



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

Condensed Interim
Financial Information Third Quarter Ended
July 01, 2020 to March 31, 2021
(Un-Audited)

Company Profile

Directors' Report

Directors' Report (Urdu)

Unconsolidated Condensed Interim Balance Sheet

Unconsolidated Condensed Interim Profit and Loss Account

Unconsolidated Condensed Interim Statement of Other Comprehensive Income

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

Audit Committee

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

Human Resource and Remuneration Committee

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

Company Secretary

Mr. Ahmed Faheem Niazi

Chief Financial Officer

Mr. Zahid Mahmood

Chief Internal Auditor

Mr. Yaseen Hamidia

Legal Advisor

Mr. M. Yousuf Naseem (Advocates & Solicitors)

Registered Office

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

Symbol of the Company

IDYM

Website

www.indus-group.com

Auditors

M/s Yousuf Adil
Chartered Accountants

Registrar & Share Transfer Office

JWAFFS Registrar (Pvt) Ltd.

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

Tel. 35662023 - 24
Fax. 35221192

Factory Location

- 1 P 1 S.I.T.E. Hyderabad, Sindh. Tel. 0223 - 886281 & 84
- 2 Plot # 3 & 7, Sector - 25, Korangi Industrial Area, Karachi. Tel. 021- 35061577 - 9
- 3 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. UAN 111 - 404 - 405
Tel. 042 - 35385021 - 7
- 6 Indus Wind Energy Limited Deh Kohistan 7/3 & 7/4 , Tapo Jungshahi, Taluka & District Thatta. UAN 111 - 404 - 405
Tel. 021 - 35693654 (Ext - 177)

INDUS DYEING AND MANUFACTURING COMPANY LIMITED
DIRECTORS' REVIEW
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the third quarter ended on Mar 31, 2021. The Comparative figures for the corresponding quarter ended on Mar 31, 2020 have been used for comparison, except in statement of financial position where figures used are for the year ended on Jun 30, 2020.

FINANCIAL RESULTS

Consolidated turnover for the nine-month period ending on March 31, 2021 was Rs. 36,586 million against Rs. 29,909 million for the same period last year, whereas the consolidated net profit after tax was Rs: 2,756 million as compared to Rs. 1,651 million in the last corresponding period. The Company has shown good performance during the nine months under review despite various challenges such as increased cost of raw material, nearly 700% increase in sea freight and approximately 8% appreciation in the value of rupee against the dollar since January 2021. Due to the persistent efforts of the management in competitive 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 period ended March 31, 2021.

FINANCIAL HIGHLIGHTS

	Nine Months Period Ended March 31 (Rs. In Millions)	
	2021	2020
Sales-Net	36,586	29,909
Gross Profit	4,856	3,339
Other Operating Income	612	480
Profit Before Taxation	3,421	2,047
Taxation	(666)	(396)
Net Profit After Tax	2,756	1,651

REVIEW OF OPERATIONS

Sales increased by 22.32% during the nine months under review over the last corresponding period. Gross profit has been increased by 45.44 % over the last period due to significant improvement in yarn prices. The towel unit's sales during the nine months period ended Mar 31, 2021 were Rs 6,991 million and contributed Rs. 438 million toward profits after tax in the above-mentioned consolidated results.

DIVIDEND

The Board of Directors in their meeting held on March 01, 2020 have declared two (2) ordinary shares for every one (1) ordinary share held as interim dividend in the form of bonus shares for the year ending June 30, 2021. For this purpose, the authorized capital of the Company has been increased from Rs. 450 million to Rs. 1000 million in extra-ordinary general meeting held on February 24, 2021. In addition to this, the Board of Directors in their meeting held on October 29, 2020 declared first interim cash dividend @ 100% i.e. Rs. 10/- per share for the year ended 30th June 2021.

EARNINGS PER SHARE

The earnings per share for the nine months period ended March 31, 2021 is Rs.152.50 per share as compared to Rs. 91.35 per share over the previous corresponding period.

FUTURE PROSPECTS

As the 3rd wave of COVID-19 spread around the world, a great deal of uncertainty still prevails and any prediction about the future is an exercise in futility. Pakistan's cotton output during the current crop fell to 5.64 million bales from 10.76 million bales last year, the lowest production in last three decades. Therefore, import of cotton continue to meet the country's requirement about 15 million bales. The country's yarn consumption had increased by about 25% owing to growth in value added exports. It is believed that once a greater percentage of population is vaccinated, the business needs and demands should also normalize. The management of the company in such uncertain times, continuing its efforts to achieve more better results for the stake holders.

