | Indus Home Limited.
2.5 Kilometer,
Off Manga Raiwind Road,
Manga Mandi, Lahore | Tel. | 042-35385021-7
111-404-405 |
| 6 | Indus Wind Energy Limited
Deh Kohistan 7/3 & 7/4,
Tapo Jungshahi,
Taluka & District Thatta | UAN
Tel | 111-404-405
021-35693654 (Ext-177) |

INDUS DYEING AND MANUFACTURING COMPANY LIMITED
DIRECTORS' REVIEW
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the first quarter ended on Sep 30, 2021. The Comparative figures for the corresponding quarter ended on Sep 30, 2020 have been used for comparison, except in statement of financial position where figures used are for the year ended on Jun 30, 2021.

FINANCIAL RESULTS

Consolidated turnover for the three-month period ending on September 30, 2021 was Rs. 16,444 million against Rs.10,148 million for the same period last year, whereas the consolidated net profit after tax was Rs: 1,933 million as compared to Rs. 413 million in the last corresponding period. The Company has shown excellent performance during the three months under review despite various challenges such as increased cost of raw material and higher energy prices in Pakistan. Due to the persistent efforts of the management in procurement of raw material, increase in sales & yarn prices and cash flow planning the Company was able to achieve these results. The following are the financial results of the Company for the three months ended September 30, 2021.

FINANCIAL HIGHLIGHTS

	Three Months Ended September 30 (Rs. In Millions)	
	2021	2020
Sales-Net	16,444	10,148
Gross Profit	3,279	1,064
Other Operating Income	141	116
Profit Before Taxation	2,485	550
Taxation	(552)	(137)
Net Profit After Tax	1,933	413

REVIEW OF OPERATIONS

Sales increased by 62 % during the three months under review over the last corresponding period. Gross profit has been increased by 208 % over the last quarter. Other operating income has been increased by 21%. The towel unit's sales during the three months period ended Sep 30, 2021 were Rs. 2,619 million and contributed Rs. 25 million toward profits after tax in the above-mentioned consolidated results.

DIVIDEND

There is no interim dividend announced during the period under review.

EARNINGS PER SHARE

The earnings per share for the three months ended September 30, 2021 is Rs. 35.66/- per share as compared to Rs. 7.62/-per share over the previous corresponding period.

CHANGE IN NATURE OF BUSINESS

There is no change occurred in the nature of Company's business during the period.

FUTURE PROSPECTS

The textile sector as a whole and spinning in particular, has shown tremendous results due to various factors. These include increase in yarn prices coupled with an increase in demand locally and internationally. However, shortage of local cotton and increase in imported cotton prices, due to devaluation of rupee has increased prices of raw cotton. Most of the raw cotton requirement is being met through imported cotton so the long-term prospects are difficult to quantify.

COMPOSITION OF BOARD

The composition of the Board is in compliance with the requirements of the Code of Corporate Governance regulations, 2019 applicable on listed entities which is given below:

Total Number of Directors		
1	Male	08
2	Female	02

S. No	Composition	No. Of Director
1	Independent Director	03
2	Executive Director	03
3	Non -Executive Director	04

The names of the directors as at September 30, 2021 are as follows:

S. No	Name	Position
1	Mr. Naveed Ahmed	Chairman
2	Mian Shahzad Ahmed	Chief Executive
3	Mian Imran Ahmed	Director
4	Mr. Irfan Ahmed	Director
5	Mr. Kashif Riaz	Director
6	Mr. Sheikh Shafqat Masood	Director
7	Mr. Faisal Hanif	Director
8	Ms. Azra Yaqub Vawda	Director
9	Mr. Aamir Amin	Director
10	Mrs. Fadia Kashif	Director

ENVIRONMENT, HEALTH AND SAFETY.

Your Company is committed towards protecting a sound climate for everyone by complying with all environmental policies at the production facilities.

WEB PRESENCE

Annual and periodic financial statements of the company are also available on the website of the company <http://www.indus-group.com> for information of the shareholders and others.

ACKNOWLEDGEMENT

The Directors acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust they have shown in our products and 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



**MIAN SHAHZAD AHMED
Chief Executive Officer**

**Karachi:
October 29th, 2021**

ڈائریکٹرز کا جائزہ

انڈس ڈائریکٹریٹ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کیلئے گروپ کے مجموعی مالیاتی کوشواروں کے مالی نتائج پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ اسی سہ ماہی کے اعداد و شمار کو 30 ستمبر 2020 کو ختم ہونے والی تھائی اعداد و شمار کا موازنہ کے لئے استعمال کیا گیا ہے، سوائے اس مالی پوزیشن کے بیان کے جہاں اعداد و شمار کا استعمال 30 جون 2021 کو ختم ہونے والے سال کے لئے ہے۔

