



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

HEAD OFFICE :

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

Web : www.indus-group.com



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**Condensed Interim Financial Information
Third Quarter Ended July 01, 2019 to March 31, 2020
(Un-Audited)**

Company Information

Directors' Report

Directors' Report (Urdu)

Auditors' Review Report

Unconsolidated Condensed Interim Balance Sheet

Unconsolidated Condensed Interim Profit and Loss Account

Unconsolidated Condensed Interim Statement of Other Comprehensive Income

Unconsolidated Condensed Interim Statement of Changes in Equity

Unconsolidated Condensed Interim Cash Flow Statement

Unconsolidated Interim Notes to the Financial Statement

Consolidated Condensed Interim Balance Sheet

Consolidated Condensed Interim Profit and Loss Account

Consolidated Condensed Interim Statement of Other Comprehensive Income

Consolidated Condensed Interim Statement of Changes in Equity

Consolidated Condensed Interim Cash Flow Statement

Consolidated Interim Notes to the Financial Statement

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. Shafqat Masood | |
| 8 | Mr. Shahwaiz Ahmed | |
| 9 | Sheikh Nishat Ahmed | |
| 10 | Mr. Farooq Hassan | |
| 11 | Ms. Azra Yaqub Vawda | |

Audit committee

- | | | |
|---|---------------------|----------|
| 1 | Sheikh Nishat Ahmed | Chairman |
| 2 | Mr. Shahwaiz Ahmed | Member |
| 3 | Mr. Shafqat Masood | Member |

Human resource and remuneration committee

- | | | |
|---|---------------------|----------|
| 1 | Sheikh Nishat Ahmed | Chairman |
| 2 | Mr. Shahwaiz Ahmed | Member |
| 3 | Mr. Irfan Ahmed | Member |

Company secretary

Mr. Ahmed Faheem Niazi

Group Chief financial officer

Mr. Zahid Mahmood

Chief financial officer

Mr. Arif Abdul Majeed

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. 009221 - 35693641 - 60

Symbol of the company

IDYM

Website

www.indus-group.com

Auditors

M/s Deloitte 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 Muzaffargarh, 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. Tel. 042 - 35385021 - 7
111 - 404 - 405

INDUS DYEING AND MANUFACTURING COMPANY LIMITED
DIRECTORS' REVIEW
FOR THE NINE MONTHS ENDED MARCH 31, 2020

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the third quarter ended on Mar 31, 2020. The Comparative figures for the corresponding quarter ended on Mar 31, 2019 have been used for comparison, except in statement of financial position where figures used are for the year ended on Jun 30, 2019.

FINANCIAL RESULTS

Consolidated turnover for the nine-month period ending on March 31, 2020 was Rs. 29,909 million against Rs. 26,325 million for the same period last year, whereas the consolidated net profit after tax was Rs: 1,651 million as compared to Rs. 1,625 million in the last corresponding period. The Company has shown satisfactory performance during the nine 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, sales and cash flow planning the Company was able to achieve these results. The following are the financial results of the Company for the nine months ended March 31, 2020.

FINANCIAL HIGHLIGHTS

	Nine Months Ended March 31 (Rs. In Millions)	
	2020	2019
Sales-Net	29,909	26,325
Gross Profit	3,339	3,240
Other Operating Income	480	220
Profit Before Taxation	2,047	1,978
Taxation	(396)	(353)
Net Profit After Tax	1,651	1,625

REVIEW OF OPERATIONS

Sales increased by 13.61% during the nine months under review over the last corresponding period. Gross profit has been increased by 3.0 % over the last quarter due to improvement in yarn prices. Other operating income has been increased by 118 % mainly due to gain on sale of land and receipt of duty draw back. The towel unit's sales during the nine months period ended Mar 31, 2020 were Rs 6,005 million and contributed Rs. 446 million toward profits after tax in the above-mentioned consolidated results.

DIVIDEND

The Board of Directors in their meeting held on 03rd Jan 2020 declared first interim cash dividend @ 150% i.e Rs: 15/- per share for the year ended June 30, 2020. Further in a Board of Directors meeting held on 29th Feb 2020, a second interim cash dividend @ 150% i.e Rs:15/- per share for the year ended June 30, 2020 was declared after considering the profitable results for the six-month period ended December 31, 2019.

EARNINGS PER SHARE

The earnings per share for the nine months ended March 31, 2020 is Rs.91.35 per share as compared to Rs. 89.91 per share over the previous corresponding period.

FUTURE PROSPECTS

Due to the threat posed by the COVID-19 virus and to protect the wellbeing of the public at large, Government of Pakistan/Sindh has imposed a lock down effective from Mar 24, 2020, this has halted the smooth operation of the company. Global economies have gone into recession and our local and export sales have been affected and the future appears to be challenging. We are unable to assess the quantum of slowdown and how the prevailing situation will impact the Company's operation in the fourth quarter of current financial year. The Government has taken some steps to support the industry such as the reduction of interest rates, release of refunds, deferment of loans and availability of concessional finance to encourage retention of workers. During these uncertain times, the management continues its efforts to try and manage the affairs of the Company to the best of its abilities.