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:
April 29, 2021

ڈائریکٹرز کا جائزہ

انڈس ڈائینگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی تیسری 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 31 مارچ 2020 کو ختم ہونے والی مالیاتی 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 2020 کو ختم ہونے والے سال کے لئے ہے۔

مالیاتی نتائج

31 مارچ 2021 کو ختم ہونے والے نو مہینوں کے لئے مجموعی حسابات اسی مدت کے لئے 36,586 ملین روپے کے مقابلہ میں پچھلے سال 29,909 ملین روپے جب کہ ٹیکس کے بعد مستحکم مجموعی منافع اسی مدت کے دوران 2,756 ملین روپے کے مقابلہ میں 1,651 ملین روپے تھا۔ کمپنی نے مختلف مشکلات جیسے کہ خام روٹی کی قیمتوں میں اضافہ اور جنوری 2021 کے بعد سے سمندری کرایہ میں تقریباً 700 فیصد اضافے اور ڈالر کے مقابلے میں روپے کی قدر میں لگ بھگ 8 فیصد اضافہ کے باوجود تیسری سہ ماہی 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)		
2020	2021	
29,909	36,586	کل فروخت
3,339	4,856	مجموعی نفع
480	612	دیگر فعال آمدنی (نقصان)
2,047	3,421	ٹیکس سے پہلے نفع
(396)	(666)	ٹیکس
1,651	2,756	ٹیکس کے بعد نفع

جائزہ برائے افعال

پچھلے سال اس مدت میں جائزہ کے تحت نو مہینوں کے دوران سیکلز میں 22.32 فیصد کا اضافہ ہوا۔ دھاگہ کی قیمتوں میں بہتری کی وجہ سے گذشتہ سہ ماہی کے دوران مجموعی منافع میں 45.44 فیصد کا اضافہ ہوا۔ 31 مارچ 2021 کو ختم ہونے والے نو مہینوں کے دوران تولیہ پینٹ کی فروخت 6,991 ملین روپے تھی اور اوپر بیان کئے گئے مجموعی نتائج میں ٹیکس کے بعد نفع میں 438 ملین روپے کی معاونت کی۔

منافع

بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے منافع کو بونس حصص کی شکل میں ہر ایک (1) عام حصص کے لئے دو (2) عام حصص کا اعلان کیا ہے۔ اس مقصد کے لئے، کمپنی کا اختیار شدہ سرمایہ 450 ملین روپے سے بڑھا کر 1000 ملین روپے کر دیا گیا ہے جس کا فیصلہ 24 فروری 2021 کو غیر معمولی عام اجلاس میں ہوا۔ مزید یہ کہ بورڈ آف ڈائریکٹرز نے 29 اکتوبر 2020 منعقدہ اپنے اجلاس میں 30 جون 2021 کو ختم ہونے والے سال کے لئے پہلے عبوری نقد منافع 100 فیصد یعنی 10 روپے فی حصص قرار دیا۔

فی حصص آمدنی

مجموعی بنیاد پر 31 مارچ 2021 کو ختم ہونے والی تیسری سہ ماہی کے لئے فی حصص کمائی 152.50 روپے جبکہ پچھلے سال اسی مدت کے دوران فی حصص کمائی 91.35 تھی۔

مستقبل کے امکانات

جیسے کہ COVID-19 کی تیسری لہر دنیا بھر میں پھیل گئی ہے، جس کی وجہ سے بہت بڑی غیر یقینی صورتحال پائی جاتی ہے اور مستقبل کے بارے میں کوئی بھی پیش گوئی کرنا بیکار ہوگا۔ موجودہ فصل کے دوران پاکستان کی کپاس کی پیداوار گذشتہ سال 10.76 ملین گانٹھوں کے مقابلے میں 5.54 ملین گانٹھوں پر رہ گئی، جو گذشتہ تین دہائیوں میں سب سے کم پیداوار ہے۔ جبکہ روئی کی درآمد ملک کی تقریباً 15 ملین گانٹھوں کی ضرورت کو پورا کرتی ہے۔ ویلیو ایڈڈ ایکسپورٹ میں اضافے کی وجہ سے ملک کی سوت کی کھپت میں 25 فیصد اضافہ ہوا ہے۔ یہ خیال کیا جاتا ہے کہ ایک بار آبادی کی اکثریت ٹیکے لگنے کے بعد، کاروبار کی ضروریات اور مطالبات کو بھی معمول پر آنا چاہیے۔ اس طرح کے غیر یقینی وقتوں میں، کمپنی کی انتظامیہ اسٹیک ہولڈرز کے لئے مزید بہتر نتائج حاصل کرنے کے لئے اپنی کوششیں جاری رکھے ہوئے 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