مالیاتی نتائج

30 ستمبر 2021 کو ختم ہونے والے تین مہینوں کے لئے مجموعی فروخت اسی مدت کے لئے 16,444 ملین روپے کے مقابلہ میں پچھلے سال 10,148 ملین روپے جب کہ ٹیکس کے بعد مستحکم مجموعی منافع اسی مدت کے دوران 1,933 ملین روپے کے مقابلہ میں 413 ملین روپے تھا۔ کمپنی نے مختلف مشکلات جیسے کہ خام روٹی کی قیمتوں میں اضافہ اور دیگر آپریشنل اخراجات کے باوجود نظر ثانی کے تحت سہ ماہی کے دوران بہترین کارکردگی دکھائی۔ خام مال کی خریداری میں انتظامیہ کی مستقل کوششوں کی وجہ سے، کمپنی کی ریٹ و فروخت میں اضافہ اور نقد بہاؤ کی منصوبہ بندی ان نتائج کو حاصل کرنے میں کامیاب رہی۔ 30 ستمبر 2021 کو ختم ہونے تین ماہ کے لئے کمپنی کے مالی نتائج درج ذیل ہیں۔

آپریٹنگ مالیاتی نتائج درج ذیل ہیں۔

30 ستمبر کو ختم ہونے والی پہلی سہ ماہی (روپے ملین میں)		
2020	2021	
10,148	16,444	کل فروخت
1,064	3,279	مجموعی نفع
116	141	دیگر فعال آمدنی (نقصان)
550	2,485	ٹیکس سے پہلے نفع
(137)	(552)	ٹیکس
413	1,933	ٹیکس کے بعد نفع

جائزہ برائے افعال

پچھلے سال اس مدت میں جائزہ کے تحت تین مہینوں کے دوران سیکلز میں 62 فیصد کا اضافہ ہوا۔ گذشتہ سہ ماہی کے دوران مجموعی منافع میں 208 فیصد کا اضافہ ہوا۔ دیگر فعال آمدنی میں 21 فیصد اضافہ ہوا۔ 30 ستمبر 2021 کو ختم ہونے والے تین مہینوں کے دوران تولیہ اینٹ کی فروخت 2,619 ملین روپے تھی اور اوپر بیان کئے گئے مجموعی نتائج میں ٹیکس کے بعد نفع میں 25 ملین روپے کی معاونت کی۔

منافع

جائزہ کے دوران کمپنی نے عبوری منافع کا اعلان نہیں کیا۔

فی حصص آمدنی

مجموعی بنیاد پر 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے فی حصص کمائی 35.66 روپے جبکہ پچھلے سال اسی مدت کے دوران فی حصص کمائی 7.62 تھی۔

کاروبار کی فطرت میں تبدیلی

سال کے دوران کمپنی کے کاروبار کی نوعیت میں کوئی تبدیلی نہیں آئی۔

مستقبل کے امکانات

ٹیکسٹائل سیکٹر نے مجموعی طور پر اور خاص طور پر اسپننگ نے مختلف عوامل کی وجہ سے زبردست نتائج دکھائے ہیں۔ ان میں مقامی اور بین الاقوامی سطح پر مانگ میں اضافے کے ساتھ دھاگے کی قیمتوں میں اضافہ بھی شامل ہے۔ تاہم مقامی روٹی کی قلت اور درآمدی روٹی کی قیمتوں میں اضافہ روپے کی قدر میں کمی کے باعث خام روٹی کی قیمتوں میں اضافہ ہوا ہے۔ خام کپاس کی زیادہ تر ضرورت درآمد شدہ روٹی کے ذریعے پوری کی جارہی ہے اس لیے طویل مدتی امکانات کا اندازہ لگانا مشکل ہے۔

بورڈ کی تشکیل

بورڈ کی تشکیل کوڈ آف کارپوریٹ گورننس کے ضوابط، 2019 کے تقاضوں کے مطابق ہے جو درج فہرست اداروں پر لاگو ہوتا ہے جو ذیل میں دیا گیا ہے۔

ڈائریکٹرز کی کل تعداد

08

ا۔ مرد ڈائریکٹر

02

ب۔ خاتون ڈائریکٹر

تشکیل

03	Independent Director-ا
03	Executive Director-ب
04	Non-Executive Director-پ

30 جون 2021 پر موجود ڈائریکٹرز کے نام درج ذیل ہیں۔

چیئرمین	نویہ احمد صاحب
چیف ایگزیکٹو آفیسر	میاں شہزاد احمد صاحب
ڈائریکٹر	میاں عمران احمد صاحب
ڈائریکٹر	عرقان احمد صاحب
ڈائریکٹر	کاشف ریاض صاحب
ڈائریکٹر	شیخ شفقت مسعود
ڈائریکٹر	فیصل حنیف
ڈائریکٹر	عذرا یعقوب واوڈا
ڈائریکٹر	عامر امین
ڈائریکٹر	قادیہ کاشف

WEB PRESENCE

کمپنی کے سالانہ اور تواتر مالی بیانات بھی کمپنی کی ویب سائٹ <http://www.indus-group.com> پر شیئر ہولڈرز اور دیگر کی معلومات کے لئے دستیاب ہیں۔