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



SHAHZAD AHMED
Chief Executive Officer

Karachi:
May 18, 2020

انڈس ڈائینگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ

ڈائریکٹرز کا جائزہ

انڈس ڈائینگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ڈائریکٹرز 31 مارچ 2020 کو ختم ہونے والی تیسری سہ ماہی کیلئے گروپ کے مجموعی مالیاتی کوشاوں کے مالی نتائج پیش کرتے ہوئے سرت محسوس کرتے ہیں۔ اسی سہ ماہی کے اعداد و شمار کو 31 مارچ 2019 کو ختم ہونے والی قابل اعداد و شمار کا موازنہ کے لئے استعمال کیا گیا ہے، ہوائے اس مالی پوزیشن کے بیان کے جہاں اعداد و شمار کا استعمال 30 جون 2019 کو ختم ہونے والے سال کے لئے ہے۔

مالیاتی نتائج

31 مارچ 2020 کو ختم ہونے والے نو مہینوں کے لئے مجموعی حسابات اسی مدت کے لئے 29,909 ملین روپے کے مقابلہ میں پچھلے سال 26,325 ملین روپے جب کہ ٹیکس کے بعد مستحکم مجموعی منافع اسی مدت کے دوران 1,651 ملین روپے کے مقابلہ میں 1,625 ملین روپے تھا۔ کمپنی نے مختلف مشکلات جیسے کہ خام روئی کی قیمتوں میں اضافہ اور دیگر آپریشنل اخراجات کے باوجود نظر ثانی کے تحت ششماہی کے دوران تسلی بخش کارکردگی دکھائی۔ خام مال کی خریداری میں انتظامیہ کی مستقل کوششوں کی وجہ سے، کمپنی فروخت اور نقد بہاؤ کی منصوبہ بندی ان نتائج کو حاصل کرنے میں کامیاب رہی۔ 31 مارچ 2020 کو ختم ہونے والے نو ماہ کے لئے کمپنی کے مالی نتائج درج ذیل ہیں۔

آپریٹنگ مالیاتی نتائج درج ذیل ہیں۔

31 مارچ کو ختم ہونے والی تیسری سہ ماہی (روپے ملین میں)		
2019	2020	
26,325	29,909	کل فروخت
3,240	3,339	مجموعی نفع
220	480	دیگر فعال آمدنی (نقصان)
1,978	2,047	ٹیکس سے پہلے نفع
(353)	(396)	ٹیکس
1,625	1,651	ٹیکس کے بعد نفع

جائزہ ہوائے افعال

پچھلے سال اس مدت میں جائزہ کے تحت نو مہینوں کے دوران سلیز میں 13.61 فیصد کا اضافہ ہوا۔ دھاگہ کی قیمتوں میں بہتری کی وجہ سے گزشتہ سہ ماہی کے دوران مجموعی منافع میں 3 فیصد کا اضافہ ہوا دیگر فعال آمدنی میں 118 فیصد اضافہ ہوا جس کی بنیادی وجہ زمین کی

فروخت اور ڈیوٹی ٹیکس (DUTY DRAW BACK) کی وصولی ہے۔ 31 مارچ 2020 کو ختم ہونے والے نو مہینوں کے دوران تولیہ یونٹ کی فروخت 6,005 ملین روپے تھی اور اوپر بیان کئے گئے مجموعی نتائج میں ٹیکس کے بعد نفع میں 446 ملین روپے کی معاونت کی۔

منافع

بورڈ آف ڈائریکٹرز نے 03 جنوری 2020 منعقدہ اپنے اجلاس میں 30 جون 2020 کو ختم ہونے والے سال کے لئے پہلے عبوری نقد منافع 150 فیصد یعنی 15 روپے فی حصص قرار دیا۔ مزید یہ کہ 29 فروری 2020 کو منعقدہ بورڈ آف ڈائریکٹرز کے اجلاس میں دوسرا عبوری نقد منافع 150 فیصد یعنی 15 روپے 30 جون 2020 کو ختم ہونے والے سال کے لئے 31 دسمبر 2019 کو ختم ہونے والی چھ ماہ کی مدت کے منافع بخش نتائج پر غور کرنے کے بعد اعلان کیا گیا۔

فی حصص آمدنی

مجموعی بنیاد پر 31 مارچ 2020 کو ختم ہونے والی تیسری سہ ماہی کے لئے فی حصص کمائی 91.35 روپے جبکہ پچھلے سال اسی مدت کے دوران فی حصص کمائی 89.91 تھی۔

مستقبل کے امکانات

COVID-19 وائرس سے لاحق خطرے اور بڑے پیمانے پر عوام کی فلاح و بہبود کے تحفظ کی وجہ سے حکومت پاکستان اسدھ نے 24 مارچ 2020 سے لاک ڈاؤن نافذ کر دیا ہے۔ اس سے کمپنی کا ہموار عمل رک گیا، عالمی معیشت کساد بازاری کی لپیٹ میں آگئی اور ہماری مقامی اور برآمدات کی فروخت متاثر ہوئی ہے اور ایسا لگتا ہے کہ مستقبل مشکل ہے۔ ہم سست روی کی مقدار اور موجودہ مالی سال کی چوتھی سہ ماہی میں کمپنی کے کام پر کس طرح اثر انداز ہوگا اس کا اندازہ لگانے سے قاصر ہیں۔ حکومت نے صنعتوں کی مدد کے لئے کچھ اقدامات کیے ہیں جیسے کارکنوں کو برقرار رکھنے کی حوصلہ افزائی کے لئے سود کی شرح میں کمی، قوم کی واپسی قرضوں کا منوٹر کرنا اور مراعاتی فنانس کی دستیابی ان غیر یقینی اوقات کے دوران انتظامیہ کمپنی کے معاملات کو اپنی صلاحیتوں سے بھرپور کرنے کی کوشش اور کوشش کرنا رہتا ہے۔