میاں شہزاد احمد

چیف ایگزیکٹو آفیسر

کراچی۔ 29 اپریل 2021

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)		March 31, 2021 (Un-Audited)	June 30, 2020 (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>450,000</u>	Property, plant and equipment	5 6,689,655	6,383,628
Share capital and reserves			Intangibles	7,879	10,167
Issued, Subscribed and Paid-up Capital	180,737	180,737	Long-term investments	7 5,949,992	4,149,680
18,073,732 ordinary shares of Rs. 10/- each			Long-term deposits	6,287	6,287
Reserves	9,000,000	7,000,000			
Unappropriated profits	5,317,034	5,286,763			
	14,497,771	12,467,500		12,653,813	10,549,762
Non-current liabilities			Current assets		
Long-term financing	3,157,028	2,078,896	Stores, spares and loose tools	405,586	361,256
Deferred liabilities	1,121,699	387,413	Stock-in-trade	7,804,008	6,636,909
	4,278,727	2,466,309	Trade debts	4,597,565	3,389,567
Current liabilities			Loans and advances	200,504	199,912
Trade and other payables	2,427,679	2,843,986	Short term prepayments	26,007	1,898
Unclaimed dividend	3,362	209,634	Other receivables	88,768	55,286
Interest / mark-up payable	86,361	65,715	Other financial assets	85,476	191,993
Short-term borrowings	6 4,196,061	3,695,663	Tax refundable	197,188	347,623
Current portion of long-term financing	552,931	90,388	Cash and bank balances	163,608	116,432
Current maturity of lease liability	15,477	-		13,568,710	11,300,876
Current portion of deferred government grant	28,663	11,443			
Taxation payable	135,491	-			
	7,446,025	6,916,829			
CONTINGENCIES AND COMMITMENTS					
	4 <u>26,222,523</u>	<u>21,850,638</u>		<u>26,222,523</u>	<u>21,850,638</u>

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


Mian Shahzad Ahmed
Chief Executive Officer


Sheikh Shafqat Masood
Director


Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Nine months period ended		Three months period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- (Rupees in '000) -----					
Sales - net		23,904,694	22,051,841	9,830,668	7,166,507
Cost of goods sold	8	(20,426,604)	(19,802,707)	(7,942,555)	(6,638,604)
Gross profit		3,478,090	2,249,134	1,888,113	527,903
Other income	9	410,918	154,048	38,738	91,011
		3,889,008	2,403,182	1,926,851	618,914
Distribution cost		(317,588)	(270,049)	(142,799)	(84,415)
Administrative expenses		(242,418)	(242,631)	(67,655)	(83,907)
Other operating expenses		(184,114)	(109,205)	(91,315)	(40,275)
Finance cost		(425,420)	(259,658)	(157,399)	(96,931)
		(1,169,540)	(881,543)	(459,168)	(305,528)
Profit before taxation		2,719,468	1,521,639	1,467,683	313,386
Taxation	10	(508,460)	(302,750)	(243,717)	(80,423)
Profit after taxation		2,211,008	1,218,889	1,223,966	232,963
Earnings per share - Basic and diluted		122.33	67.44	67.72	12.89

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



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended		Three months period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----			
Profit after taxation	2,211,008	1,218,889	1,223,966	232,963
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	2,211,008	1,218,889	1,223,966	232,963

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



Mian Shahzad Ahmed
 Chief Executive Officer



Sheikh Shafqat Masood
 Director



Zahid Mahmood
 Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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, 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
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
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 nine months period ended March 31, 2021	-	-	-	-	2,211,008	2,211,008
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	2,211,008	2,211,008
Transfer from unappropriated profits to general reserves	-	-	-	2,000,000	(2,000,000)	-
Transaction with owners:						
Interim cash dividend for the year ended June 30, 2020 @ Rs. 10/- per share	-	-	-	-	(180,737)	(180,737)
Balance at March 31, 2021 (Un-Audited)	180,737	10,920	11,512	8,977,568	5,317,034	14,497,771

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



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended	
	March 31, 2021	March 31, 2020
----- (Rupees in '000) -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,719,468	1,521,639
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	480,505	462,985
Amortization on intangibles	3,412	3,268
Provision for gratuity	72,438	83,265
Unrealized (gain) / loss on revaluation of foreign currency loans	(28,291)	1,991
Loss on revaluation of foreign currency debtors	3,972	6,159
Loss/ (gain) on disposal of property, plant and equipment	5,321	(101,947)
Amortization of grant income	(19,062)	-
Gain on forward booking	(37,051)	(6,686)
Unrealized (gain) / loss on revaluation of other financial assets	(27,317)	16,822
Unrealized gain on revaluation of units of mutual funds	(7,707)	-
Dividend income	(52,840)	(5,954)
Finance cost	425,420	259,658
Discounting of provision of GIDC	(196,481)	-
Cash generated before working capital changes	3,341,787	2,241,200
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(44,330)	(26,612)
Stock in trade	(1,167,099)	(835,070)
Trade debts	(1,211,970)	(89,871)
Loans and advances	(118,808)	(116,861)
Trade deposits and short-term prepayments	(24,109)	6,717
Other receivables	(33,482)	(12,862)
	(2,599,798)	(1,074,559)
Increase / (decrease) in current liabilities		
Trade and other payables	(219,826)	881,752
Short Term Borrowings	887,656	648,254
Cash generated from operations	1,409,819	2,696,647
Income taxes paid	(88,385)	(293,698)
Finance cost paid	(404,774)	(311,261)
Gratuity paid	(79,718)	(43,056)
Net cash generated from / (used in) operating activities	836,942	2,048,632
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(820,423)	(208,220)
Increase in long term investments	(1,800,312)	-
Payment for advance against shares	-	(310,000)
Proceeds from disposal of property, plant and equipment	11,971	142,237
Proceeds from disposal of other financial assets	132,129	29,622
Increase in long term deposits	-	(562)
Payment made for investment in other financial assets	-	(723,800)
Dividend received	52,840	5,954
Net cash used in investing activities	(2,423,795)	(1,064,769)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long-term financing	2,482,633	107,407
Repayment of long-term financing	(831,683)	(196,452)
Increase in finance lease	81,501	-
Dividend paid	(387,010)	(721,772)
Deferred liabilities	675,846	-
Net cash used in financing activities	2,021,287	(810,817)
Net increase in cash and cash equivalents (A+B+C)	434,434	173,047
Cash and cash equivalents at beginning of the period	(2,934,766)	(3,435,231)
Cash and cash equivalents at end of the period	(2,500,332)	(3,262,184)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	163,608	170,067
Short-term running finance	(2,663,940)	(3,430,260)
Effect of exchange rate changes on cash and cash equivalents	-	(1,991)
	(2,500,332)	(3,262,184)