ماحول، صحت اور حفاظت

آپ کی کمپنی بیداری سہولیات پر تمام ماحولیاتی پالیسیوں کی تعمیل کرتے ہوئے ہر ایک کے لئے اچھی آب و ہوا کے تحفظ کے لئے پرعزم ہے۔

اظہار تشکر

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

M. Shaukat

میاں شہزاد احمد

چیف ایگزیکٹو آفیسر

کراچی

29 اکتوبر 2021

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

	Sept 30, 2021 (Un-Audited)	June 30, 2021 (Audited)		Sept 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
Note	----- (Rupees in '000) -----		Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES			ASSETS		
Authorized share capital			Non-current assets		
100,000,000 ordinary shares of Rs. 10/- each	<u>1,000,000</u>	<u>1,000,000</u>	Property, plant and equipment	5 7,659,746	7,201,544
Share capital and reserves			Intangibles	6,583	7,117
Issued, Subscribed and Paid-up Capital	542,211	542,211	Long-term investments	7 5,949,992	5,949,992
54,221,196 ordinary shares of Rs. 10/- each			Long-term deposits	6,287	6,287
Reserves	9,000,000	9,000,000		13,622,608	13,164,940
Unappropriated profits	7,505,677	6,039,579			
	17,047,888	15,581,790			
Non-current liabilities			Current assets		
Long-term financing	3,599,953.00	3,148,845	Stores, spares and loose tools	422,261	319,951
Deferred taxation	256,278.00	207,578	Stock-in-trade	12,623,095	7,122,920
Deferred liabilities	947,566.00	955,335	Trade debts	7,125,641	4,788,327
Lease liabilities	33,448.00	48,372	Loans and advances	317,771	320,708
	4,837,245	4,360,130	Short term prepayments	39,678	6,897
Current liabilities			Other receivables	78,274	88,447
Trade and other payables	2,354,513	2,380,240	Other financial assets	81,309	86,628
Unclaimed dividend	3,348	3,361	Tax refundable	111,242	149,613
Interest / mark-up payable	102,358	53,429	Cash and bank balances	161,190	176,622
Short-term borrowings	6 9,129,387	3,061,800		20,960,461	13,060,113
Current portion of long-term financing	555,348	552,755			
Current maturity of lease liability	15,865	15,478			
Current portion of other deferred liabilities	280,078	216,070			
Taxation payable	257,039	-			
	12,697,936	6,283,133			
CONTINGENCIES AND COMMITMENTS					
	34,583,069	26,225,053		34,583,069	26,225,053
4					

The annexed explanatory notes from 1 to 12 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Note	Three months period ended	
		Sept 30, 2021	Sept 30, 2020
----- (Rupees in '000) -----			
Sales - net		11,265,555	6,318,752
Cost of goods sold	8	(8,773,670)	(5,769,029)
Gross profit		2,491,885	549,723
Other income		25,962	68,730
		2,517,847	618,453
Distribution cost		(106,017)	(85,605)
Administrative expenses		(78,989)	(91,410)
Other operating expenses		(213,826)	(29,523)
Finance cost		(162,229)	(111,215)
		(561,061)	(317,753)
Profit before taxation		1,956,786	300,700
Taxation	9	(490,688)	(88,695)
Profit after taxation		1,466,098	212,005
Earnings per share - Basic and diluted		27.04	3.91

The annexed explanatory notes from 1 to 12 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
 Chief Executive Officer



Mian Imran Ahmad
 Director



Zahid Mahmood
 Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Three months period ended	
	Sept 30, 2021	Sept 30, 2020
	----- (Rupees in '000) -----	
Profit after taxation	1,466,098	212,005
Other comprehensive income	-	-
Total comprehensive income for the period	1,466,098	212,005

The annexed explanatory notes from 1 to 12 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Reserves					Total
	Capital		Revenue			
Issued, subscribed and paid-up capital	Share Premium	Merger Reserve	General Reserve	Un-appropriated Profits		
----- (Rupees in '000) -----						
Balance at June 30, 2020 (Audited)	180,737	10,920	11,512	6,977,568	5,286,763	12,467,500
Comprehensive Income						
Profit for the first quarter ended September 30, 2020	-	-	-	-	212,005	212,005
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	212,005	212,005
Balance at September 30, 2020 (Un-Audited)	180,737	10,920	11,512	6,977,568	5,498,768	12,679,505
Balance at June 30, 2021 (Audited)	542,211	10,920	11,512	8,977,568	6,039,579	15,581,790
Comprehensive Income						
Profit for the first quarter ended September 30, 2021	-	-	-	-	1,466,098	1,466,098
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,466,098	1,466,098
Transaction with owners :						
	-	-	-	-	-	-
Balance at September 30, 2021 (Un-Audited)	542,211	10,920	11,512	8,977,568	7,505,677	17,047,888

The annexed explanatory notes from 1 to 12 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
 Chief Executive Officer