انکھار 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۔ 18 مئی 2020

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

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
Note	----- Rupees in '000' -----		Note	----- Rupees in '000' -----	
EQUITY AND LIABILITIES			ASSETS		
Authorized share capital			Non-current assets		
45,000,000 ordinary shares of Rs. 10/- each	<u>450,000</u>	<u>450,000</u>	Property, plant and equipment	5. 6,382,684	6,677,739
Share capital and reserves			Intangibles	11,256	14,524
Issued, Subscribed and Paid-up Capital	180,737	180,737	Long-term investments	7. 4,039,680	3,789,912
18,073,732 ordinary shares of Rs. 10/- each			Long-term deposits	6,287	5,725
Reserves	7,000,000	7,000,000		10,439,907	10,487,900
Unappropriated profits	5,547,202	5,322,368			
	12,727,939	12,503,105			
Non-current liabilities			Current assets		
Long-term financing	1,823,004	1,853,861	Stores, spares and loose tools	341,501	314,889
Deferred liabilities	465,507	461,775	Stock-in-trade	7,219,233	6,384,163
	2,288,511	2,315,636	Trade debts	4,563,828	4,480,116
Current liabilities			Loans and advances	256,124	117,253
Trade and other payables	3,268,924	2,387,171	Trade deposits and short-term prepayments	1,010	7,727
Unclaimed / unpaid dividend	284,027	11,744	Other receivables	52,175	39,313
Interest / mark-up payable	65,002	116,605	Other financial assets	810,384	143,717
Short-term borrowings	6. 5,542,743	5,140,499	Tax refundable	518,210	566,396
Current portion of long-term financing	184,036	242,224	Cash and bank balances	170,067	175,510
Taxation	11,257	-		13,932,532	12,229,084
	9,355,989	7,898,243			
CONTINGENCIES AND COMMITMENTS					
	4. 24,372,439	22,716,984		24,372,439	22,716,984

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Note	----- Rupees in '000' -----			
Sales - net	22,051,841	18,486,524	7,166,507	6,351,416
Cost of goods sold	(19,802,707)	(16,197,387)	(6,638,604)	(5,807,180)
Gross profit	2,249,134	2,289,137	527,903	544,236
Other income	154,048	115,585	91,011	37,466
	2,403,182	2,404,722	618,914	581,702
Distribution cost	(270,049)	(258,661)	(84,415)	(102,266)
Administrative expenses	(242,631)	(215,336)	(83,907)	(74,446)
Other operating expenses	(109,205)	(117,676)	(40,275)	(7,770)
Finance cost	(259,658)	(281,178)	(96,931)	(101,303)
Profit before taxation	1,521,639	1,531,871	313,386	295,917
Taxation	(302,750)	(263,097)	(80,423)	(68,105)
Profit after taxation	1,218,889	1,268,774	232,963	227,812
Earnings per share - Basic and diluted	67.44	70.20	12.89	12.60

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

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

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees in '000' -----			
Profit after taxation	1,218,889	1,268,774	232,963	227,812
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,218,889	1,268,774	232,963	227,812

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	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, 2018 (Audited)	180,737	10,920	11,512	6,977,568	3,889,946	11,070,683
Comprehensive Income						
Profit for the nine months period ended March 31, 2019	-	-	-	-	1,268,774	1,268,774
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,268,774	1,268,774
Final cash dividend for the year ended June 30, 2018 @ Rs. 16/- per share	-	-	-	-	(289,180)	(289,180)
Balance at March 31, 2019 (Un-Audited)	180,737	10,920	11,512	6,977,568	4,869,540	12,050,277
Balance at June 30, 2019 (Audited)	180,737	10,920	11,512	6,977,568	5,322,368	12,503,105
Comprehensive Income						
Profit for the nine months period ended March 31, 2020	-	-	-	-	1,218,889	1,218,889
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,218,889	1,218,889
Transaction with owners:						
Interim cash dividend for the year ended June 30, 2019 @ Rs. 25/- per share	-	-	-	-	(451,843)	(451,843)
1st Interim cash dividend @ Rs. 15/- per share	-	-	-	-	(271,106)	(271,106)
2nd Interim cash dividend @ Rs. 15/- per share	-	-	-	-	(271,106)	(271,106)
Balance at March 31, 2020 (Un-Audited)	180,737	10,920	11,512	6,977,568	5,547,202	12,727,939