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



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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 Company has the following investees:

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

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

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

2. STATEMENT OF COMPLIANCE

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

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

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

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, 2020.

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, 2020, whereas comparative unconsolidated condensed interim statement of profit and loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity presented in these unconsolidated condensed interim financial statements have been extracted from the unaudited unconsolidated condensed interim financial statements for the nine months period ended March 31, 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, 2020 except for as disclosed in note 3.3.

3.2 The financial risk management policies and objectives adopted by the Company are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2020.

	March 31, 2021 (Un-Audited)	June 30, 2020 (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>129,869</u>	<u>105,144</u>
4.1.4 Bank guarantees against payment of infrastructure cess	<u>502,542</u>	<u>432,542</u>
4.1.5 SBLC for Indus Wind Energy Limited	<u>1,305,311</u>	<u>-</u>
4.2 Commitments		
Letters of credit for raw material and stores and spares	<u>3,848,437</u>	<u>1,701,395</u>
Letters of credit for property, plant and equipment	<u>1,303,334</u>	<u>437,949</u>

		March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	6,665,048	6,316,371
Capital work in progress	5.2	24,607	67,257
		<u>6,689,655</u>	<u>6,383,628</u>
5.1 Operating fixed assets - owned			
Opening written down value		6,316,371	6,584,413
Additions during the period / year			
Owned assets			
Leasehold land		-	10,705
Factory building		131,006	49,896
Non factory building		4,012	-
Plant and machinery		483,439	147,740
Electric installations		33,449	21,221
Power generators		112,634	125,340
Office equipment		1,732	5,177
Furniture and fixtures		2,634	1,065
Vehicles		5,264	36,231
		<u>774,170</u>	<u>397,375</u>
Right-of-use assets		73,311	-
Written down value of property, plant and equipment disposed off		(17,176)	(43,087)
Depreciation charged during the period / year			
- Owned assets		(469,073)	(622,330)
- Right-of-use assets		(12,555)	-
		<u>(481,628)</u>	<u>(622,330)</u>
Written down value at end of the period / year		<u>6,665,048</u>	<u>6,316,371</u>
5.2 Capital work in progress			
Opening balance		67,257	93,326
Additions during the period / year		478,756	187,579
Transfers during the period / year		(521,406)	(213,648)
Closing balance		<u>24,607</u>	<u>67,257</u>
6. SHORT-TERM BORROWINGS			
- Banking companies - secured			
Running finance		2,663,940	3,051,198
Foreign currency finance		1,532,121	644,465
		<u>4,196,061</u>	<u>3,695,663</u>
7. LONG TERM INVESTMENTS			
Investment in an associate - at cost		13,476	13,476
Investment in subsidiaries - at cost	7.1	5,936,516	4,136,204
		<u>5,949,992</u>	<u>4,149,680</u>

	March 31, 2021 (Un-Audited)	June 30, 2020 (Audited)
	----- (Rupees in '000) -----	
7.1 Investment in subsidiaries - at cost		
Indus Home Limited (IHL)	2,491,204	2,491,204
Indus Lyallpur Limited (ILP)	1,185,000	1,185,000
Indus Wind Energy Limited (IWE)	2,260,312	460,000
	<u>5,936,516</u>	<u>4,136,204</u>

	----- (Un-Audited) -----			
	Nine months period ended		Three months period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----			