Mian Imran Ahmad
 Director



Zahid Mahmood
 Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Three months period ended	
	Sept 30, 2021	Sept 30, 2020
----- (Rupees in '000) -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,956,786	300,700
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	166,712	142,992
Depreciation of right-of-use-assets	3,666	4,445
Amortization on intangibles	534	5,208
Provision for gratuity	68,743	41,128
Provision for doubtful debts	-	461
Unrealized loss / (gain) on revaluation of foreign currency loans	76,616	(43,350)
Loss/ (gain) on disposal of property, plant and equipment	9	(31)
Unwinding of deferred government grants	(6,640)	(2,963)
Unrealized (gain) / loss on revaluation of other financial assets	-	(14,357)
Dividend income	(594)	(1,005)
Finance cost	120,434	111,215
Unwinding of GIDC	16,064	-
Cash generated before working capital changes	2,402,330	544,443
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(102,310)	8,904
Stock in trade	(5,500,175)	435,285
Trade debts	(2,337,314)	(50,285)
Loans and advances	(46,517)	(48,887)
Trade deposits and short-term prepayments	(32,781)	(7,944)
Other receivables	10,173	(4,065)
	(8,008,924)	333,008
Increase / (decrease) in current liabilities		
Trade and other payables	(25,727)	453,073
Short Term Borrowings	(189,356)	(507,464)
Cash generated from operations	(5,821,677)	823,060
Income taxes paid	(175,753)	(22,537)
Finance cost paid	(70,565)	(120,551)
GIDC paid	(6,199)	(2,066)
Gratuity paid	(20,786)	(32,777)
Net cash generated from / (used in) operating activities	(6,094,980)	645,129
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment	(618,203)	(466,880)
Proceeds from disposal of property, plant and equipment	2,643	1,664
Investment in subsidiary	-	(1,800,312)
Proceeds from disposal of other financial assets	941	201,000
Dividend received	594	1,005
Net cash used in investing activities	(614,025)	(2,063,523)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Receipt from long-term finance	598,651	2,064,346
Repayment of long-term finance	(146,530)	(3,600)
Repayment of lease liabilities	(15,478)	(86,187)
Dividend paid	(13)	(207,137)
Net cash used in financing activities	436,630	1,767,422
Net increase in cash and cash equivalents (A+B+C)	(6,272,375)	349,029
Cash and cash equivalents at beginning of the period	(1,580,451)	(2,934,766)
Cash and cash equivalents at end of the period	(7,852,826)	(2,585,737)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	161,190	132,560
Short-term running finance	(8,014,016)	(2,718,297)
	(7,852,826)	(2,585,737)

The annexed explanatory notes from 1 to 12 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

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 addresses of these facilities are as follows :

Manufacturing

Karachi
Hyderabad
Muzaffargarh

Addresses

Plot # 3 & 7 , Sector 25, Korangi Industrial Area, Karachi.
P - 1, S.I.T.E. Hyderabad.
Muzaffargarh, Bagga Sher, District Multan.

The Company has the following investees.

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

2. STATEMENT OF COMPLIANCE

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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. These interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act.

2.2 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.
- useful life and residual values of depreciable assets.

2.3 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, 2021.

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

2.5 The comparative statement of financial position presented has been extracted from unconsolidated annual audited financial statements for the year ended June 30, 2021, 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 first quarter ended September 30, 2020.

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 recognized 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, 2021.

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, 2021.

	Sept 30, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)
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.	<u>453</u>	<u>453</u>
4.1.2 Guarantees issued by banks in favour of custom authorities on behalf of the Company	<u>3,817</u>	<u>3,817</u>
4.1.3 Guarantees issued by banks in favour of gas / electric companies	<u>129,869</u>	<u>129,869</u>
4.1.4 Bank guarantees against payment of infrastructure cess	<u>598,542</u>	<u>538,542</u>
4.1.5 SBLC for Indus Wind Energy Limited	<u>1,620,942</u>	<u>1,476,559</u>
4.2 Commitments		
Letters of credit for raw material and stores and spares	<u>3,443,347</u>	<u>4,239,001</u>
Letters of credit for property, plant and equipment	<u>2,538,690</u>	<u>2,526,097</u>

5.	PROPERTY, PLANT AND EQUIPMENT	Note	Sept 30,	June 30,
			2021 (Un-Audited)	2021 (Audited)
			----- (Rupees in '000) -----	
	Operating fixed assets	5.1	7,153,978	6,479,846
	Capital work in progress	5.2	450,785	663,049
	Right of use assets	5.3	54,983	58,649
			<u>7,659,746</u>	<u>7,201,544</u>
5.1	Operating fixed assets - owned			
	Opening written down value		6,479,846	6,316,371
	Additions during the period			
	Owned assets			
	Factory building		-	151,390
	Non factory building		-	4,012
	Plant and machinery		764,504	498,191
	Electric installations		34,113	13,104
	Solar panel		-	23,846
	Power generators		-	112,634
	Office equipment		704	2,001
	Furniture and fixtures		1,195	4,189
	Vehicles		42,979	7,685
			843,495	817,052
	Written down value of property, plant and equipment disposed off		(2,651)	(20,970)
	Depreciation charged on Owned assets		(166,712)	(632,607)
	Written down value at end of the period		<u>7,153,978</u>	<u>6,479,846</u>
5.2	Capital work in progress			
	Opening balance		663,049	67,257
	Additions during the period		554,747	1,073,236
	Transfers during the period		(767,011)	(477,444)
	Closing balance		<u>450,785</u>	<u>663,049</u>
5.3	Right-of-use assets			
	Opening balance		58,649	-
	Additions during the period		-	75,130
	Depreciation charged on Right-of-use-assets		(3,666)	(16,481)
			<u>54,983</u>	<u>58,649</u>
	Written down value at end of the period		<u>7,659,746</u>	<u>7,201,544</u>
6.	SHORT-TERM BORROWINGS			
	- Banking companies - secured			
	Running finance		8,014,016	1,757,073
	Foreign currency finance		1,115,371	1,304,727
			<u>9,129,387</u>	<u>3,061,800</u>

Sept 30, June 30,
2021 2021
(Un-Audited) (Audited)
----- (Rupees in '000) -----

7. LONG TERM INVESTMENT - AT COST

Sunrays Textile Mills Limited (SUTM)	7.1	13,476	13,476
Indus Home Limited (IHL)	7.2	2,491,204	2,491,204
Indus Lyallpur Limited (ILP)	7.3	1,185,000	1,185,000
Indus Wind Energy Limited (IWEL)	7.4	2,260,312	2,260,312
		5,949,992	5,949,992

7.1 Sunrays Textile Mills Limited (SUTM)

The existence of significant influence by the Company is evidenced through common directorship in the associate.

7.2 Indus Home Limited (IHL)

IHL is a wholly owned subsidiary of the Company and is involved in the business of greige, terry towel and other textile products. The subsidiary is incorporated in Pakistan as a public unlisted company. Investment in IHL is carried at cost in these unconsolidated statements.

7.3 Indus Lyallpur Limited (ILP)

ILP is a subsidiary of the Company. The shares of ILP are owned by the Company and the Indus Home Limited in the ratio of 75.82% and 24.18% respectively. ILP is involved in the business of manufacturing, export and sale of yarn. The subsidiary is incorporated in Pakistan as public unlisted company. Investment in ILP is carried at cost in these unconsolidated financial statements.

7.4 Indus Wind Energy Limited (IWEL)

IWEL is a wholly owned subsidiary of the Company and is involved in the business of generation and distribution of power. The subsidiary is incorporated in Pakistan as a public unlisted company on February 21 2015. Investment in IWEL is carried at cost less accumulated impairment loss in these unconsolidated financial statements.

----- (Un-Audited) -----
Three months period ended
Sept 30, Sept 30,
2021 2020
----- (Rupees in '000) -----

8. COST OF GOODS SOLD

Raw material consumed		7,069,394	4,563,160
Manufacturing expenses	8.1	1,634,123	1,216,248
Outside purchases		271,845	78,425
		8,975,362	5,857,833
Work in process			
Opening stock		296,296	268,040
Closing stock		(352,635)	(287,126)
		(56,339)	(19,086)
Cost of goods manufactured		8,919,023	5,838,747
Finished Goods			
Opening stock		728,134	607,759
Closing stock		(873,487)	(677,477)
		(145,353)	(69,718)
		8,773,670	5,769,029

----- (Un-Audited) -----	
Three months period ended	
Sept 30,	Sept 30,
2021	2020
----- (Rupees in '000) -----	
8.1 Manufacturing expenses	
Salaries, wages and benefits	464,418
Fuel, water and power	714,470
Stores and spares consumed	133,298
Packing material consumed	112,032
Insurance	8,258
Repairs and maintenance	15,172
Rent, rate and taxes	966
Depreciation	158,240
Others	27,269
	1,634,123
	396,531
	450,221
	99,591
	81,636
	3,641
	20,766
	610
	139,241
	24,011
	1,216,248

9. TAXATION

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. In these unconsolidated condensed interim financial statements, tax expense for the period has been determined on provisional basis. Final liability will be determined on the basis of annual results.

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

10. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries Indus Lyallpur Limited, Indus Home Limited, Indus Home USA Inc. and Indus Wind Energy Limited, the associates Sunrays Textiles Mills Limited, Indus Heartland Limited 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:

			Three months period ended	
			Sept 30	Sept 30
			2021	2020
			(Un-Audited)	(Un-Audited)
			----- (Rupees in '000) -----	
10.1	Transactions during the period			
	Relationship with the Company	Nature of transactions		
	Indus Home Limited - Subsidiary	Sale of yarn	279,619	37,878
		Received yarn conversion cost	50,270	94,672
	Indus Lyallpur Limited - Subsidiary	Purchase of yarn	25,807	-
		Received yarn conversion cost	8,247	6,912
		Received doubling cost	454	1,675
		Paid yarn conversion cost	18,198	18,925
			Sept 30	June 30,
			2021	2021
			(Un-Audited)	(Audited)
			----- (Rupees in '000) -----	
10.2	Balances with related parties:			
	Indus Home Limited - Subsidiary	100% owned Receivable	73,373	76,766
	Indus Lyallpur Limited - Subsidiary	100% owned Rec / (Pay)	3,698	(470)
	Indus Wind Energy Limited - Subsidiary	100% owned Receivable	167,591	157,435
	Sunrays Textile Mills Limited	Associate Rec / (Pay)	190	(193)

11. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 29, 2021 by the Board of Directors of the Company.

12 GENERAL

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

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



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

Consolidated

FIRST QUARTERLY REPORT
Condensed Interim Financial Information
July 01, 2021 to September 30, 2021
(Un-Audited)

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2021

	Sept 30, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)		Sept 30, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2021 (Audited)	
Note			Note			
EQUITY AND LIABILITIES			ASSETS			
Authorized share capital			Non-current assets			
100,000,000 ordinary shares of Rs. 10/- each	<u>1,000,000</u>	<u>1,000,000</u>	Property, plant and equipment	7	27,231,184	25,306,603
Share capital and reserves			Intangibles		7,303	7,895
Issued, Subscribed and Paid-up Capital			Long-term investments	8	148,905	143,637
54,221,196 ordinary shares of Rs. 10/- each	542,211	542,211	Long-term deposits		18,573	19,245
Reserves	9,000,752	9,000,677	Long-term advances		3,063	2,156
Unappropriated profits	12,004,577	10,071,148			27,409,028	25,479,536
	<u>21,547,540</u>	<u>19,614,036</u>				
Non-current liabilities			Current assets			
Long-term financing	15,670,117	13,229,662	Stores, spares and loose tools		860,847	696,015
Deferred taxation	256,278	205,230	Stock-in-trade		18,818,212	11,664,302
Deferred liabilities	1,764,348	1,767,276	Trade debts		10,328,012	7,311,031
Lease liabilities	69,870	87,102	Loans and advances		418,337	391,065
	<u>17,760,613</u>	<u>15,289,270</u>	Trade deposits and short term prepayments		52,288	16,921
Current liabilities			Other receivables		222,424	250,673
Trade and other payables	3,668,530	4,406,394	Other financial assets		1,214,022	1,194,475
Unclaimed dividend	3,348	3,361	Tax refundable		1,404,875	1,272,881
Interest / mark-up payable	221,913	180,744	Cash and bank balances		1,174,162	1,225,462
Short-term borrowings	16,847,597	8,577,091			34,493,179	24,022,825
Current portion of long-term financing	1,269,640	1,162,370				
Current portion of lease liabilities	30,661	19,861				
Current portion of deferred liabilities	295,326	249,234				
Taxation payable	257,039	-				
	<u>22,594,054</u>	<u>14,599,055</u>				
CONTINGENCIES AND COMMITMENTS						
6	<u>61,902,207</u>	<u>49,502,361</u>			<u>61,902,207</u>	<u>49,502,361</u>

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


Mian Shahzad Ahmed
Chief Executive Officer


Mian Imran Ahmad
Director


Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Note	Three months period ended	
		Sept 30, 2021	Sept 30, 2020
----- (Rupees in '000) -----			
Sales - net		16,443,777	10,148,420
Cost of goods sold	9	(13,165,243)	(9,084,349)
Gross profit		<u>3,278,534</u>	1,064,071
Other income	10	140,978	116,434
		<u>3,419,512</u>	1,180,505
Distribution cost		(237,987)	(202,576)
Administrative expenses		(161,799)	(196,246)
Other operating expenses		(259,607)	(49,113)
Finance cost		(279,960)	(182,996)
		<u>(939,353)</u>	(630,931)
Share of profit from Associate - net of tax		<u>5,268</u>	551
Profit before taxation		2,485,427	550,125
Taxation	11	(551,998)	(136,923)
Profit after taxation		<u>1,933,429</u>	<u>413,202</u>
Earnings per share - Basic and diluted		<u>35.66</u>	<u>7.62</u>

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



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Three months period ended	
	Sept 30, 2021	Sept 30, 2020
	----- (Rupees in '000) -----	
Profit after taxation	1,933,429	413,202
Other comprehensive income	75	(15)
Total comprehensive income for the period	1,933,504	413,187

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



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Reserves						Total
	Capital			Revenue			
	Issued, subscribed and paid-up capital	Share Premium	Merger Reserve	Exchange translation reserve	General Reserve	Un-appropriated Profits	
	----- (Rupees in '000) -----						
Balance at June 30, 2020 (Audited)	542,211	10,920	11,512	732	6,977,568	8,678,901	16,221,844
Comprehensive Income							
Profit for the first quarter ended September 30, 2020	-	-	-	-	-	413,202	413,202
Other comprehensive income	-	-	-	(15)	-	-	(15)
Total comprehensive income	-	-	-	(15)	-	413,202	413,187
Balance at September 30, 2020 (Un-Audited)	542,211	10,920	11,512	717	6,977,568	9,092,103	16,635,031
Balance at June 30, 2021 (Audited)	542,211	10,920	11,512	677	8,977,568	10,071,148	19,614,036
Comprehensive Income							
Profit for the first quarter ended September 30, 2021	-	-	-	-	-	1,933,429	1,933,429
Other comprehensive income	-	-	-	75	-	-	75
Total comprehensive income	-	-	-	75	-	1,933,429	1,933,504
Transaction with owners:	-	-	-	-	-	-	-
Balance at September 30, 2021 (Un-Audited)	542,211	10,920	11,512	752	8,977,568	12,004,577	21,547,540

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



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

	Three months period ended	
	Sept 30, 2021	Sept 30, 2020
----- (Rupees in '000) -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,485,427	550,125
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	361,280	301,572
Amortization on intangibles	592	1,545
Provision for gratuity	74,842	58,654
Share of profit from Associate	(5,268)	551
Unrealized loss on revaluation of foreign currency loans	76,616	-
(Gain) on revaluation of foreign currency debtors	(1,180)	-
(Gain) / loss on disposal of property, plant and equipment	(3,059)	31
Amortization of deferred grant income	(6,640)	(2,963)
Unrealized (gain) / loss on revaluation of other financial assets	-	(42,182)
Dividend income	(594)	(1,005)
Finance cost	238,165	182,996
Unwinding of GIDC	16,064	-
Cash generated before working capital changes	3,236,245	1,049,324
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(164,832)	79,655
Stock in trade	(7,153,909)	288,105
Trade debts	(3,016,981)	(1,068,505)
Loans and advances	(117,625)	(36,077)
Trade deposits and short-term prepayments	(35,367)	(41,357)
Long term deposits	672	(103,013)
Other financial assets	(19,547)	185,079
Other receivables	28,249	(57,085)
	(10,479,340)	(753,198)
Increase / (decrease) in current liabilities		
Trade and other payables	(737,864)	279,204
Short Term Borrowings	(230,145)	494,756
Cash generated from operations	(8,211,104)	1,070,086
Income taxes paid	(313,265)	(9,908)
Finance cost paid	(189,320)	(194,125)
Gratuity paid	(22,047)	(40,085)
Net cash generated from / (used in) operating activities	(8,735,736)	825,968
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(2,281,655)	(2,779,087)
Proceeds from disposal of property, plant and equipment	9,081	885
Proceeds from disposal of other financial assets	941	201,000
Payment made for investment in other financial assets	-	100,000
Dividend received	594	1,005
Net cash used in investing activities	(2,271,039)	(2,476,197)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long-term financing	2,786,282	3,017,114
Repayment of long-term financing	(247,301)	(3)
Repayment of finance lease	(18,894)	(4)
Dividend paid	(13)	(207,137)
Net cash used in financing activities	2,520,074	2,809,970
Net increase in cash and cash equivalents (A+B+C)	(8,486,701)	1,159,741
Cash and cash equivalents at beginning of the period	(909,382)	(1,724,248)
Cash and cash equivalents at end of the period	(9,396,083)	(564,507)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,174,162	863,615
Short-term running finance	(10,570,245)	(1,428,122)
	(9,396,083)	(564,507)

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



Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

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, Muzaffargarh, Lahore and Faisalabad. The addresses of these facilities are as follows:

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

1.2 Subsidiary Companies

1.2.1 Indus Lyallpur Limited - 100% owned

Indus Lyallpur Limited (ILP) 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 ILP 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 ILP 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. Registered office of IWEL is situated at office No. 508, 5th floor, Beaumont Plaza, Civil Lines, Karachi.

1.2.5 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, 2021.

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, 2021.

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, 2021.

5.3 These consolidated 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, 2021, 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 three months period ended September 30, 2020.

		Sept 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
		----- (Rupees in '000) -----	
6.	CONTINGENCIES AND COMMITMENTS		
6.1	Contingencies		
	Claim of arrears of social security contribution not acknowledged. Appeal is pending in Honorable High Court of Sindh. The management is hopeful for favorable outcome.	453	453
	Bank guarantees in favour of Collector of Customs on behalf of the Group	3,817	26,467
	Guarantees issued by banks in favour of gas and electric distribution companies	330,585	345,740
	Bank guarantees against payment of infrastructure cess	821,696	630,542
	Bank guarantees in favour of Pakistan State Oil Company Limited	26,250	8,750
	Guarantees for Central Power Purchase Authority	299,075	276,063
	SBLC for Indus Wind Energy Limited	1,620,942	1,476,559
6.2	Commitments		
	Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	5,991,732	8,488,881
7.	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	15,368,251	14,878,753
	Capital work in progress	11,765,054	10,324,790
	Right-of-use-assets	97,879	103,060
		27,231,184	25,306,603
7.1	Operating fixed assets - owned		
	Opening written down value	14,878,753	13,191,102
	Additions during the period / year		
	Owned assets		
	Free hold land	10,000	379,312
	Factory building	-	209,687
	Non factory building	-	4,012
	Plant and machinery	764,504	2,008,149
	Electric installations	34,113	36,949
	Power generator	-	228,704
	Office equipment	704	4,102
	Factory equipment	395	179,038
	Furniture and fixtures	3,434	8,859
	Vehicles	46,729	43,733
	Computers	207	-
		860,086	3,102,545
	Written down value of property, plant and equipment disposed off	(6,022)	(76,796)
	Depreciation charged during the period	(364,566)	(1,338,098)
	Written down value at the end of the period	15,368,251	14,878,753

Sept 30, 2021 (Un-Audited)	June 30, 2021 (Audited)
------------------------------------	---------------------------------

----- (Rupees in '000) -----

7.2 Capital work in progress

- Opening balance	10,324,790	997,740
- Additions during the period	2,207,275	11,493,007
- Transfers during the period	(767,011)	(2,165,957)
Closing balance	<u><u>11,765,054</u></u>	<u><u>10,324,790</u></u>

Right-of-use assets

- Opening balance	103,060	49,144
- Additions during the period	-	75,322
- Depreciation charged during the period	(5,181)	(21,406)
Written down value at end of the period	<u><u>97,879</u></u>	<u><u>103,060</u></u>

8.	LONG TERM INVESTMENTS	Note	Sept 30,	June 30,
			2021	2021
			(Un-Audited)	(Audited)
			----- (Rupees in '000) -----	
	Investment in an associate	8.1	48,905	43,637
	Investment in term finance certificate		100,000	100,000
			<u>148,905</u>	<u>143,637</u>
8.1	Investment in associate			
	Cost		1,716	1,716
	Share of post acquisition profits:			
	Opening		41,921	31,715
	Dividend received		-	(1,366)
	Share of profit from associate for the period		5,268	11,572
			<u>47,189</u>	<u>41,921</u>
			<u>48,905</u>	<u>43,637</u>
	Number of shares held		205,962	205,962
	Ownership interest		0.99%	0.99%
	Market value (Rupees in '000)		55,315	63,848
	Cost of investment (Rupees in '000)		1,716	1,716
			----- (Un-Audited) -----	
			Three months period ended	
			Sept 30,	Sept 30,
			2021	2020
			----- (Rupees in '000) -----	
9.	COST OF GOODS SOLD	Note		
	Raw material consumed	9.1	10,153,526	6,760,763
	Manufacturing expenses		3,047,198	2,359,490
	Outside purchases		276,900	85,337
			<u>13,477,624</u>	<u>9,205,590</u>
	Work in process			
	Opening stock		1,173,586	915,667
	Closing stock		(1,401,927)	(1,141,486)
			<u>(228,341)</u>	<u>(225,819)</u>
	Cost of goods manufactured		13,249,283	8,979,771
	Finished Goods			
	Opening stock		1,804,688	1,615,069
	Closing stock		(1,888,728)	(1,510,491)
			<u>(84,040)</u>	<u>104,578</u>
			<u>13,165,243</u>	<u>9,084,349</u>
9.1	Manufacturing expenses			
	Salaries, wages and benefits		910,846	706,736
	Fuel, water and power		1,039,901	750,754
	Stores and spares consumed		374,105	316,087
	Packing material consumed		277,773	195,798
	Insurance		15,291	10,219
	Repairs and maintenance		48,029	56,091
	Rent, rate and taxes		2,146	610
	Depreciation		342,321	295,862
	Others		36,786	27,333
			<u>3,047,198</u>	<u>2,359,490</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 Indus Heart Limited. The Company carries out transactions with associates on agreed terms. Transactions with associate during the period and balances with them at period end are as follows:

		----- Un-Audited -----	
		<u>Three months period ended</u>	
		Sept, 30	Sept, 30
		2021	2020
		----- (Rupees in '000) -----	
11.1	Transactions during the period		
	Relationship		
	Nature of transactions		
	Associate		
	Purchase of yarn	32,603	90,904
	Received yarn doubling cost	-	596
	Paid yarn doubling cost	2,099	-
		Sept, 30	June 30,
		2021	2021
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
11.2	Balances with related parties		
	Sunrays Textile Mills Limited.	(425)	(193)
	Associate - payable		

12 DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue on October 29, 2021 by the Board of Directors of the Group.

13 GENERAL

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

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



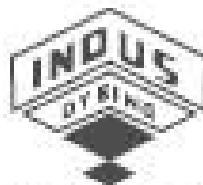
Mian Shahzad Ahmed
Chief Executive Officer



Mian Imran Ahmad
Director



Zahid Mahmood
Chief Financial Officer



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

HEAD OFFICE :

Office # 508, 5th Floor, Beaumont Plaza,
Civil Lines Quarters,
Karachi-75563 (Pakistan)

Web : www.indus-group.com