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	Nine months period ended	
	March 31, 2020	March 31, 2019
-----Rupees in '000' -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,521,639	1,531,871
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	462,985	460,943
Amortization on intangibles	3,268	3,598
Provision for gratuity	83,265	59,328
Unrealized loss on revaluation of foreign currency loans	1,991	26,972
Loss on revaluation of foreign currency debtors	6,159	41,340
Gain on disposal of property, plant and equipment	(101,947)	(6,172)
Gain on disposal of other financial assets	-	9,780
Gain on forward booking	(6,686)	-
Unrealized loss on revaluation of other financial assets	16,822	9,780
Dividend income	(5,954)	(2,769)
Finance cost	259,658	281,178
Cash generated before working capital changes	2,241,199	2,415,849
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(26,612)	(48,049)
Stock in trade	(835,070)	83,884
Trade debts	(89,871)	(642,341)
Loans and advances	(116,861)	(336)
Trade deposits and short-term prepayments	6,717	(3,219)
Other receivables	(12,862)	22,245
	(1,074,559)	(587,816)
Increase / (decrease) in current liabilities		
Trade and other payables	881,752	(428,877)
Short Term Borrowings	(73,243)	347,823
Cash generated from operations	1,975,149	1,746,979
Income taxes paid	(293,698)	(248,002)
Finance cost paid	(311,261)	(244,497)
Gratuity paid	(43,056)	(37,736)
Net cash generated from / (used in) operating activities	1,327,134	1,216,744
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(208,220)	(575,084)
Payment for advance against shares	(310,000)	(60,232)
Proceeds from disposal of property, plant and equipment	142,237	45,986
Proceeds from disposal of other financial assets	29,622	208,718
Increase in long term deposits	(562)	(21)
Payment made for investment in other financial assets	(723,800)	-
Dividend received	5,954	2,769
Net cash used in investing activities	(1,064,769)	(377,864)

	Nine months period ended	
	March 31, 2020	March 31, 2019
	-----Rupees in '000' -----	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	107,407	412,001
Repayment of long-term financing	(196,452)	(279,202)
Dividend paid	(721,772)	(288,037)
Net cash used in financing activities	(810,817)	(155,238)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(548,451)	683,642
Cash and cash equivalents at beginning of the period	(3,369,701)	(4,478,485)
Cash and cash equivalents at end of the period	(3,918,152)	(3,794,843)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	170,067	117,633
Short-term running finance	(4,086,228)	(3,939,448)
Effect of exchange rate changes on cash and cash equivalents	(1,991)	26,972
	(3,918,152)	(3,794,843)

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



 CHIEF EXECUTIVE OFFICER



 DIRECTOR



 CHIEF FINANCIAL OFFICER

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 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 - 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.

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, 2019.

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, 2019, 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 nine months period ended March 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 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, 2019 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, 2019.

3.3 Changes in accounting standards, amendments / interpretations and IFRSs which are effective during the half year ended December 31, 2019.

3.3.1 First time adoption of IFRS 16-Leases

During the period IFRS 16-Leases is applicable to the company. IFRS 16 replaces IAS 17 "Accounting For Leases" and related interpretations and set out the principles for recognition, measurement, presentation and disclosure of leases. The standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases for Low-value items. An entity does not need to apply IFRS 16 to existing contracts that did not meet the definition of a lease applying the requirements of IAS 17 and IFRIC 4.

During the period, management implemented requirements of IFRS 16, but has not recognized any lease liability and corresponding right of use asset because the existing contract of rent is about to expire in next 6 months that is excluded from the requirements of the said IFRS.

Therefore there is no impact on statement of financial position and profit or loss account for the period ended March 31, 2020.

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	-----Rupees in '000'-----	
4. CONTINGENCIES AND COMMITMENTS		
4.1 Contingencies		
4.1.1 Claim of arrears of social security contribution not acknowledged. Appeal is pending in the Honorable High Court of Sindh. The management is hopeful for favorable outcome.	<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>104,491</u>	<u>104,768</u>
4.1.4 Bank guarantees against payment of infrastructure cess	<u>402,542</u>	<u>354,452</u>
4.1.5 Contingencies are not materially changed as disclosed in the note 12.1 to the annual financial statements for the year ended June 30, 2019.		
	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
	-----Rupees in '000'-----	
4.2 Commitments		
Letters of credit for raw material and stores and spares	<u>4,327,827</u>	<u>270,405</u>
Letters of credit for property, plant and equipment	<u>7,896</u>	<u>24,622</u>
Sales contracts to be executed	<u>3,084,303</u>	<u>2,697,132</u>

		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
		-----Rupees in '000'-----	
5. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets - owned	5.1	6,246,496	6,584,413
Capital work in progress	5.2	136,188	93,326
		<u>6,382,684</u>	<u>6,677,739</u>
5.1 Operating fixed assets - owned			
Opening written down value		6,584,413	6,295,541
Additions during the period / year			
Free hold land		10,706	-
Factory building		-	57,887
Plant and machinery		117,994	710,746
Electric installations		14,570	17,897
Power generators		4,780	86,133
Office equipment		1,835	533
Furniture and fixtures		1,065	2,215
Vehicles		14,408	62,056
		<u>165,358</u>	<u>937,467</u>
Written down value of property, plant and equipment disposed off		(40,290)	(36,064)
Depreciation charged during the period / year		(462,985)	(612,531)
Written down value at end of the period / year		<u>6,246,496</u>	<u>6,584,413</u>
5.2 Capital work in progress			
Opening balance		93,326	15,038
Additions during the period / year		148,627	506,227
Transfers during the period / year		(105,765)	(427,939)
Closing balance		<u>136,188</u>	<u>93,326</u>
6. SHORT-TERM BORROWINGS			
- Banking companies - secured			
Running finance		4,086,228	3,610,741
Foreign currency finance		1,456,515	1,529,758
		<u>5,542,743</u>	<u>5,140,499</u>
7. LONG TERM INVESTMENTS			
Investment in an associate - at cost		13,476	13,476
Investment in subsidiaries - at cost	7.1	4,026,204	3,716,204
Advance against shares - Indus Wind Energy Limited		-	60,232
		<u>4,039,680</u>	<u>3,789,912</u>
7.1 Investment in subsidiaries - at cost			
Indus Home Limited (IHL)		2,491,204	2,491,204
Indus Lypallpur Limited (ILP)		1,185,000	1,185,000
Indus Wind Energy Limited (IWE)		350,000	40,000
		<u>4,026,204</u>	<u>3,716,204</u>