8. COST OF GOODS SOLD

Raw material consumed	16,058,365	15,528,523	6,006,207	5,092,155
Manufacturing expenses	3,875,248	3,980,783	1,319,195	1,287,953
Outside purchases	390,289	100,923	146,338	-
	<u>20,323,902</u>	<u>19,610,229</u>	<u>7,471,740</u>	<u>6,380,108</u>
Work in process				
Opening stock	268,040	269,740	296,936	299,503
Closing stock	(309,559)	(140,581)	(309,559)	(140,580)
	<u>(41,519)</u>	<u>129,159</u>	<u>(12,623)</u>	<u>158,923</u>
Cost of goods manufactured	<u>20,282,383</u>	<u>19,739,388</u>	<u>7,459,117</u>	<u>6,539,031</u>
Finished Goods				
Opening stock	607,759	774,412	946,976	810,666
Closing stock	(463,538)	(711,093)	(463,538)	(711,093)
	<u>144,221</u>	<u>63,319</u>	<u>483,438</u>	<u>99,573</u>
	<u>20,426,604</u>	<u>19,802,707</u>	<u>7,942,555</u>	<u>6,638,604</u>

8.1 Manufacturing expenses

Salaries, wages and benefits	1,133,501	1,114,172	366,525	336,508
Fuel, water and power	1,462,414	1,741,985	479,581	575,306
Stores and spares consumed	412,565	367,113	171,578	118,247
Packing material consumed	273,726	250,996	97,891	84,345
Insurance	9,651	9,049	1,764	6,616
Repairs and maintenance	52,399	38,042	20,647	11,699
Rent, rate and taxes	4,036	2,528	2,666	1,573
Depreciation	444,181	439,123	153,820	147,481
Others	82,775	17,775	24,724	6,178
	<u>3,875,248</u>	<u>3,980,783</u>	<u>1,319,196</u>	<u>1,287,953</u>

9. OTHER INCOME

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

10. TAXATION

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

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

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries Indus Lyallpur Limited, Indus Home Limited, Indus Home USA Inc. and Indus Wind Energy Limited, the associates Sunrays Textiles Mills Limited, Indus Heartland Limited 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
		2021	2020
		(Un-Audited)	(Un-Audited)
		----- (Rupees in '000) -----	
11.1 Transactions during the period			
Relationship with the Company	Nature of transactions		
Subsidiaries/ associates	Sale of yarn	200,444	80,328
	Purchase of yarn	407	-
	Received yarn conversion cost	276,276	235,635
	Paid yarn conversion cost	71,420	20,013
	Received doubling cost	2,646	4,624
Key management personnel	Remuneration paid	18,545	53,146
		March 31	June 30,
		2021	2020
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
11.2 Balances with related parties:			
Subsidiaries - payable		4,793	-
Subsidiaries - receivable		193,537	293,412
Associates - payable		259	-
Other related parties - common directorship:			
- Receivable		-	12
- Payable		-	2,663

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

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

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

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

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

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

	Carrying Amount				Fair Value			
	Fair value through profit and loss account	Fair value through Other Comprehensive Income	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- As at March 31, 2021 (Un-Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	85,476	-	-	85,476	85,476	-	-	85,476
Financial assets not measured at fair value								
Long-term deposits	-	-	6,287	6,287				
Trade debts	-	-	4,597,565	4,597,565				
Loans to staff	-	-	34,263	34,263				
Trade deposits	-	-	26,007	26,007				
Other receivables	-	-	88,768	88,768				
Bank balances	-	-	150,755	150,755				
Cash in Hand	-	-	12,853	12,853				
	-	-	4,916,498	4,916,498				
Financial liabilities not measured at fair value								
Long-term financing	-	-	3,517,476	3,517,476				
Trade and other payables	-	-	1,852,886	1,852,886				
Short-term borrowings	-	-	4,196,061	4,196,061				
Interest / mark-up payable	-	-	86,361	86,361				
	-	-	9,652,784	9,652,784				

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

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

11.2 **Transfers during the period**

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

13. **DATE OF AUTHORISATION FOR ISSUE**

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

14. **GENERAL**

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

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



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

CONSOLIDATED



**INDUS DYEING & MANUFACTURING
COMPANY LIMITED**

Condensed Interim
Financial Information Third Quarter Ended
July 01, 2020 to March 31, 2021
(Un-Audited)

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	March 31, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2020 (Audited)		March 31, 2021 (Un-Audited) ----- (Rupees in '000) -----	June 30, 2020 (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>450,000</u>	Property, plant and equipment	7 18,421,052	14,237,986
Share capital and reserves			Intangibles	8,741	11,279
Issued, Subscribed and Paid-up Capital	180,737	180,737	Long-term investments	8 37,630	33,431
18,073,732 ordinary shares of Rs. 10/- each			Long-term deposits	120,522	18,240
Reserves	9,000,076	7,000,732	Long-term advances	4,870	3,864
Unappropriated profits	9,254,313	8,678,901		18,592,815	14,304,800
	18,435,126	15,860,370			
Non-current liabilities			Current assets		
Long-term financing	10,728,999	5,422,907	Stores, spares and loose tools	928,513	692,603
Deferred liabilities	1,337,842	547,850	Stock-in-trade	12,708,971	10,104,798
	12,066,841	5,970,757	Trade debts	6,621,811	4,365,615
Current liabilities			Loans and advances	247,425	347,248
Trade and other payables	3,433,450	3,949,523	Trade deposits and short term prepayments	46,930	34,263
Unclaimed dividend	3,362	209,634	Other receivables	250,987	140,134
Interest / mark-up payable	146,732	108,828	Other financial assets	1,070,701	1,319,465
Short-term borrowings	9,408,701	6,743,684	Tax refundable	1,183,986	1,174,646
Current portion of long-term financing	905,329	140,364	Cash and bank balances	3,009,485	524,957
Current maturity of lease liability	30,476	3,896		26,068,809	18,703,729
Current portion of deferred government grant	96,116	21,473			
Taxation payable	135,491	-			
	14,159,657	11,177,402			
CONTINGENCIES AND COMMITMENTS					
6	44,661,624	33,008,529		44,661,624	33,008,529

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Nine months period ended		Three months period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- (Rupees in '000) -----					
Sales - net		36,585,901	29,909,293	14,240,804	9,890,026
Cost of goods sold	9	(31,729,800)	(26,570,375)	(11,930,778)	(9,019,478)
Gross profit		4,856,101	3,338,918	2,310,026	870,548
Other income	10	611,786	480,277	103,542	203,386
		5,467,887	3,819,195	2,413,568	1,073,934
Distribution cost		(710,543)	(608,866)	(292,797)	(195,251)
Administrative expenses		(436,403)	(529,335)	(133,749)	(156,532)
Other operating expenses		(243,668)	(235,277)	(102,981)	(133,702)
Finance cost		(660,980)	(402,277)	(244,914)	(138,486)
		(2,051,594)	(1,775,755)	(774,441)	(623,971)
Share of profit from Associate - net of tax		5,572	3,511	3,264	(15)
Profit before taxation		3,421,865	2,046,951	1,642,391	449,948
Taxation	11	(665,716)	(395,855)	(297,921)	(103,338)
Profit after taxation		2,756,149	1,651,096	1,344,470	346,610
Earnings per share - Basic and diluted		152.50	91.35	74.39	19.18

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
 CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended		Three months period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- (Rupees in '000) -----			
Profit after taxation	2,756,149	1,651,096	1,344,470	346,610
Other comprehensive income	-	31	-	-
Total comprehensive income for the period	2,756,149	1,651,127	1,344,470	346,610

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
 Chief Executive Officer



Sheikh Shafqat Masood
 Director



Zahid Mahmood
 Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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, 2019 (Audited)	180,737	10,920	11,512	691	6,977,568	8,362,963	15,544,391
Comprehensive Income							
Profit for the nine months period ended March 31, 2020	-	-	-	-	-	1,651,096	1,651,096
Other comprehensive income	-	-	-	31	-	-	31
Total comprehensive income	-	-	-	31	-	1,651,096	1,651,127
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
Balance at June 30, 2020 (Audited)	180,737	10,920	11,512	732	6,977,568	8,678,901	15,860,370
Comprehensive Income							
Profit for the nine months period ended March 31, 2021	-	-	-	-	-	2,756,149	2,756,149
Other comprehensive income	-	-	-	(656)	-	-	(656)
Total comprehensive income	-	-	-	(656)	-	2,756,149	2,755,493
Transfer from unappropriated profits to general reserves	-	-	-	-	2,000,000	(2,000,000)	-

Transaction with owners:

Interim cash dividend for the year ended June 30, 2020 @ Rs. 10/- per share

	-	-	-	-	-	(180,737)	(180,737)
Balance at March 31, 2021 (Un-Audited)	180,737	10,920	11,512	76	8,977,568	9,254,313	18,435,126

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Nine months period ended	
	March 31, 2021	March 31, 2020
----- (Rupees in '000) -----		
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,421,865	2,046,951
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	1,023,329	771,450
Amortization on intangibles	2,454	3,506
Provision for gratuity	113,753	142,893
Share of profit from Associate	(5,572)	(3,511)
Unrealized (gain) / loss on revaluation of foreign currency loans	(23,451)	1,991
Loss on revaluation of foreign currency debtors	38,344	6,159
Loss/ (Gain) on disposal of property, plant and equipment	16,812	(97,717)
Amortization of grant income	(19,062)	-
Gain on forward booking	(37,051)	(6,686)
Unrealized (gain) / loss on revaluation of other financial assets	(77,697)	108,350
Dividend income	(2,840)	(7,480)
Finance cost	660,980	402,277
Unrealized gain on revaluation of units of mutual funds	(7,707)	-
Discounting of provision of GIDC	(196,481)	-
Cash generated before working capital changes	4,907,676	3,368,183
Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(235,910)	(133,770)
Stock in trade	(2,604,173)	(1,491,679)
Trade debts	(1,995,170)	867,557
Loans and advances	(87,175)	(174,756)
Trade deposits and short-term prepayments	(20,266)	22,037
Long term deposits	(102,282)	(1,329)
Other receivables	(72,058)	(118,872)
	(5,117,034)	(1,030,812)
Increase / (decrease) in current liabilities		
Trade and other payables	(584,425)	829,823
Short Term Borrowings	3,979,787	(799,660)
Cash generated from operations	3,186,004	2,367,534
Income taxes paid	(178,382)	(361,015)
Finance cost paid	(648,748)	(464,347)
Gratuity paid	(109,952)	(171,180)
Net cash generated from / (used in) operating activities	2,248,922	1,370,992
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments made for acquisition of property, plant and equipment	(5,167,704)	(3,179,284)
Proceeds from disposal of property, plant and equipment	38,655	169,927
Proceeds from disposal of other financial assets	136,259	95,596
Payment made for investment in other financial assets	(100,000)	(1,231,651)
Dividend received	2,840	7,480
Net cash used in investing activities	(5,089,950)	(4,137,932)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long-term financing	6,941,449	1,939,571
Repayment of long-term financing	(978,311)	(254,722)
Increase in finance lease	59,559	-
Dividend paid	(437,010)	(721,772)
Net cash used in financing activities	5,585,687	963,077
Net increase in cash and cash equivalents (A+B+C)	2,744,660	(1,803,863)
Cash and cash equivalents at beginning of the period	(2,934,766)	(4,046,998)
Effect of exchange rate changes on cash & cash equivalents	641	722
Cash and cash equivalents at end of the period	(189,465)	(5,850,139)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,009,485	626,220
Short-term running finance	(3,198,950)	(6,474,368)
Effect of exchange rate changes on cash and cash equivalents	-	(1,991)
	(189,465)	(5,850,139)