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

Note

8. COST OF GOODS SOLD

Raw material consumed	15,528,523	13,186,155	5,092,155	4,693,472
Manufacturing expenses	3,980,783	3,079,759	1,287,953	1,071,579
Outside purchases	100,923	91,471	-	36,239
	19,610,229	16,357,385	6,380,108	5,801,290
Work in process				
Opening stock	269,740	242,775	299,503	275,129
Closing stock	(140,581)	(243,743)	(140,580)	(243,743)
	129,159	(968)	158,923	31,386
Cost of goods manufactured	19,739,388	16,356,417	6,539,031	5,832,676
Finished Goods				
Opening stock	774,412	531,034	810,666	664,568
Closing stock	(711,093)	(690,064)	(711,093)	(690,064)
	63,319	(159,030)	99,573	(25,496)
	19,802,707	16,197,387	6,638,604	5,807,180

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

8.1 Manufacturing expenses

Salaries, wages and benefits	1,114,172	973,923	336,508	301,752
Fuel, water and power	1,741,985	1,034,521	575,306	364,654
Stores and spares consumed	367,113	342,087	118,247	133,632
Packing material consumed	250,996	218,298	84,345	73,703
Insurance	9,049	15,316	6,616	7,586
Repairs and maintenance	38,042	32,103	11,699	19,899
Rent, rate and taxes	2,528	2,099	1,573	1,368
Depreciation	439,123	436,936	147,481	159,188
Others	17,775	24,476	6,178	9,797
	3,980,783	3,079,759	1,287,953	1,071,579

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 Riaz Cotton Factory 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:

		Nine months period ended	
		March 31	March 31
		2020	2019
		(Un-Audited)	(Un-Audited)
		-----Rupees in '000'-----	
10.1 Transactions during the period			
Relationship with the Company	Nature of transactions		
Subsidiaries	Sale of yarn	90,818	27,618
	Received yarn conversion cost	319,035	227,324
	Paid yarn conversion cost	40,008	41,896
	Received doubling cost	3,315	-
Associate	Reimbursement of expenses	8,254	11,736
	Received doubling cost	532	-
Key management personnel	Remuneration paid	74,321	43,412
		March 31	June 30,
		2020	2019
		(Un-Audited)	(Audited)
		-----Rupees in '000'-----	
10.2 Balances with related parties:			
Subsidiaries - receivable		671,110	16,766
Subsidiaries - advance		564	60,232
Subsidiaries - payable		-	15,925
Associate - payable		10,871	4,668

11. 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 March 31, 2020 (Un-Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	810,384	-	-	810,384	810,384	-	-	810,384
Financial assets not measured at fair value (note 11.1)								
Long-term deposits	-	-	6,287	6,287				
Trade debts	-	-	4,563,828	4,563,828				
Loans to staff	-	-	31,789	31,789				
Trade deposits	-	-	1,010	1,010				
Other receivables	-	-	52,175	52,175				
Bank balances	-	-	160,338	160,338				
Cash in Hand	-	-	9,729	9,729				
	-	-	4,825,156	4,825,156				
Financial liabilities not measured at fair value (note 11.1)								
Long-term financing	-	-	2,007,040	2,007,040				
Trade and other payables	-	-	1,556,841	1,556,841				
Short-term borrowings	-	-	5,542,743	5,542,743				
Interest / mark-up payable	-	-	65,002	65,002				
	-	-	9,171,626	9,171,626				

	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, 2019 (Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	87,617	56,100	-	143,717	87,617	-	-	87,617
Financial assets not measured at fair value (note 11.1)								
Long-term deposits	-	-	5,725	5,725				
Trade debts	-	-	4,480,116	4,480,116				
Loans and advances	-	-	26,716	26,716				
Trade deposits	-	-	-	-				
Other receivables	-	-	39,313	39,313				
Bank balances	-	-	170,622	170,622				
Cash in Hand	-	-	4,888	4,888				
	-	-	4,727,380	4,727,380				
Financial liabilities not measured at fair value (note 11.1)								
Long-term financing	-	-	2,096,085	2,096,085				
Trade and other payables	-	-	723,151	723,151				
Unclaimed dividends	-	-	11,744	11,744				
Short-term borrowings	-	-	5,140,499	5,140,499				
Interest / mark-up payable	-	-	116,605	116,605				
	-	-	8,088,084	8,088,084				

11.1 The Company has not disclosed the fair values of these financial assets and liabilities as their 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.

12 **DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on May 18, 2020 by the Board of Directors of the Company.

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.