The annexed explanatory notes from 1 to 15 form an integral part of these condensed interim financial statements.



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer

INDUS DYEING & MANUFACTURING COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 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.

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, 2020.

4.2 The financial risk management policies and objectives adopted by the Group are consistent with those disclosed in the Group's annual audited consolidated financial statements for the year ended June 30, 2020.

5. BASIS OF PREPARATION

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

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

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

5.3 These 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, 2020, whereas comparative consolidated condensed interim statement of profit and loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity presented in these consolidated condensed interim financial statements have been extracted from the unaudited consolidated condensed interim financial statement for the nine months period ended March 31, 2020.

	March 31, 2021 (Un-Audited)	June 30, 2020 (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	312,177	301,203
Bank guarantees against payment of infrastructure cess	682,695	499,542
Bank guarantees in favour of Government of Sindh	-	58,154
Bank guarantees in favour of Pakistan State Oil Company Limited	22,500	8,750
SBLC for Indus Wind Energy Limited	1,305,311	-
6.2 Commitments		
Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	8,053,014	3,776,370
Civil work contracts	429	31,512
Guarantee for Central Power Purchase Authority for completion of Wind Power Project	267,663	294,088
Processing fee for long term financing for Wind Power Project	-	110,118
Post dated cheques in favour of : Revenue Department - Government of Pakistan	-	1,254,173
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	13,824,013	13,240,246
Capital work in progress	4,597,039	997,740
	18,421,052	14,237,986
7.1 Operating fixed assets - owned		
Opening written down value	13,240,246	11,321,205
Additions during the period / year		
Owned assets		
Free hold land	-	88,474
Leasehold land	-	10,705
Factory building	189,880	483,534
Non factory building	4,012	-
Plant and machinery	1,003,609	2,272,117
Electric installations	33,449	21,221
Power generator	112,634	125,340
Office equipment	1,921	8754
Factory equipment	-	3,538
Furniture and fixtures	4,510	4,128
Vehicles	25,236	62,398
Computers	726	-
	1,375,977	3,080,209

Right-of-use assets	112,378	52,654
Written down value of property, plant and equipment disposed off	(24,257)	(102,929)

Depreciation charged during the period / year

- Owned assets	(864,938)	(1,107,383)
- Right-of-use assets	(15,393)	(3,510)
	(880,331)	(1,110,893)

Written down value at end of the period / year	13,824,013	13,240,246
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7.2 Capital work in progress

Opening balance	997,740	403,760
Additions during the period / year	4,578,089	3,343,363
Transfers during the period / year	(978,790)	(2,749,383)
Closing balance	4,597,039	997,740

8. LONG TERM INVESTMENTS	Note	March 31,	June 30,
		2021 (Un-Audited)	2020 (Audited)
		----- (Rupees in '000) -----	
Investment in an associate	8.1	<u>37,630</u>	<u>33,431</u>
8.1 Investment in associate			
Cost		1,716	1,716
Share of post acquisition profits:			
Opening		31,715	29,926
Dividend received		(1,373)	(3,757)
Share of profit from associate for the period		5,572	5,546
		<u>35,914</u>	<u>31,715</u>
		<u>37,630</u>	<u>33,431</u>
Number of shares held		68,654	68,654
Ownership interest		0.99%	0.99%
Market value (Rupees in '000)		23,273	22,952
Cost of investment (Rupees in '000)		1,716	1,716