CHIEF EXECUTIVE OFFICER



DIRECTOR



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



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

**Condensed Interim Financial Information
Third Quarter Ended July 01, 2019 to March 31, 2020
(Un-Audited)**

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

	March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)		March 31, 2020 (Un-Audited)	June 30, 2019 (Audited)
Note	----- Rupees in '000' -----		Note	----- Rupees in '000' -----	
EQUITY AND LIABILITIES			ASSETS		
Authorized share capital			Non-current assets		
45,000,000 ordinary shares of Rs. 10/- each	<u>450,000</u>	<u>450,000</u>	Property, plant and equipment	7 14,131,143	11,724,965
Share capital and reserves			Intangibles	12,606	16,112
Issued, subscribed and paid-up capital	180,737	180,737	Long-term investments	8 33,437	31,642
18,073,732 ordinary shares of Rs. 10/- each			Long-term deposits	25,394	24,065
Reserves	7,000,722	7,000,691		14,202,580	11,796,784
Unappropriated profit	9,020,004	8,362,963			
	16,201,463	15,544,391			
Non-current liabilities			Current assets		
Long-term financing	4,463,023	2,853,967	Stores, spares and loose tools	736,395	602,625
Deferred liabilities	623,285	655,239	Stock-in-trade	10,670,967	9,179,288
	5,086,308	3,509,206	Trade debts	5,614,900	6,482,457
Current liabilities			Loans and advances	374,172	199,416
Trade and other payables	4,218,174	3,377,094	Trade deposits and short-term prepayments	8,357	30,394
Unclaimed / unpaid dividend	284,027	11,744	Other receivables	236,057	117,185
Interest / mark-up payable	104,150	166,309	Other financial assets	2,246,365	544,963
Short-term borrowings	9,918,593	7,696,456	Tax refundable	1,507,219	895,717
Current portion of long-term financing	399,260	323,466	Cash and bank balances	626,220	779,837
Taxation	11,257	-		22,020,652	18,831,882
	14,935,461	11,575,069			
CONTINGENCIES AND COMMITMENTS					
5	36,223,232	30,628,666		36,223,232	30,628,666

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

	Note	Nine months period ended		Three months period ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
----- Rupees in '000' -----					
Sales - net		29,909,293	26,325,140	9,890,026	8,836,485
Cost of goods sold	9	(26,570,375)	(23,084,753)	(9,019,478)	(8,022,195)
Gross profit		3,338,918	3,240,387	870,548	814,290
Other income		480,277	219,755	203,386	71,444
		3,819,195	3,460,142	1,073,934	885,734
Distribution cost		(608,866)	(519,508)	(195,251)	(194,233)
Administrative expenses		(529,335)	(375,797)	(156,532)	(124,034)
Other operating expenses		(235,277)	(168,548)	(133,702)	(6,521)
Finance cost		(402,277)	(421,594)	(138,486)	(150,591)
		2,043,440	1,974,695	449,963	410,355
Share of profit from Associate - net of tax		3,511	3,471	(15)	743
Profit before taxation		2,046,951	1,978,166	449,948	411,098
Taxation	10	(395,855)	(353,085)	(103,338)	(89,095)
Profit after taxation		1,651,096	1,625,081	346,610	322,003
Earnings per share - Basic and diluted		91.35	89.91	19.18	17.82

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


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

	<u>Nine months period ended</u>		<u>Three months period ended</u>	
	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
	----- Rupees in '000' -----			
Profit after taxation	1,651,096	1,625,081	346,610	322,003
Other comprehensive income	31	-	50	-
Total comprehensive income for the period	<u>1,651,127</u>	<u>1,625,081</u>	<u>346,660</u>	<u>322,003</u>

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



 CHIEF EXECUTIVE OFFICER



 DIRECTOR



 CHIEF FINANCIAL OFFICER

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 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) -----							
Balance at June 30, 2018 (Audited)	180,737	10,920	11,512	157	6,977,568	6,328,375	13,509,269
Comprehensive income for the period							
Profit for the nine months period ended March 31, 2019	-	-	-	-	-	1,625,081	1,625,081
Exchange gain on translation of foreign subsidiary	-	-	-	199	-	-	199
Total comprehensive income for the period	-	-	-	199	-	1,625,081	1,625,280
Transactions with owners recorded directly in equity							
Final cash dividend for the year ended June 30, 2018 @ Rs. 16/- per share	-	-	-	-	-	(289,180)	(289,180)
Balance at March 31, 2019 (Un-Audited)	180,737	10,920	11,512	356	6,977,568	7,664,276	14,845,369
Balance at June 30, 2019 (audited)	180,737	10,920	11,512	691	6,977,568	8,362,963	15,544,391
Comprehensive income for the period							
Profit for the half year ended March 31, 2020	-	-	-	-	-	1,651,096	1,651,096
Exchange gain/(Loss) on translation of foreign subsidiary	-	-	-	31	-	-	31
Total comprehensive income for the period	-	-	-	31	-	1,651,096	1,651,127
Transactions with owners recorded directly in equity							
Interim cash dividend for the year ended June 30, 2019 @ Rs. 25/- per share	-	-	-	-	-	(451,843)	(451,843)
1st Interim cash dividend @ Rs. 15/- per share	-	-	-	-	-	(271,106)	(271,106)
2nd Interim cash dividend @ Rs. 15/- per share	-	-	-	-	-	(271,106)	(271,106)
Balance at March 31, 2020 (Un-Audited)	180,737	10,920	11,512	722	6,977,568	9,020,004	16,201,463

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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

	Nine months period ended	
	March 31, 2020	March 31, 2019
-----Rupees in '000' -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,043,440	1,978,166
Adjustments for non-cash items:		
Depreciation and Amortization	774,956	776,443
Provision for gratuity	142,893	73,139
Share of profit from Associate	(3,511)	(3,471)
Unrealized loss on revaluation of foreign currency loans	1,991	26,972
Gain on Forward Booking	(6,686)	-
(Gain) / loss on disposal of property, plant and equipment	(97,717)	5,210
Unrealized gain on revaluation of foreign debtors	6,159	41,340
Unrealized loss on revaluation of other financial assets	108,350	11,610
Finance cost	402,277	421,594
Dividend income	(7,480)	(2,082)
Cash generated before working capital changes	3,364,672	3,328,921
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(133,770)	(167,140)
Stock in trade	(1,491,679)	(493,359)
Trade debts	867,557	(1,101,786)
Loans and advances	(174,756)	(54,069)
Increase in Long Term Deposits	(1,329)	(21)
Trade deposits and short-term prepayments	22,037	(1,230)
Other receivables	(118,872)	19,864
	(1,030,812)	(1,797,741)
Increase / (decrease) in current liabilities		
Trade and other payables	829,823	(159,578)
Short Term Borrowing	(799,660)	297,370
Cash generated from operations	2,364,023	1,668,972
Income taxes paid	(357,504)	(310,928)
Finance cost paid	(464,347)	(376,968)
Gratuity paid	(171,180)	(74,262)
Net cash generated from / (used in) operating activities	1,370,992	906,814
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(3,179,284)	(1,571,063)
Proceeds from disposal of property, plant and equipment	169,927	62,023
Proceeds from disposal of other financial assets	95,596	208,718
Purchase of Other Financial Assets	(1,231,651)	(467,615)
Dividend received	7,480	2,082
Net cash used in investing activities	(4,137,932)	(1,765,855)
	Nine months period ended	

	March 31, 2020	March 31, 2019
	-----Rupees in '000' -----	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term financing	1,939,571	906,847
Long term finance repaid -net	(254,722)	(307,054)
Dividend paid	(721,772)	(288,038)
Net cash used in financing activities	<u>963,077</u>	<u>311,755</u>
Net decrease in cash and cash equivalent (A+B+C)	(1,803,863)	(547,286)
Cash and cash equivalents at beginning of the period	(4,046,998)	(6,268,971)
Effects of exchange rate changes on cash and cash equivalents	<u>722</u>	<u>199</u>
Cash and cash equivalents at end of the period	<u><u>(5,850,139)</u></u>	<u><u>(6,816,058)</u></u>
CASH AND CASH EQUIVALENTS		
Cash and bank balances	626,220	556,056
Short-term running finance	(6,474,368)	(7,399,086)
Effect of exchange rate changes on cash and cash equivalents	(1,991)	26,972
	<u><u>(5,850,139)</u></u>	<u><u>(6,816,058)</u></u>



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 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:

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 (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 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 recognized 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, 2019.

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, 2019.

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, 2019.

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, 2019, 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 nine months period ended March 31, 2019.

	March 31, 2020 (Un-Audited) ----- (Rupees in '000)-----	June 30, 2019 (Audited)
6. CONTINGENCIES AND COMMITMENTS		
6.1 Contingencies		
Claim of arrears of social security contribution not acknowledged. Appeal is pending in Honourable High Court of Sindh. The management is hopeful for favourable outcome.	<u>453</u>	<u>453</u>
Bank guarantees in favour of Collector of Customs on behalf of the Group	<u>3,817</u>	<u>3,817</u>
Guarantees issued by banks in favour of gas and electric distribution companies	<u>188,799</u>	<u>300,827</u>
Bank guarantees against payment of infrastructure cess	<u>633,196</u>	<u>439,696</u>
6.2 Commitments		
Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	<u>6,576,682</u>	<u>1,691,395</u>

7. PROPERTY, PLANT AND EQUIPMENT

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

	----- Un-Audited -----			
	March 31, 2020		March 31, 2019	
	Additions / Transfers	Disposal at carrying value / transfers	Additions / Transfers	Disposal at carrying value / transfers
	----- (Rupees in '000) -----			
Assets				
Free hold land	179,430	(4,494)	143,247	-
Lease hold land	10,706	-	-	-
Factory building	-	-	34,390	-
Non factory building	-	-	30,385	-
Office building	-	-	-	(22,708)
Plant and machinery	424,236	(43,232)	591,619	(31,492)
Electric installations	14,570	-	7,650	-
Power generator	4,780	(15,963)	80,711	(3,166)
Office equipment	1,994	-	185	(103)
Factory equipment	-	-	800	-
Furniture and fixtures	2,504	(254)	2,713	(115)
Software (Intangible)	-	-	8,100	-
Vehicles	52,923	(8,219)	58,670	(5,552)
Computers	650	(49)	849	(4)
Capital work in progress	<u>2,750,587</u>	<u>-</u>	<u>745,203</u>	<u>-</u>
	<u>3,442,380</u>	<u>(72,211)</u>	<u>1,704,522</u>	<u>(63,140)</u>

8. LONG TERM INVESTMENTS	Note	March 31, 2020 (Unaudited) ----- (Rupees in '000) -----	June 30, 2019 (Audited)
Investment in an associate	8.1	<u>33,539</u>	<u>31,642</u>
8.1 Investment in associate			
Cost		1,716	1,716
Share of post acquisition profits:			
Opening		29,926	25,068
Dividend received		(1,716)	(615)
Share of profit from associate for the period		3,511	5,473
		<u>31,721</u>	<u>29,926</u>
		<u>33,437</u>	<u>31,642</u>
Number of shares held		68,654	68,654
Ownership interest		0.99%	0.99%
Market value (Rupees in '000)		18,537	15,486
Cost of investment (Rupees in '000)		1,716	1,716