9. COST OF GOODS SOLD	Note	(Un-Audited)			
		Nine months period ended		Three months period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- (Rupees in '000) -----			
Raw material consumed	9.1	23,798,442	18,660,282	8,715,601	5,802,068
Manufacturing expenses		7,631,343	7,014,922	2,637,505	2,396,724
Outside purchases		390,289	825,618	139,426	465,483
		<u>31,820,074</u>	<u>26,500,822</u>	<u>11,492,532</u>	<u>8,664,275</u>
Work in process					
Opening stock		915,662	845,787	1,265,376	1,079,447
Closing stock		(1,207,908)	(725,342)	(1,207,908)	(725,342)
		<u>(292,246)</u>	<u>120,445</u>	<u>57,468</u>	<u>354,105</u>
Cost of goods manufactured		<u>31,527,828</u>	<u>26,621,267</u>	<u>11,550,000</u>	<u>9,018,380</u>
Finished Goods					
Opening stock		1,617,725	1,341,417	1,796,531	1,393,407
Closing stock		(1,415,753)	(1,392,309)	(1,415,753)	(1,392,309)
		<u>201,972</u>	<u>(50,892)</u>	<u>380,778</u>	<u>1,098</u>
		<u>31,729,800</u>	<u>26,570,375</u>	<u>11,930,778</u>	<u>9,019,478</u>
9.1 Manufacturing expenses					
Salaries, wages and benefits		2,165,414	2,022,183	736,520	683,213
Fuel, water and power		2,430,624	2,404,724	811,211	851,137
Stores and spares consumed		1,158,389	999,710	445,467	340,019
Packing material consumed		673,042	580,373	218,361	210,735
Insurance		29,754	23,099	8,642	10,318
Repairs and maintenance		158,747	125,659	54,586	43,657
Rent, rate and taxes		4,036	4,180	1,665	2,766
Depreciation		936,174	770,110	326,356	210,427
Others		75,163	84,884	34,697	44,452
		<u>7,631,343</u>	<u>7,014,922</u>	<u>2,637,505</u>	<u>2,396,724</u>

10. OTHER INCOME

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

11. 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.

12. 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 -----	
		Nine months ended	
		March,31	March,31
		2021	2020
		----- (Rupees in '000) -----	
12.1	Transactions during the period		
	Relationship		
	Nature of transactions		
	Associate		
	Purchase of yarn	223,874	-
	Sale of Yarn	-	40,173
	Received yarn conversion cost	-	49,159
	Received yarn doubling cost	-	420
	Paid yarn doubling cost	8,130	622
	Paid yarn conversion cost	4,292	-
		March 31,	June 30,
		2021	2020
		(Un-Audited)	(Audited)
		----- (Rupees in '000) -----	
12.2	Balances with related parties		
	Associate - payable	459	3,135
	Associate - receivable	-	12
	Balances with other related parties due to common directorship		
	- Receivable from Indus Heartland Limited	-	6
	- Payable to Indus Heartland Limited	282	746
	Payable to:		
	- Riaz Cotton Factory	-	1,917

13. 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, 2021 (Un-Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	1,070,701	-	-	1,070,701	1,070,701	-	-	1,070,701
Financial assets not measured at fair value	13.1							
Long-term deposits	-	-	120,522	120,522				
Trade debts	-	-	6,621,811	6,621,811				
Loans to Staff	-	-	40,796	40,796				
Trade deposits	-	-	46,930	46,930				
Other receivables	-	-	250,987	250,987				
Bank balances	-	-	3,009,485	3,009,485				
	-	-	8,195,812	8,195,812				
Financial liabilities not measured at fair value	13.1							
Long-term financing	-	-	11,634,328	9,528,720				
Trade and other payables	-	-	3,433,450	3,542,872				
Short-term borrowings	-	-	9,408,701	8,399,504				
Interest / mark-up payable	-	-	146,732	121,891				
	-	-	21,592,988	21,592,988				

	Carrying Amount				Fair Value			
	Fair value through profit and loss	Fair Value through OCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
----- As at June 30, 2020 (Audited) -----								
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Other financial assets	156,644	-	1,162,821	1,319,465	156,644	-	-	156,644
Financial assets not measured at fair value	13.1							
Long-term deposits	-	-	18,240	18,240				
Trade debts	-	-	4,365,615	4,365,615				
Loans to staff	-	-	41,432	41,432				
Other receivables	-	-	87,024	87,024				
Bank balances	-	-	524,957	524,957				
	-	-	5,037,268	5,037,268				
Financial liabilities not measured at fair value	13.1							
Long-term financing	-	-	5,563,271	5,563,271				
Trade and other payables	-	-	3,240,185	3,240,185				
Unclaimed dividend	-	-	209,634	209,634				
Short-term borrowings	-	-	6,743,684	6,743,684				
Interest / mark-up payable	-	-	108,828	108,828				
	-	-	15,865,602	15,865,602				

13.1 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.

14 **DATE OF AUTHORISATION FOR ISSUE**

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

15. **GENERAL**

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

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



Mian Shahzad Ahmed
Chief Executive Officer



Sheikh Shafqat Masood
Director



Zahid Mahmood
Chief Financial Officer



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COMPANY LIMITED

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