		----- Un-Audited -----			
		Nine months ended		Three months ended	
9. COST OF GOODS SOLD	Note	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- (Rupees in '000) -----			
Raw material consumed	9.1	18,660,282	17,369,242	5,802,068	5,989,003
Manufacturing expenses		7,014,923	5,826,695	2,396,724	1,984,392
Outside purchases		825,618	107,454	465,483	44,922
		<u>26,500,823</u>	<u>23,303,391</u>	<u>8,664,275</u>	<u>8,018,317</u>
Work in process					
Opening stock		845,787	811,992	1,079,447	775,743
Closing stock		(725,342)	(867,611)	(725,342)	(867,611)
		<u>120,445</u>	<u>(55,619)</u>	<u>354,105</u>	<u>(91,868)</u>
Cost of goods manufactured		<u>26,621,268</u>	<u>23,247,772</u>	<u>9,018,380</u>	<u>7,926,449</u>
Finished Goods					
Opening stock		1,341,416	1,098,374	1,393,407	1,357,139
Closing stock		(1,392,309)	(1,261,393)	(1,392,309)	(1,261,393)
		<u>(50,893)</u>	<u>(163,019)</u>	<u>1,098</u>	<u>95,746</u>
		<u>26,570,375</u>	<u>23,084,753</u>	<u>9,019,478</u>	<u>8,022,195</u>
9.1 Manufacturing expenses					
Salaries, wages and benefits		2,022,183	1,705,926	683,213	542,128
Fuel, water and power		2,404,724	1,840,783	851,137	638,134
Stores and spares consumed		999,710	891,325	340,019	315,200
Packing material consumed		580,373	468,442	210,735	142,034
Insurance		23,099	30,050	10,318	12,179
Repairs and maintenance		125,659	77,028	43,657	38,405
Rent, rate and taxes		4,181	2,099	2,766	1,369
Depreciation		770,110	732,069	210,427	263,871
Others		84,884	78,973	44,452	31,072
		<u>7,014,923</u>	<u>5,826,695</u>	<u>2,396,724</u>	<u>1,984,392</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, Indus Heartland Limited) and entities where directors held interest (Riaz Cotton Factory) and key management personnel. The Company carries out transactions with related parties on agreed terms. Transactions with related parties during the period and balances with them at period end are as follows:

		----- Un-Audited -----		
		Nine months ended		
		March ,31	March ,31	
		2020	2019	
		----- (Rupees in '000) -----		
11.1	Transactions during the period			
	Relationship	Nature of transactions		
	Associate			
		Purchase of yarn	-	70,689
		Paid conversion cost	58,838	54,088
		Received yarn doubling cost	532	-
		March ,31	June 30,	
		2020	2019	
		(Un-Audited)	(Audited)	
		----- (Rupees in '000) -----		
11.2	Balances with related parties			
	Associate - payable	11,950	2,586	
	Associate - receivable	-	6	
	Balances with other related parties due to common directorship			
	- Payable	2,859	3,170	

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 March 31, 2020 (Un-Audited) -----									
----- (Rupees in '000) -----									
Financial assets measured at fair value									
	Other financial assets	2,246,365	-	-	2,246,365	2,246,365	-	-	2,246,365
Financial assets not measured at fair value									
	12.1								
	Long-term deposits	-	25,394	-	25,394				
	Trade debts	-	5,614,900	-	5,614,900				
	Loans to Staff	-	38,329	-	38,329				
	Trade deposits	-	8,357	-	8,357				
	Other receivables	-	236,057	-	236,057				
	Bank balances	-	626,220	-	626,220				
		-	6,549,257	-	6,549,257				
Financial liabilities not measured at fair value									
	12.1								
	Long-term financing	-	-	4,862,283	4,862,283				
	Trade and other payables	-	-	2,506,091	2,506,091				
	Short-term borrowings	-	-	9,918,593	9,918,593				
	Interest / mark-up payable	-	-	104,150	104,150				
		-	-	17,391,117	17,391,117				

		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, 2019 (Audited) -----									
----- (Rupees in '000) -----									
Financial assets measured at fair value									
	Other financial assets	87,617	86,600	370,746	544,963	174,217	-	-	174,217
Financial assets not measured at fair value									
	12.1								
	Long-term deposits	-	24,065	-	24,065				
	Trade debts	-	6,482,457	-	6,482,457				
	Loans to staff	-	42,009	-	42,009				
	Other receivables	-	41,271	-	41,271				
	Bank balances	-	779,837	-	779,837				
		-	7,369,639	-	7,369,639				
Financial liabilities not measured at fair value									
	12.1								
	Long-term financing	-	-	3,177,433	3,177,433				
	Trade and other payables	-	-	1,951,305	1,951,305				
	Unclaimed dividend	-	-	11,744	11,744				
	Short-term borrowings	-	-	7,696,456	7,696,456				
	Interest / mark-up payable	-	-	166,309	166,309				
		-	-	13,003,247	13,003,247				

- 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 authorized for issue on May 18, 2020 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.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER