Key Operating and Financial Results.

	2012	2013
Operating data		
Turnover	15,583,895	20,375,904
Less : Commission expense	(198,399)	(353,707)
Sales (net)	15,385,496	20,022,197
Gross profit	2,252,618	3,642,082
Profit before tax	1,789,888	2,509,460
Profit after tax	1,571,477	2,533,811
Financial data		
Gross assets employed	10,938,552	12,698,532
Return on equity	21.28%	28.35%
Current assets	4,311,122	5,826,529
Shareholders equity	7,384,527	8,936,904
Long term debts and deferred liabilities	1,187,985	808,605
Current liabilities	2,366,040	2,950,413
Key ratios		
Gross profit ratio	14.64%	18.19%
Net profit ratio	10.21%	12.66%
Debt / equity ratio	07 : 93	12 : 88
Current ratio	1.82	1.97
Earning per share (basic and diluted)	86.95	140.19
Dividend (percentage)		
- Cash	350%	100% Int
- Stock	-	-
- Specie dividend	-	100 : 09
Statistics		
Production volume (tons)	42,057	52,894

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Indus Dyeing & Manufacturing Company Limited (the Holding Company) and its subsidiary company (together the Group) as at June 30, 2013 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding Company and the subsidiary company. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards of Auditing and accordingly included such tests of accounting records and such other audit procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Group as at June 30, 2013 and the results of their operations for the year then ended.

Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Date: October 04, 2013
Place: Karachi

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2013

	Note	2013	2012
		Rupees in '000	
SHARE CAPITAL AND RESERVES			
Authorised			
45,000,000 Ordinary shares of Rs. 10 each		450,000	450,000
Issued, subscribed and paid up	6	180,737	180,737
Reserves	7	5,022,432	5,022,432
Unappropriated profit		3,733,735	2,181,358
		8,936,904	7,384,527
SHARE OF ASSOCIATE'S SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax		2,610	-
NON CURRENT LIABILITIES			
Long-term financing	8	690,369	890,712
Liabilities against assets subject to finance lease	9	-	2,231
Deferred liabilities	10	118,236	295,042
		808,605	1,187,985
CURRENT LIABILITIES			
Trade and other payables	11	838,134	551,327
Interest / mark-up payable	12	31,200	34,589
Short-term borrowings	13	1,847,512	1,644,821
Current portion of:			
long-term financing	8	231,345	130,666
liabilities against assets subject to finance lease	9	2,222	4,637
		2,950,413	2,366,040
CONTINGENCIES AND COMMITMENTS	14		
		12,698,532	10,938,552

	Note	2013	2012
		Rupees in '000	
NON CURRENT ASSETS			
Property, plant and equipment	15	5,470,659	4,906,574
Long-term investments	16	1,396,305	1,716,263
Long-term deposits	17	5,039	4,593
		6,872,003	6,627,430
CURRENT ASSETS			
Stores, spares and loose tools	18	231,354	185,548
Stock-in-trade	19	4,027,035	2,903,226
Trade debts	20	1,129,122	834,427
Loans and advances	21	114,251	85,453
Trade deposits and short-term prepayments	22	7,784	2,363
Other receivables	23	26,364	13,078
Other financial assets	24	13,464	12,437
Tax refundable	25	132,916	114,500
Cash and bank balances	26	144,239	160,090
		5,826,529	4,311,122
		12,698,532	10,938,552

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
		Rupees in '000	
Sales	27	**20,022,197**	15,385,496
Cost of goods sold	28	**(16,402,510)**	(13,132,878)
Gross profit		**3,619,687**	2,252,618
Other income	29	**22,395**	30,248
Gain from bargain purchase	5	**-**	182,115
		3,642,082	2,464,981
Distribution cost	30	**(430,696)**	(323,611)
Administrative expenses	31	**(211,227)**	(152,206)
Other operating expenses	32	**(281,043)**	(152,728)
Finance cost	33	**(343,136)**	(253,415)
		(1,266,102)	(881,960)
		2,375,980	1,583,021
Share of profit from joint venture - net of tax	16.1	**61,469**	98,138
Share of profit from associate - net of tax	16.2	**74,109**	108,729
Loss on investment in associate distributed to owners as specie dividend	16.2.3	**(2,098)**	-
		133,480	206,867
Profit before taxation		**2,509,460**	1,789,888
Taxation	34	**24,351**	(218,411)
Profit for the year		**2,533,811**	1,571,477
Earnings per share - basic and diluted	35	**140.19**	86.95

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer **Director**

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	Rupees in '000	
Profit for the year	**2,533,811**	1,571,477
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**2,533,811**	1,571,477

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2013

		Reserves				
		Capital		Revenue		
	Issued, subscribed and paid up capital	Share premium	Merger reserve	General reserve	Unappropriated profit	Total
	Rupees in '000'					
Balance at June 30, 2011	**180,737**	**10,920**	**11,512**	**4,000,000**	**2,060,377**	**6,263,546**
Comprehensive income;						
Profit for the year	-	-	-	-	1,571,477	1,571,477
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	1,571,477	1,571,477
Associate's share of surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	1,347	1,347
Transactions with owners;						
Final cash dividend for the year ended June 30, 2011 @ Rs. 10 per share	-	-	-	-	(180,737)	(180,737)
Interim cash dividend for the period ended September 30, 2011 @ Rs. 5 per share	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended March 31, 2012 @ Rs. 10 per share		-	-	-	(180,737)	(180,737)
Transfer to general reserve	-	-	-	1,000,000	(1,000,000)	-
Balance at June 30, 2012	**180,737**	**10,920**	**11,512**	**5,000,000**	**2,181,358**	**7,384,527**
Comprehensive income;						
Profit for the year	-	-	-	-	2,533,811	2,533,811
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,533,811	2,533,811
Associate's share of surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	1,469	1,469
Transactions with owners:						
Final cash dividend for the year ended June 30, 2012 @ Rs. 20 per share	-	-	-	-	(361,475)	(361,475)
Interim dividend in specie for the period ended December 31, 2012 in 100:09 ratio (note 16.2)	-	-	-	-	(439,191)	(439,191)
Interim cash dividend for the period ended March 31, 2013 @ Rs. 10 per share	-	-	-	-	(180,737)	(180,737)
Cost of issue of shares	-	-	-	-	(1,500)	(1,500)
Balance at June 30, 2013	**180,737**	**10,920**	**11,512**	**5,000,000**	**3,733,735**	**8,936,904**

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

INDUS DYEING & MANUFACTURING COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013	2012
		Rupees in '000	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	2,045,800	1,480,781
Income taxes paid - net		(237,481)	(249,381)
Finance cost paid		(346,525)	(245,194)
Gratuity paid		(21,458)	(24,416)
Net cash generated from operating activities		1,440,336	961,790
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary - net of cash and running finance acquired		-	(489,833)
Payment for purchase of items of property, plant and equipment		(1,064,420)	(1,766,955)
Proceeds from disposal of items of property, plant and equipment		11,437	16,280
Purchase of other financial assets		-	(1,543,390)
Proceeds from disposal of other financial assets		2,000	1,560,044
Payment for long-term deposits		(446)	(316)
Dividend received		19,440	6,256
Net cash used in investing activities		(1,031,989)	(2,217,914)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained		78,000	1,134,048
Repayment of long-term finance		(177,664)	(511,666)
Loans from directors - net		4,026	(48)
Repayment of liabilities against assets subject to finance lease		(4,646)	(24,986)
Cost of issue of shares		(1,500)	-
Dividend paid		(521,079)	(423,951)
Net cash (used in) / generated from financing activities		(622,863)	173,397
Net decrease in cash and cash equivalents (A+B+C)		(214,516)	(1,082,727)
Cash and cash equivalents at beginning of the year		(1,479,267)	(396,540)
Cash and cash equivalents at end of the year	37	(1,693,783)	(1,479,267)

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of Indus Dyeing & Manufacturing Company Limited (the Holding Company), Subsidiary, Associate and Joint Venture.

1.1.1 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 repealed by the Companies Ordinance, 1984. 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 Karachi 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 Muzaffergarh. The Holding Company is also operating two ginning units including one on leasing arrangements in District Multan.

1.1.2 Subsidiary Company

Indus Lyallpur Limited (the Subsidiary Company) is an unlisted public company limited by shares, incorporated in Pakistan on April 25, 1992 under the Companies Ordinance, 1984. Principal business of the Subsidiary Company is manufacturing and sale of yarn. Mill is located at 38th kilometer, Shaikhupura road, District Faisalabad in the province of Punjab. Registered office of the Subsidiary Company is situated at Office No. 508, 5th, floor, Beaumont Plaza, Civil Lines, Karachi. The Holding Company acquired 71,540,000 ordinary shares of the Subsidiary Company @ 6.85 per share aggregating to Rs. 490 million, making it a wholly owned subsidiary of the Holding Company through execution of an agreement for purchase of shares. The effective date of acquisition was January 31, 2012.

1.1.3 Associated Company and Joint Venture

The Holding Company has the following investments in associate and joint venture:

Entity	Nature of business	Country of incorporation	Holding percentage 2013	2012
Sunrays Textile Mills Limited (Associate)-Due to common directorship	Manufacturing and sale of yarn	Pakistan	0.99%	24.57%
Indus Home Limited (Joint Venture)	Manufacturing and sale of Textile products	Pakistan	49.99%	49.99%

1.2 Basis of Consolidation

- The consolidated financial statements include the financial statements of the Holding Company and its subsidiary company together - "the Group".
- Subsidiary company are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.
- The financial statements of the subsidiary is prepared for the same reporting year as of the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary company have been consolidated on a line by line basis.
- Material intra-group balances and transactions have been eliminated.
- Non-Controlling Interest in equity of the subsidiary company is measured at fair value as of the acquisition date of the subsidiary i.e. January 31, 2012.

1.3 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Holding Company, liabilities incurred by the Holding Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit and loss account as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit and loss.
as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at fair value at the date of the acquisition.

2. STATEMENT OF COMPLIANCE

2.1 These consolidated financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention as modified by:

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

2.3 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2013;

The following standard was effective for the year ended June 30, 2013. The standard is either not relevant to the Group's operations or is not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures:

Amendments to IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income	Effective from accounting period beginning on or after July 01, 2012

2.4 New accounting standards and IFRS interpretations that are not yet effective;

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures:

Amendments to IAS 1 - Presentation of Financial Statements – Clarification of requirements for comparative information	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 36 - Impairment of Assets - Recoverable amount disclosures for non-financial assets	Effective from accounting period beginning on or after January 01, 2014
Amendments to IAS 39 - Financial instruments: Recognition and measurement - Novation of Derivatives and continuation of Hedge Accounting	Effective from accounting period beginning on or after January 01, 2014
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	Effective from accounting period beginning on or after January 01, 2013
IFRIC 21 - Levies 'an interpretation on the accounting for levies imposed by governments'	Effective from accounting period beginning on or after January 01, 2014

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

The potential impact of standards, amendments and interpretations not yet effective on these consolidated financial statements on the Group is as follows:

IAS 19 Employee Benefits (Revised 2011) is effective for annual period beginning on or after January 1, 2013. The amendments eliminate the corridor approach and therefore require an entity to recognize changes in defined benefit plans obligations and plan assets when they occur. All actuarial gains or losses arising during the year are recognized immediately through other comprehensive income. Management anticipates that the amendments will be adopted in the Group's consolidated financial statements for annual period beginning on or after January 01, 2013 and the application of amendments will be that instead of recognising actuarial gains or losses amounting to Rs. 13.92 million (June 30, 2012: Rs. Nil) into profit and loss account, all actuarial gains or losses will be recognised into other comprehensive income.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan, requires management to make estimates, assumptions and use of judgement that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

Estimates and judgments, if any, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for current tax and deferred tax (Note 10.1 and 34)
- Provision for staff retirement (Note 10.2 and 10.3)
- Useful lives and depreciation rates of property, plant and equipment (Note 15.1)
- Classification and impairment of investment (Note 16 and 24)
- Net realisable value of stock-in-trade (Note 19)
- Provision for impairment of trade debts and other receivables (Note 20.4)

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

4.1 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available if any. For income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred income tax is recognised using balance sheet liability method for all major temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that tax profits and taxable temporary differences will be available against which deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits and taxable temporary differences will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the liability is settled or the asset realized. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. The effect of deferred taxation of the portion of the income subject to final tax regime is also considered in accordance with the requirement of Technical Release - 27 of Institute of Chartered Accountants of Pakistan.

4.2 Staff retirement benefit

4.2.1 Defined benefit plan

The Holding Company

The Holding Company operates an unfunded gratuity scheme for all confirmed employees who have completed the minimum qualifying period of service. Provisions are made to cover the obligations under the schemes on the basis of actuarial assumptions and are charged to profit and loss account. The most recent valuation was carried out in 2013 using the 'Project Unit Credit Method'. The amount recognized in the balance sheet represents the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses. All actuarial gains and losses are recognised in profit and loss account when they arise. Details of the scheme are given in note 10.2 to these consolidated financial statements.

The Subsidiary

The Subsidiary operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period of service as defined in the scheme. Charge was made to cover the obligations under the scheme on the basis of valuation by management and are taken to the profit and loss account.

4.2.2 Compensated absences

The Group provides for compensated absences of its employees on unavailed balance of leaves in the period in which the leaves are earned.

4.3 **Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Group or not.

4.4 **Property, plant and equipment**

4.4.1 **Owned**

Property, plant and equipment owned by the Group are stated at cost less accumulated depreciation and impairment loss if any, except freehold and leasehold land. Depreciation is charged to income using the reducing balance method whereby cost of an asset is written-off over its estimated useful life at the rates given in note 15.1 .

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in the profit and loss account in the year the asset is derecognised.

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and upto the month preceding the disposal respectively.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income during the year in which they are incurred.

Gains and losses on disposal of assets, if any, are recognized as and when incurred.

Depreciation methods, useful lives and residual values are reviewed periodically and adjusted, if appropriate, at each balance sheet date.

4.4.2 **Capital work-in-progress**

Capital work-in-progress (CWIP) is stated at cost. All expenditures connected to the specific assets incurred during the installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are ready for their intended use.

4.4.3 **Assets subject to finance lease**

Assets subject to finance lease are depreciated over their expected useful lives on the same basis as owned assets, or, where shorter, over the term of the relevant lease.

4.5 **Impairment**

4.5.1 **Financial assets**

The Group assesses at each reporting date whether there is an indication that an asset or a group of asset is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discontinued to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the assets. In determining fair value less cost to sell, an appropriate valuation model is used.
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that los:

4.5.2 **Non-financial assets**

The Group assesses at each balance sheet date whether there is any indication that assets except deferred tax assets and inventories may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.6 **Leases**

As lessee

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as liabilities against assets subject to finance lease. The liabilities are classified as current and long-term depending upon the timing of payment. Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to income, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs.

4.7 Stores, spares and loose tools

These are valued at lower of cost and net realizable value, determined on moving average cost method less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other charges incurred thereon. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

4.8 Stock in trade

Stock in trade, except in transit which is valued at cost accumulated to the balance sheet date, is valued at lower of cost and net realizable value applying the following basis:

	Basis of valuation
Raw material	Weighted average cost
Work in progress	Weighted average cost of material and share of applicable overheads
Finished goods	Weighted average cost of material and share of applicable overheads
Packing material	Moving average cost
Waste	Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

4.9 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of indicators as discussed in note 4.5.2. Balances considered bad and irrecoverable are written off when identified.

4.10 Investments

4.10.1 Regular way purchase or sale of investments

All purchases and sales of investments are recognised using settlement date accounting. Settlement date is the date that the investments are delivered to or by the Group.

4.10.2 Subsidiary

Investment in subsidiary is stated at cost less accumulated impairment losses, if any. A reversal of impairment loss on subsidiary is recognized as it arises provided the increased carrying value does not exceed cost. Gain or loss on sale of investment in subsidiary is included in profit and loss account for the year.

4.10.3 Investment in associate

Associate is an entity over which the Holding Company has significant influence, but not control, generally accompanying a shareholding of 20% to 50% of the voting rights or common directorship.

Such investments are accounted for using equity method of accounting and initially are recognized at cost and subsequently adjusted to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses exceeds its interest, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

4.10.4 Investment in joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

The Holding Company has investment in a joint venture which is a jointly controlled entity. The Group recognises its interest in the joint venture using equity method of accounting and initially are recognised at cost and subsequently adjusted to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Group's shares of losses exceeds its interest, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments.

4.10.5 Financial assets at fair value through profit or loss

An investment that is acquired principally for the purpose of generating profit from short-term fluctuations in prices is classified as "fair value through profit or loss - held-for-trading".

Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the 'income statement'.

Subsequent to initial recognition, equity securities designated by the management as 'at fair value through profit or loss' are valued on the basis of closing quoted market prices available at the stock exchange.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss' are taken to the 'income statement'.

4.10.6 Derivative Financial instruments

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. Derivatives with positive impact at balance sheet date are included in 'other financial assets' and with negative impacts in 'trade and other payable' in the balance sheet. The resultant gains and losses are included in other income.

Derivatives financial instruments entered into by the Group do not meet the hedging criteria as defined by IAS 39, Financial Instruments: 'Recognition and Measurement'. Consequently hedge accounting is not used by the Group.

4.11 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit and loss account in the period in which they are incurred.

4.12 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency. Transactions in other than Pakistani Rupee are translated into reporting currency at the rates of exchange prevailing on the date of transactions except for those covered by forward contracts, which are translated at contracted rates. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except for those covered by forward contracts, which are stated at contracted rates.

Gains and losses arising on retranslation are included in profit or loss account.

4.13 Provisions

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.14 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Sales are recorded when the significant risk and rewards of ownership of the goods have passed to the customers which concide with the dispatch of goods to the customers.
- Income on bank deposits are recorded on time proportionate basis using effective interest rate.
- Dividend income is recognised when the right to receive the dividend is established.

4.15 Financial instruments

All financial assets and liabilities are recognized at the time when the Group becomes party to the contractual provisions of the instrument and derecognised when the Group loses control of the contractual rights that comprise of the financial assets and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Other particular recognition methods adopted by the Group are disclosed in the individual policy statements associated with each item of financial instruments.

4.16 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and net amount is reported in the balance sheet if the Group has a legal right to offset the recognized amounts and also intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

4.17 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise cash, balances with banks on current and deposit accounts and short-term borrowings excluding loans from directors and their spouses.

4.18 Dividend distribution

4.18.1 Cash dividend

Dividend distribution to the Group's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Group's shareholders/directors as appropriate.

4.18.2 Specie Dividend

Distribution of specie dividend to the Group's shareholders is recognised as a liability in these consolidated financial statements in the period in which the dividends are approved by the Group's shareholders/ directors at the fair value of the assets to be distributed. At the end of the reporting period, the management reviews and adjusts the carrying value of the dividend payable, with any changes in carrying amount to be recognised in equity. When the Group settles the liability, any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognised in profit and loss account.

5. SUBSIDIARY ACQUISITION

On January 31, 2012, the Holding Company acquired 100% controlling interest in the subsidiary as disclosed in note 1.1.2. The fair value of the identifiable assets and liabilities of the subsidiary as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Fair value recognized on acquisition	Previous carrying value
	----- Rupees in '000 -----	
Property, plant and equipment	717,913	557,272
Other assets	74,540	74,540
Trade debts	2,592	2,592
Advances, deposits, prepayments and other receivables	25,066	25,066
Cash and bank balances	167	167
	820,278	659,637
Short term borrowings	88,977	88,977
Trade and other payables	57,844	57,844
Interest / mark-up accrued	1,342	1,342
	148,163	148,163
Net assets	672,115	511,474
Non-controlling interest	-	
Total net assets acquired	672,115	
Gain from bargain purchase	(182,115)	
Total consideration	490,000	
Cost of business combination:		
Cash paid		490,000
Cash outflow on acquisition:		
Net cash acquired with subsidiary		167
Cash paid		(490,000)
Net cash outflow		(489,833)

5.1 The subsidiary company was closed since November 2011 and was incurring heavy losses. The Subsidiary Company incurred gross loss of Rs. 182.126 million and net loss of Rs. 174.908 million for period ended January 31, 2012 and accumulated loss as at that date was Rs. 249 million. In view of these the ex-sponsors of the Subsidiary Company was under heavy pressure and offered the project at lower price. Management of the Holding Company was of the view that, it was the best time to buy and the price was low considering the market value of the assets and decided to acquire it. As mentioned above the Holding Company made a bargain purchase gain of Rs. 182.1 million which arised mainly due to revaluation of property plant and equipment.

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2013	2012		Note	2013	2012
No. of shares				Rupees in '000	
9,637,116	9,637,116	Ordinary shares of Rs.10/- each fully paid in cash		**96,371**	96,371
		Other than cash:			
5,282,097	5,282,097	Issued to the shareholders of YTML	6.1	**52,821**	52,821
3,154,519	3,154,519	Issued as bonus shares		**31,545**	31,545
18,073,732	18,073,732			**180,737**	180,737

6.1 Issued in pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with the share-swap ratio.

6.2 There is no movement in issued, subscribed and paid-up capital during the year.

6.3 The Holding Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

6.4 The Holding Company has no reserved shares for issuance under options and sales contracts.

	Note	2013	2012
		Rupees in '000	
7. RESERVES			
Capital			
Share premium	7.1	**10,920**	10,920
Merger reserve	7.2	**11,512**	11,512
		22,432	22,432
Revenue			
General reserve	7.3	**5,000,000**	5,000,000
		5,022,432	5,022,432

7.1 Share premium received in year 2001 in respect of the issue of 3,639,960 right shares at a premium of Rs. 3/- per share.

7.2 Merger reserve represents excess of (a) assets of YTML over its liabilities merged with the Holding Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation. (Refer note 6.1)

7.3 This is general reserve which has been created out of profits of the Group and there is no specific purpose of it.

	N(	2013	2012
		Rupees in '000	
8. LONG-TERM FINANCING			
Secured			
From banking companies	8.1 & 8.2	**921,714**	1,021,378
Less: Payable within one year		**(231,345)**	(130,666)
		690,369	890,712

8.1 The particulars of above long-term loans are as follows:

	2013			
Type and nature of loan	**Amount outstanding**	**Limit**	**Mark up rate per annum**	**Terms of repayments**

	---------- Rupees in '000 ----------			
Demand finance loans	**4,374**	**120,000**	**6 month KIBOR + 1.25%**	**Half yearly**
Fixed assets finances	**772**	**2,058**	**6 month KIBOR + 1.25%**	**Half yearly**
Term finances	**815,859**	**1,460,000**	**3 month KIBOR + 1% to 3 month KIBOR + 1.25%**	**Quarterly and half yearly**
Long term financing - Export oriented projects	**43,211**	**120,000**	**6% to 9.7%**	**Quarterly and half yearly**
Musharikah agreement	**57,498**	**300,000**	**3 month KIBOR + 1%**	**Quarterly**
	921,714	**2,002,058**		

Type and nature of loan	**2012**			
	Amount outstanding	**Limit**	**Mark up rate per annum**	**Terms of repayments**
	---------- Rupees in '000 ----------			
Demand finance loans	7,291	308,099	6 month KIBOR + 1.25%	Quarterly and half yearly
Fixed assets finances	1,286	2,058	6 month KIBOR + 2%	Half yearly
Term finances	933,266	2,731,518	3 month KIBOR + 1% to 3 month KIBOR + 1.25%	Quarterly and half yearly
Long Term Financing - Export Oriented Projects	77,089	136,257	6% to 9.7%	Quarterly and half yearly
Musharakah Agreement	2,446	7,138	3 month KIBOR + 1%	Quarterly
	1,021,378	3,185,070		

8.2 These finances are secured by charge over property, plant and equipment and land and buildings of the Group.

8.3 The aggregate un-availed facilities amounted to Rs. 670.66 million (2012 : 748.65 million)

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The future minimum lease payments to which the Group is committed as at the balance sheet date are as follows:

	2013		**2012**	
	Minimum lease payments	**Present value**	**Minimum lease payments**	**Present value**
	Rupees in '000		**Rupees in '000**	
Within one year	**2,231**	**2,222**	5,172	4,637
After one year but not more than five years	**-**	**-**	2,272	2,231
Total minimum lease payments	**2,231**	**2,222**	7,444	6,868
Less: Amount representing finance charges	**(9)**	**-**	(576)	-
Present value of minimum lease payments	**2,222**	**2,222**	6,868	6,868
Less: Current portion	**(2,222)**	**(2,222)**	(4,637)	(4,637)
	-	**-**	**2,231**	**2,231**

9.1 These represents finance lease arrangements entered into with financial institution for generator. Remaining lease rentals for generator are payable in equal quarterly installments up to August 2013. Interest rate for lease of generator is 3 month KIBOR + 0.8% (2012: 3 month KIBOR + 0.8% to 3 month KIBOR + 1.6%) per annum which has been used as discounting factor. The Group intends to exercise the option to purchase the leased asset upon completion of the lease period. Liabilities are secured against demand promissory notes and security deposits.

	Note	2013	2012
		Rupees in '000	
10. DEFERRED LIABILITIES			
Deferred taxation	10.1	-	162,414
Staff retirement gratuity:			
- the Holding Company	10.2	**112,239**	84,869
- the Subsidiary	10.3	**5,997**	-
Infrastructure cess		-	47,759
		118,236	295,042

10.1 As the Holding Company's export sales were more than 80%, management opted for the Income Tax Circular No. 20 of 1992, according to which local sales of goods (manufactured for goods) as well as waste material, not constituting more than 20% of such production, may also be treated as export sales if the assesse opts to pay tax on such sales at the rate applicable to export sales. As a result, management recognized the provision for taxation for local sale at rate applicable to export sales. Therefore, no deferred tax has been recognised as significant portion of income of the Holding Company falls under the Final Tax Regime.

10.1.1 The Subsidiary has a deferred tax asset amonting to Rs. 11.624 million which is not recognized in the books as management is not certain that when the deferred tax asset would be recovered.

10.1.2 Movement of deferred tax

	June 30, 2011	Recognized in		June 30, 2012	Recognized in		June 30, 2013
		Profit and loss account	Equity		Profit and loss account	Equity	
	----------------------------	Rupees in '000	--------------------------------				
Deferred tax liabilities arising in respect of:							
Accelerated tax depreciation allowances	175,278	(13,737)	-	161,541	**(161,541)**	-	-
Leased assets	4,141	(3,178)	-	963	**(963)**	-	-
Share of profit	-	7,641	-	7,641	**(7,641)**	-	-
	179,419	(9,274)	-	170,145	**(170,145)**	-	-
Less: deferred tax assets arising in respect of:							
Provision for staff retirement gratuity	(9,110)	2,859	-	(6,251)	**6,251**	-	-
Liabilities against assets subject to finance lease	(3,656)	3,150	-	(506)	**506**	-	-
Unrealised exchange loss	(189)	189	-	-	-	-	-
Fair value loss on other financial assets	(27)	(616)	-	(643)	**643**	-	-
Provision for doubtful debts	(400)	143	-	(257)	**257**	-	-
Provision for slow moving and obsolete stores, spares and loose tools	(115)	41	-	(74)	**74**	-	-
	(13,497)	5,766	-	(7,731)	**7,731**	-	-
	165,922	(3,508)	-	162,414	**(162,414)**	-	-

10.2 Staff retirement gratuity - the Holding Company

	2013	2012
	Rupees in '000	
(a) Movement in liability		
Opening balance	**84,869**	79,385
Charge for the year	**48,639**	29,900
Paid during the year	**(21,269)**	(24,416)
	112,239	84,869
(b) Reconciliation		
Present value of defined benefit obligation	**112,239**	84,689
Unrecognized actuarial loss	**-**	-
Unrecognized past service cost	**-**	-
	112,239	84,689
(c) Charge for the year		
Current service cost	**22,834**	18,786
Interest cost	**11,882**	11,114
Actuarial loss recognised	**13,923**	-
	48,639	29,900
(d) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	**84,869**	79,385
Current service cost	**22,834**	18,786
Interest cost	**11,882**	11,114
Benefits paid	**(21,269)**	(24,416)
Actuarial loss recognised	**13,923**	-
	112,239	84,869

The principal assumptions used in the valuation of gratuity are as follows:

	2013	2012
Discount rate	**10.50%**	14%
Expected rate of salary increase	**9.50%**	13%
Average expected remaining working life of employees	**6 years**	6 years

Amounts for the current and previous four years are as follows:

	2013	2012	2011	2010	2009
	Rupees in '000				
Present value of the defined benefit obligation	**112,239**	84,869	79,385	73,877	69,694
Experience adjustments on obligation					
Actuarial loss	**13,923**	-	545	-	10,809

10.3 Staff retirement gratuity - the Subsidiary

Movements in the net liability is as follows:

	Note	2013	2012
		Rupees in '000	
Opening balance		**-**	9,841
Charge for the year		**6,186**	2,065
		6,186	11,906
Paid during the year		**(189)**	(11,906)
		5,997	-

11. TRADE AND OTHER PAYABLES

Creditors		**135,389**	65,382
Accrued liabilities	11.1	**301,761**	266,950
Infrastructure cess	11.2	**143,891**	64,889
Workers' Profit Participation Fund	11.3	**133,317**	73,398
Advance from customers		**14,801**	8,114
Unclaimed dividend / Dividend payable		**54,130**	32,997
Withholding tax payable		**1,962**	1,049
Unrealised loss on derivative financial instruments		**441**	8,731
Others	11.4	**52,442**	29,817
		838,134	551,327

11.1 This includes Rs. 2.27 million (2012: Rs. Nil) due to related parties.

11.2 It represents infrastructure cess payable to Excise and Taxation Officer (ETO) in respect of imported goods under the Sindh Finance Ordinance 2001. In the year 2010-11, the High Court of Sindh has passed an interim order to return the bank guarantees in respect of infrastructure cess payable on goods imported before December 28, 2006. Further the Honorable Court has also ordered to pay off 50% of the infrastructure cess payable on goods imported on and after December 28, 2006 and to submit bank guarantees for balance 50%. However, the Company has not reversed the provision in respect of the infrastructure cess pertaining to period before December 28, 2006 amounting to Rs. 47.76 million (2012 : 47.76 million), considering the possible future legal action.

	Note	2013	2012
		Rupees in '000	
11.3 Workers' Profit Participation Fund			
Balance at beginning of the year		**73,398**	114,152
Allocation for the year		**133,317**	73,398
Interest charged during the year on the funds utilized by the Group	33	**5,648**	9,320
		212,363	196,870
Payments made during the year		**(79,046)**	(123,472)
Balance at end of the year		**133,317**	73,398

11.4 This includes Rs. Nil (2012: Rs. 12.68 million) due to associated undertakings.

12. INTEREST / MARK-UP PAYABLE

	2013	2012
	Rupees in '000	
On secured loans from banking companies		
- Long-term financing	**19,180**	19,349
- Short-term borrowings	**12,020**	15,240
	31,200	34,589

13. SHORT-TERM BORROWINGS

	Note	2013	2012
		Rupees in '000	
From banking companies - secured			
Running finance / Cash finance arrangements	13.1	**1,001,568**	816,469
Finance against export	13.2	**836,454**	695,481
Musharika finance		**-**	127,407
	13.3	**1,838,022**	1,639,357
From related parties - unsecured			
Directors and their spouses	13.4	**9,490**	5,464
		1,847,512	1,644,821

13.1 These are subject to mark-up ranging from 1 month KIBOR + 0.5% to 3 month KIBOR + 1% (2012: 1 month KIBOR + 1% to 3 month KIBOR + 1%). These are secured against charge over current assets with 5%-25% margin and corporate guarentee of the Holding Company.

13.2 These are subject to mark-up at rate of 1 month LIBOR + 0.5% to 1 month LIBOR + 1.1% (2012: 1 month LIBOR + 2% to 1 month LIBOR + 2.25%). These arrangements are secured against charge over current assets of the Holding Company and subsidiarycompany and corporate guarantee of the Holding Company.

13.3 The Group has aggregate short-term borrowing facilities amounting to Rs. 9,074 million (2012: Rs. 6,865 million) from various commercial banks. These are secured against current assets with 5%-25% margin and corporate guarantee of the Holding Company.

13.4 These are interest free and are payable within one year.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

		2013	2012
		Rupees in '000	
14.1.1	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
14.1.2	Guarantees issued by banks on behalf of the Group	49,820	29,778
14.1.3	Guarantees issued bv banks in favour of gas distribution companies	37,586	18,280
14.1.4	Bank guarantees against payment of infrastructure cess	103,042	68,042
14.1.5	Bills discounted	1,575,897	735,849

14.2 Commitments

	2013	2012
Letters of credit against property, pland and equipment, stores and spares and raw cotton purchases	1,635,209	1,668,445
Civil work contracts	176,350	17,532
Foreign currency forward contracts	99,660	385,900

15. PROPERTY, PLANT AND EQUIPMENT

	Note	2013	2012
		Rupees in '000	
Operating fixed assets	15.1	5,371,700	4,632,079
Capital work-in-progress	15.3	98,959	274,495
		5,470,659	4,906,574

15.1 Operating fixed assets

Particulars	Cost at July 1, 2012	Additions/ (disposal) during the year	Cost at June 30, 2013	Accumulated depreciation at July 1, 2012	Depreciation/ (adjustment) for the year	Accumulated depreciation at June 30, 2013	Carrying value at June 30, 2013	Dep. Rate
	<	----------	----------	Rupees in '000'	----------	----------	>	%
Owned								
Freehold land	85,001	-	85,001	-	-	-	85,001	-
Leasehold land	49,371	-	49,371	-	-	-	49,371	-
Factory buildings	984,549	142,994	1,127,543	278,834	39,137	317,971	809,572	5
Non-factory buildings	106,874	10,214	117,088	66,991	4,329	71,320	45,768	10
Office building	32,001	18,686	50,687	533	2,041	2,574	48,113	5
Plant and machinery	5,801,990	959,871 (64,955)	6,696,906	2,421,283	396,492 (56,912)	2,760,863	3,936,043	10
Electric installations	116,393	232	116,625	59,850	5,655	65,505	51,120	10
Power generators	356,094	17,900	373,994	159,108	20,577	179,685	194,309	10
Factory equipment	2,500	-	2,500	208	64	272	2,228	20
Office equipment	2,654	- (414)	2,240	261	239 (414)	86	2,154	10
Furniture and fixtures	15,853	6,050 (3,963)	17,940	9,440	1,154 (3,922)	6,672	11,268	10
Vehicles	97,959	84,009 (2,569)	179,399	35,733	20,388 (1,702)	54,419	124,980	20
	7,651,239	1,239,956 (71,901)	8,819,294	3,032,241	490,076 (62,950)	3,459,367	5,359,927	
Leased								
Power generator	19,573	-	19,573	6,492	1,308	7,800	11,773	10
June 30, 2013	7,670,812	1,239,956 (71,901)	8,838,867	3,038,733	491,384 (62,950)	3,467,167	5,371,700	

Particulars	Cost at July 1, 2011	Additions/ (disposal) transfer in / (out) during the year *	Impairment	Cost at June 30, 2012	Accumulated depreciation at July 1 2011	Depreciation/ (adjustment) transfer in / (out) for the year *	Accumulated depreciation at June 30 2012	Carrying value at June 30, 2012	Dep. Rate
	<	------------	------------	Rupees in '000'	------------	------------	>		%
Owned									
Freehold land	14,902	70,099	-	85,001	-	-	-	85,001	-
Leasehold land	5,296	44,075	-	49,371	-	-	-	49,371	-
Factory buildings	741,191	243,358	-	984,549	249,470	29,364	278,834	705,715	5
Non-factory buildings	106,874	-	-	106,874	62,559	4,432	66,991	39,883	10
Office building	-	32,001	-	32,001	-	533	533	31,468	5
Plant and machinery	4,194,091	1,699,928	(1,678)	5,801,990	2,237,403	289,512	2,421,283	3,380,707	10
		(115,553)				(109,286)			
		25,202 *				3,654 *			
Electric installations	99,835	16,558	-	116,393	54,649	5,201	59,850	56,543	10
Power generators	298,839	62,694	-	356,094	144,013	20,051	159,108	196,986	10
		(5,439)				(4,956)			
Factory equipment	709	2,500	-	2,500	522	213	208	2,292	20
		(709)				(527)			
Office equipment	5,898	-	-	2,654	2,960	270	261	2,393	10
		(3,244)				(2,969)			
Furniture and fixtures	21,137	-	-	15,853	13,941	715	9,440	6,413	10
		(5,284)				(5,216)			
Vehicles	69,351	48,975	-	97,959	38,142	11,368	35,733	62,226	20
		(20,367)				(13,777)			
	5,558,123	2,220,188	(1,678)	7,651,239	2,803,659	361,659	3,032,241	4,618,998	
		(150,596)				(136,731)			
Leased									
Power generator	19,573	-	-	19,573	5,039	1,453	6,492	13,081	10
Plant and machinery	25,202	-	-	-	3,654	-	-	-	10
		(25,202) *				(3,654) *			
June 30, 2012	5,602,898	2,220,188	(1,678)	7,670,812	2,812,352	363,112	3,038,733	4,632,079	
		(150,596)				(136,731)			

* These represent transfer from leased assets to owned assets.

15.1.1 Allocation of depreciation

	Note	2013	2012
		--------Rupees in '000'--------	
Manufacturing expense	28.2	**467,557**	350,496
Administrative expense	31	**23,827**	12,616
		491,384	363,112

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceed	Gain / (loss)	Sold to	Mode of disposal
	Rupees in '000'						
21 Vehicle	45	(41)	4	6	2	Mehboob Ali An Employee	As per Company policy
22 Vehicle	52	(48)	4	10	6	Muhammad Abid An Employee	As per Company policy
23 Vehicle	45	(40)	5	5	-	Sajid Ali An Employee	As per Company policy
24 Vehicle	44	(40)	4	5	1	Imran Saeed An Employee	As per Company policy
25 Vehicle	45	(13)	32	32	-	Adamjee Insurance Co 2Nd Floor, Adamjee Insurance Building, I.I. Chundrigar Road, Karachi	Insurance Claim
26 Office equipment	414	(414)	-	46	46	Zubair Kabari Shop # 6 Kabari Market, Sher Shah, Karachi	Negotiation
2013	**71,901**	**(62,950)**	**8,951**	**11,437**	**2,486**		
2012	150,594	(136,730)	13,865	16,281	2,416		
	71,901	(62,950)	8,951		2,486		
	-	-	-		-		

15.2 Disposals of operating fixed assets

	Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceed	Gain / (loss)	Sold to	Mode of disposal
		Rupees in '000'						
1	Plant and machinery	3,050	(2,958)	92	120	28	Mr.Imran Kabari Market, Sher Shah, Karachi	Negotiation
2	Plant and machinery	2,679	(2,453)	226	378	152	Pride Spinning Mills Pvt Ltd., 90 Qasim Road, Multan Cant	Negotiation
3	Plant and machinery	4,827	(4,560)	267	302	35	Abdul Hafeez Chotki Gitti, Hyderabad	Negotiation
4	Plant and machinery	877	(862)	15	43	28	Abdul Hafeez Chotki Gitti, Hyderabad	Negotiation
5	Plant and machinery	5,729	(5,255)	474	500	26	Colony Mills Limited, Multan	Negotiation
6	Plant and machinery	3,621	(2,769)	852	900	48	Hira Export, Plot # DP43, Sector 12-D, North Karachi	Negotiation
7	Plant and machinery	9,160	(8,948)	212	257	45	Muhammad Yasir, Shershah Kabari Market, Karachi	Negotiation
8	Plant and machinery	1,643	(1,330)	313	325	12	Kohinoor spinning Mills Limited, Aminabad Rawalpindi Road, Chawkal	Negotiation
9	Plant and machinery	7,773	(5,945)	1,828	1,900	72	J.A Textile Mills Limited 29 Km Shaiku Pura Road, Faisalabad	Negotiation
10	Plant and machinery	10,256	(7,845)	2,411	2,500	89	Salman Noman Enterprises, 55-B, Ahmed Block, New Garden Town, Lahore	Negotiation
11	Plant and machinery	8,129	(6,898)	1,231	2,878	1,647	Hassan Limited, P-13A Bilal Road, Faisalabad	Negotiation
14	Plant and machinery	3,986	(3,896)	90	97	7	Husnain International, Faisalabad	Negotiation
14	Plant and machinery	3,225	(3,193)	32	37	5	Hafiz Brothers, Lahore	Negotiation
12	Furniture and fixture	3,963	(3,922)	41	87	46	Zubair Kabari Shop # 6 Kabari Market, Sher Shah, Karachi	Negotiation
13	Vehicle	544	(167)	377	475	98	Adamjee Insurance Co 2Nd Floor, Adamjee Insurance Building, I.I. Chundrigar Road, Karachi	Insurance Claim
14	Vehicle	45	(5)	40	35	(5)	Muhammad Iqbal An employee	As per Company policy
15	Vehicle	54	(24)	30	31	1	Javed Patni An Employee	As per Company policy
16	Vehicle	66	(60)	6	7	1	Muhammad Javed An Employee	As per Company policy
17	Vehicle	504	(378)	126	150	24	Fayyaz Mehmood An Employee	As per Company policy
18	Vehicle	60	(42)	18	21	3	Faiz Kamal An Employee	As per Company policy
19	Vehicle	63	(35)	28	40	12	Adamjee Insurance Co 2nd Floor, Adamjee Insurance Building, I.I. Chundrigar Road, Karachi	Negotiation
20	Vehicle	1,002	(809)	193	250	57	Ghulam Murtaza An employee	As per Company policy

	Note	2013	2012
		Rupees in '000	

15.3 Capital work-in-progress

	Note	2013	2012
Civil work		**53,891**	9,431
Plant and machinery		**10,659**	259,914
Vehicles		**19,190**	4,492
Furniture & fixtures		**-**	658
Advance against implementation of ERP		**15,219**	-
	15.3.1	**98,959**	274,495

15.3.1 Capital work-in-progress

	Civil work	Plant and machinery	Vehicles	Furniture and fixture	Advance against implementation of ERP	Total
	....	....	....	(Rupees '000)	....	....
As at June 30, 2011	9,815	-	-	-	-	9,815
Additions during the year	36,935	526,143	44,119	658	-	607,855
Transferred to operating fixed assets	(37,319)	(266,229)	(39,627)	-	-	(343,175)
As at June 30, 2012	9,431	259,914	4,492	658	-	274,495
Additions during the year	199,090	404,165	84,795	634	15,219	703,903
Transferred to operating fixed assets	(154,630)	(653,420)	(70,097)	(1,292)	-	(879,439)
As at June 30, 2013	**53,891**	**10,659**	**19,190**	**-**	**15,219**	**98,959**

	Note	2013	2012
		Rupees in '000	

16. LONG-TERM INVESTMENTS

	Note	2013	2012
Investment in joint venture	16.1	**1,374,124**	1,312,655
Investment in associate	16.2	**22,181**	403,608
		1,396,305	1,716,263

16.1 Investment in joint venture
- Indus Home Limited

	Note	2013	2012
Cost		**750,000**	750,000
Share of post acquisition profits			
Opening		**562,655**	464,517
Share of profit for the year		**61,469**	98,138
		624,124	562,655
	16.1.1	**1,374,124**	1,312,655
Number of shares held		**74,999,997**	74,999,997
Cost of investment (Rupees in '000)		**750,000**	750,000
Ownership interest		**49.99%**	49.99%

16.1.1 Indus Home Limited is a jointly controlled entity which is involved in the manufacturing and sale of greige and finished terry towel and other textile products. The registered office of Indus Home Limited and its principal place of business are located in Lahore.

16.1.2 Summarized financial highlights of Indus Home Limited as at and for the year ended June 30 are as follows:

	Note	2013	2012
		Rupees in '000	
Total assets		**4,452,639**	4,984,118
Total liabilities		**1,703,841**	2,358,283
Revenue		**6,865,112**	5,718,774
Profit for the year		**122,963**	196,315

16.2 Investment in associate
- Sunrays Textile Mills Limited

	Note	2013	2012
Cost		**42,382**	42,382
Share of post acquisition profits			
Opening		**361,226**	256,236
Dividend received		**(18,326)**	(5,086)
Share of revaluation of property, plant and equipment		**2,610**	-
Share of surplus on property, plant and equipment on account of incremental depreciation - net of deferred tax		**1,469**	1,347
Share of profit from associate for the year		**74,109**	108,729
		421,088	361,226
Distributed to shareholders as dividend in specie in the ratio of 100:09 (note 16.2.2)			
Cost		**(40,666)**	-
Share of post acquisition profits		**(400,623)**	-
	16.2.3	**(441,289)**	
	16.2.1	**22,181**	403,608
Number of shares held		**68,654**	1,695,290
Ownership interest		**0.99%**	24.57%
Market value (Rupees in '000)		**13,319**	54,249
Cost of investment (Rupees in '000)		**1,716**	42,382

16.2.1 The principal business of the Company is to manufacture and sale of yarn. The registered office of Sunrays Textile Mills Limited is located in Karachi and the place of business is located at District Muzaffargarh, Dera Ghazi Khan Division, in the province of Punjab.

16.2.2 The Board of Directors of the Holding Company in their meeting held on January 28, 2013 has approved the specie dividend at the rate of 9 ordinary shares of Sunrays Textile Mills Limited for every 100 shares of the Holding Company.

16.2.3 Gain on investment in associate distributed to shareholders as specie dividend

	2013	2012
	Rupees in '000	
Carrying value of shares distributed to shareholders as dividend in specie	**441,289**	-
Market value	**(439,191)**	-
Loss on distribution of shares to shareholders	**2,098**	-

16.2.4 Due to common directorship, the investment has been classified as investment in associates.

16.2.5 Summarized financial highlights as at and for the period ended June 30 are as follows:

	2013	2012
	Rupees in '000	
Total assets	**2,673,897**	2,459,140
Total liabilities	**444,589**	816,415
Revenue	**4,385,980**	4,156,184
Profit for the year	**531,267**	442,540

	Note	2013	2012
		Rupees in '000	

17. LONG-TERM DEPOSITS

Electricity		**3,754**	1,815
Lease		**-**	979
Telephone		**-**	453
Others		**1,285**	1,346
		5,039	4,593

18. STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools	18.1	**232,354**	186,548
Less: Provision for slow moving and obsolete stock		**(1,000)**	(1,000)
		231,354	185,548

18.1 It include stores and spares in transit amounting to Rs. 12.746 million (2012: Rs 8.24 million).

	Note	2013	2012
		Rupees in '000	

19. STOCK-IN-TRADE

Raw material			
- in hand		**3,316,147**	1,585,691
- in transit		**137,593**	736,584
		3,453,740	2,322,275
Work-in-process		**234,495**	213,916
Finished goods		**234,809**	314,745
Packing material		**37,982**	32,107
Waste		**66,009**	20,183
		4,027,035	2,903,226

20. TRADE DEBTS

Considered good			
Secured			
Foreign debtors		**505,109**	339,823
Local debtors		**401,562**	261,170
	20.1	**906,671**	600,993
Unsecured			
Local debtors	20.2 & 20.3	**222,451**	233,434
		1,129,122	834,427
Considered doubtful		**8,393**	3,493
		1,137,515	837,920
Less: Provision for doubtful debts	20.4	**(8,393)**	(3,493)
		1,129,122	834,427

20.1 These are secured against letters of credit in favour of the Group.

20.2 This includes balances from the following related parties which are not past due:

	2013	2012
	Rupees in '000	
Indus Home Limited (Joint venture)	**13,205**	10,237
Sunrays Textile Mills Limited (Associate)	**58**	42
Indus Heartland Limited (Associate)	**-**	1,580
Lyallpur Properties Limited (Associate)	**-**	114
EMBEE Industries Private Limited (Associate)	**-**	24
Silver Seed Private Limited (Associate)	**-**	24
	13,263	12,021

20.3 Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers.

		Note	2013	2012
			Rupees in '000	
20.4	**Movement of provision**			
	Opening balance		**3,493**	3,493
	Charge for the year		**4,900**	-
	Closing balance		**8,393**	3,493
21.	**LOANS AND ADVANCES**			
	Considered good			
	Loans to staff		**9,508**	10,518
	Advance income tax - net	21.1	**63,918**	56,066
	Letters of credit		**-**	2,030
	Advances to:			
	- Suppliers		**29,255**	9,888
	- Others		**11,570**	6,951
			40,825	16,839
			114,251	85,453
21.1	**Advance income tax - net**			
	Advance income tax		**300,852**	218,937
	Less: Provision for taxation		**(138,063)**	(162,871)
	Less: Workers' Welfare Fund	21.1.1	**(98,871)**	-
			63,918	56,066

21.1.1 Prior to certain amendments made through the Finance Acts of 2006 & 2008, Worker Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, the Holding Company together with other stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against the Holding Company and other stakeholders. Management has filed a petition before the Supreme Court of Pakistan against the decision of the Sindh High Court. On prudent basis, the Group has recognized aggregate provision amounting to Rs. 126.77 million for the years from 2010 to 2013, although management based on advice of the legal advisor is confident that the ultimate decision would be in favor of the Group.

	Note	2013	2012
		Rupees in '000	

22. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	Note	2013	2012
Considered good			
Security deposits:			
- Lease	22.1	**979**	-
- Others		**-**	728
Prepayments		**6,805**	1,635
		7,784	2,363

22.1 It represents interest free deposit paid at inception of lease and are adjustable on maturity of lease arrangement.

23. OTHER RECEIVABLES

	Note	2013	2012
		Rupees in '000	
Considered good			
Cotton claims		**14,241**	5,997
Rebate refundable		**-**	660
Others		**12,123**	6,421
		26,364	13,078

24. OTHER FINANCIAL ASSETS

	Note	2013	2012
Carrying value of investment at fair value through profit and loss - held for trading	24.1	**13,464**	12,437

24.1 Market value of other financial assets

2013	2012		2013	2012
No. of shares / units			Rupees in '000	
30,000	30,000	Fauji Fertilizer Company Limited	**3,223**	3,332
1,728	11,231	HBL Money Market Fund	**175**	1,155
195	195	Meezan Sovereign Fund	**48**	10
7,904	106,310	NAFA Government Security Liquid Fund	**79**	1,068
7,000	7,000	Pakistan State Oil Company Limited	**2,243**	1,651
100,000	100,000	Pakistan International Airlines Corporation	**906**	220
60,500	60,500	United Bank Limited	**6,508**	4,742
2,811	2,571	UBL Liquidity Plus Fund	**282**	259
			13,464	12,437

25. TAX REFUNDABLE

	2013	2012
	Rupees in '000	
Sales tax refundable	**87,316**	63,244
Income tax refundable	**44,440**	51,256
Others	**1,160**	-
	132,916	114,500

	Note	2013	2012
		Rupees in '000	
26. CASH AND BANK BALANCES			
With banks			
- in deposit accounts	26.1	**7,676**	9,123
- in current accounts		**131,481**	143,225
		139,157	152,348
Cash in hand		**5,082**	7,742
		144,239	160,090

26.1 This includes term deposit receipts amounting to Rs. 7.67 million (2012: Rs. 7.67 million) kept as lien on account of guarantees provided by the banks for a period of 12 months carrying markup at the rate of 6.25% to 9.83% per annum (2012: 8% to 10%).

	Note	2013	2012
		Rupees in '000	
27. SALES			
Export sales	27.1 & 27.2	**16,673,632**	12,578,300
Less: Commission		**(291,832)**	(147,212)
		16,381,800	12,431,088
Local sales			
Yarn		**3,414,831**	2,676,981
Waste		**287,441**	292,520
		3,702,272	2,969,501
Contract manufacturing		**-**	36,094
Less: Brokerage		**(61,875)**	(51,187)
		3,640,397	2,954,408
		20,022,197	15,385,496

27.1 It include exchange loss of Rs. 10.21 million (2012: exchange gain of Rs. 4.33 million) and indirect export of Rs. 3,542.36 million (2012: Rs.3,156.91 million).

27.2 It include indirect exports to related undertakings of Rs. 167.61 million (2012: Rs. 354.46 million).

	Note	2013	2012
		Rupees in '000	
28. COST OF GOODS SOLD			
Raw material consumed	28.1	**13,329,158**	10,745,333
Manufacturing expenses	28.2	**3,040,291**	2,331,557
Outside purchases - yarn		**19,530**	47,153
		16,388,979	13,124,043
Work in process			-
- Opening		**213,916**	250,719
- Closing		**(234,495)**	(213,916)
		(20,579)	36,803
Cost of goods manufactured		**16,368,400**	13,160,846
Finished goods			-
- Opening		**334,928**	306,960
- Closing		**(300,818)**	(334,928)
		34,110	(27,968)
		16,402,510	13,132,878

	Note	2013	2012
		Rupees in '000	
28.1 Raw material consumed			
Opening stock		**1,585,691**	1,304,277

28.2 Manufacturing expenses

	Note	2013	2012
Salaries, wages and benefits	28.2.1	796,377	580,006
Fuel, water and power		982,929	778,643
Packing material consumed		290,949	223,776
Stores and spares consumed		405,648	327,607
Repairs and maintenance		29,716	25,031
Insurance		27,161	17,344
Rent, rates and taxes		2,167	1,820
Depreciation on operating fixed assets	15.1.1	467,557	350,496
Impairment		-	1,678
Other		37,787	25,156
		3,040,291	2,331,557

28.2.1 It includes staff retirement benefits Rs. 50.417 million (2012: Rs. 26.8 million).

29. OTHER INCOME

	Note	2013	2012
		Rupees in '000	
Gross profit on trading of raw cotton	29.1	8,310	1,452
Other income	29.2	14,085	28,796
		22,395	30,248

29.1 Gross profit on trading of raw cotton

	2013	2012
Sales		
- Export	71,549	-
- Local	9,680	134,047
	81,229	134,047
Less: Cost of goods sold		
- Export	(63,348)	-
- Local	(9,571)	(132,595)
	(72,919)	(132,595)
	8,310	1,452

29.2 Other income

	2013	2012
Income from non-financial assets:		
Scrap sale	6,163	4,592
Storage income	416	544
Gain on disposal of operating fixed assets	2,486	2,415
Income from financial assets:		
Gain on disposal of other financial assets	-	17,449
Unrealised gain on other financial assets	3,027	-
Dividend income	1,114	1,170
Profit on fixed deposits	879	2,127
Others	-	499
	14,085	28,796

30. DISTRIBUTION COST

	Note	2013	2012
		Rupees in '000	
Freight and forwarding			
- local		77,169	49,977
- export		305,342	239,405
Export development surcharge		32,714	25,197
Insurance		13,302	7,159
Other		2,169	1,873
		430,696	323,611

31. ADMINISTRATIVE EXPENSES

	Note	2013	2012
Salaries and benefits	31.1	**54,221**	44,964
Director's remuneration		**45,160**	19,500
Meeting fees		**278**	46
Repairs and maintenance		**3,267**	1,900
Postage and telephone		**7,585**	6,121
Traveling and conveyance		**10,319**	7,831
Vehicles running		**10,950**	6,384
Printing and stationery		**5,786**	5,743
Rent, rates and taxes		**8,270**	7,600
Utilities		**8,399**	10,830
Entertainment		**2,184**	660
Fees and subscription		**5,955**	6,083
Insurance		**3,768**	4,782
Legal and professional		**3,870**	270
Charity and donations	31.2	**1,243**	2,121
Auditors' remuneration	31.3	**2,419**	2,258
Depreciation on operating fixed assets	15.1.1	**23,827**	12,616
Provision for doubtful debts		**4,900**	-
Advertisement		**1,367**	-
Others		**7,459**	12,497
		211,227	152,206

31.1 It includes staff retirement benefits Rs. 4.41 million (2012: Rs.3.56 million).

31.2 None of the directors and their spouses have any interest in the donees fund.

31.3 Auditors' remuneration

	Note	2013	2012
		Rupees in '000	
Audit fee		**1,600**	1,543
Half year limited review fee		**298**	298
Fee for certifications and other		**280**	252
Out of pocket expenses		**241**	165
		2,419	2,258

32. OTHER OPERATING EXPENSES

	Note	2013	2012
Workers' Profit Participation Fund		**133,317**	73,398
Workers' Welfare Fund		**126,761**	-
Exchange loss on foreign currency forward contracts		-	20,735
Exchange loss on foreign currency transactions		**20,524**	48,134
Unrealised loss on derivative financial instrument		**441**	8,731
Unrealised loss on other financial assets		-	747
Loss of ice factories	32.1	-	983
		281,043	152,728

32.1 The operations of ice factories remained closed throughout the year.

33. FINANCE COST

	2013	2012
	Rupees in '000	
Mark-up on:		
- long-term finance	**110,142**	101,551
- liabilities against assets subject to finance lease	**415**	1,144
- short-term borrowings	**215,378**	127,710
Discounting charges on letters of credit	**1,395**	1,999
Interest on Workers' Profit Participation Fund	**5,648**	9,320
Bank charges and commission	**10,158**	11,691
	343,136	253,415

34. TAXATION

Current	**144,689**	163,565
Prior year's	**(6,626)**	(532)
Deferred	**(162,414)**	55,378
	(24,351)	218,411

34.1 Reconciliation between accounting profit and taxable income

	2013	2012
Accounting profit before tax	**2,509,460**	1,789,888
Tax rate %	**35%**	35%
Tax on accounting profit	**878,311**	626,461
Effect of:		
Income chargeable to tax at reduced rates	**92,236**	291,346
Prior year charge	**(6,626)**	(532)
Income that is not taxable in determining tax liability	**(46,718)**	(72,403)
Tax impact of tax credit	**(63,243)**	-
	(24,351)	218,411

35. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Group, which is based on:

		2013	2012
Profit for the year	**Rupees in '000**	**2,533,811**	1,571,477
Weighted average number of ordinary shares		**18,073,732**	18,073,732
Earnings per share - Basic and diluted	**Rupees**	**140.19**	86.95

	Note	2013	2012
		Rupees in '000	

36. CASH GENERATED FROM OPERATIONS

	Note	2013	2012
Profit before taxation		**2,509,460**	1,789,888
Adjustments for:			
Depreciation	15.1.1	**491,384**	363,112
Impairment		**-**	1,678
Provision for gratuity	10.2 & 10.3	**54,825**	29,900
Provision for doubtful debts	31	**4,900**	-
Unrealised (gain) / loss on other financial assets	29.2	**(3,027)**	747
Gain on disposal of other financial assets		**-**	(17,449)
Unrealised loss on derivative financial instrument	32	**441**	8,731
Gain on disposal of operating fixed assets		**(2,486)**	(2,415)
Gain from bargain purchase		**-**	(182,115)
Dividend income		**(1,114)**	(1,170)
Share of profit from associate	16.2	**(74,109)**	(108,729)
Share of profit from joint venture	16.1	**(61,469)**	(98,138)
Loss on distribution of specie dividend		**2,098**	-
Finance cost	33	**343,136**	253,415
Cash generated before working capital changes		**3,264,039**	2,037,455
Working capital changes:			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(45,806)**	(20,955)
Stock-in-trade		**(1,123,809)**	(890,098)
Trade debts		**(299,595)**	363,790
Loans and advances		**52,204**	16,227
Trade deposits and short term prepayments		**(5,421)**	1,156
Other receivables		**(13,286)**	14,709
Other financial assets		**-**	1,932
		(1,435,713)	(513,239)
Increase / (decrease) in current liability			
Trade and other payables		**217,474**	(43,435)
Cash generated from operations		**2,045,800**	1,480,781

37. CASH AND CASH EQUIVALENTS

	Note	2013	2012
Cash and bank balances	26	**144,239**	160,090
Short-term borrowings	13	**(1,838,022)**	(1,639,357)
		(1,693,783)	(1,479,267)

38. REMUNERATION TO CHIEF EXECUTIVE OFFICER AND DIRECTORS

The aggregate amounts charged in the accounts for remuneration, including all benefits to chief executive officer and directors of the Group are given below:

Particulars	Chief Executive Officer	Directors Executive	Directors Non-Executive	Executives	Total
	2013				
	Rupees in '000				
Remuneration including benefits	6,480	34,164	-	17,547	58,191
Medical	720	3,796	-	1,755	6,271
Retirement benefits	-	-	-	10,856	10,856
Meeting fee	38	153	63	24	278
Total	7,238	38,113	63	30,182	75,596
Number of persons	1	6	3	25	35

Particulars	Chief Executive Officer	Directors Executive	Directors Non-Executive	Executives	Total
	2012				
	Rupees in '000				
Remuneration	3,240	14,340	-	5,895	23,475
House rent	360	1,560	-	655	2,575
Retirement benefits	-	-	-	8,961	8,961
Meeting fees	8	8	30	-	46
Total	3,608	15,908	30	15,511	35,057
Number of persons	1	6	3	11	21

38.1 Group maintained cars and cellular phones are provided to Chief Executive Officer and directors.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of an associate (Sunrays Textiles Mills Limited), a joint venture (Indus Home Limited), entities with common directorship, key management personnel and post employment benefit scheme. The Group carries out transactions with related parties on agreed terms. Short-term loan obtained from directors are disclosed in note 13 to the consolidated financial statements. Remuneration of key management personnel is disclosed in note 38 to the consolidated financial statements and amount due in respect of staff retirement benefits is disclosed in note 10.3. Other significant transactions with related parties are as follows:

Relationship	Nature of transactions	2013 Rupees in '000	2012
Associate	Sale of yarn	-	6,445
	Purchase of yarn	**12,285**	40,955
	Payments made by associate on behalf of the Holding Company	**627**	-
Joint Venture	Sale of yarn	**234,765**	354,460
	Contract manufacturing cost	**10,302**	52,842
	Purchase of generator	**4,000**	-
	Purchase of cotton	**1,208**	-
	Rental income	-	544
	Payments made by joint venture on behalf of the Holding Company	**155,898**	44
Directors	Short term borrowing repaid	**113,248**	196,092
	Short term borrowing received	**117,515**	192,131
Other related parties	Expenses paid on behalf of associates by the Holding Company	**231**	1,724
	Expenses adjusted / reimbursed	**1,979**	221
Balances with related parties:			
Associate - payable		**627**	11,302
Joint Venture - receivable		**13,205**	1,480
Directors and their spouses - payable		**9,490**	5,512
Sunrays Textile Mills Limited		**58**	42
Other related parties- Due to common directorship:			
- Receivable		-	1,741
- Payable		**2,641**	1,341

40. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management. The responsibility includes developing and monitoring the Group's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Group's financial risk exposures.

The Group's principal financial liabilities, comprise long-term financing, short-term borrowings, liabilities against assets subject to finance lease, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loans and advances, trade and other receivables, cash and bank balances and short-term deposits that arrive directly from its operations. The Group also holds long-term and short term investments, and enters into derivative transactions.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

40.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group's does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Group arises principally from the long-term investments, trade debts, loans and advances, and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2013	2012
	Rupees in '000	
Long-term deposits	**5,039**	4,593
Trade debts	**1,129,122**	834,427
Loans to staff	**9,508**	10,518
Trade deposits	**979**	728
Other receivables	**26,364**	13,078
Bank balances	**139,157**	152,348
	1,310,169	1,015,692

Trade debts are due from foreign and local customers for export and local sales respectively. Trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are no past due trade debt balances.

Credit risk related to equity investments and cash deposits

The Group limits its exposure to credit risk of investments by only investing in listed securities of highly reputed Companies having good stock exchange rating. Credit risk from balances with banks and financial institutions is managed by Finance Director in accordance with the Group's policy.

The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating the names and credit rating of major banks where the Company maintains its bank balances are as follows:

Name of bank	Rating agency	Credit rating Long-term	Short-term
Allied Bank Limited	PACRA	AA+	A1+
Askari Commercial Bank Limited	PACRA	AA	A1+
Bank Alfalah Limited	PACRA	AA	A1+
Bank Al-Habib Limited	PACRA	AA+	A1+
Bank Islami Pakistan Limited	PACRA	A	A1
Barclays Bank	Moody's	A2-	P-1
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A	A1
Faysal Bank Limited	PACRA	AA	A1+
Habib Bank Limited	JCR-VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Industrial and Commercial Bank of China	Moody's	A1	P-1
J.S Bank Limited	PACRA	A+	A1
KASB Bank Limited	PACRA	BBB	A3
Meezan Bank Limited	JCR-VIS	AA	A1+
MCB Bank Limited	PACRA	AAA	A1+
National Bank of Pakistan	JCR-VIS	AAA	A1+
Soneri Bank Limited	PACRA	AA-	A1+
Standard Chartered Bank Limited	PACRA	AAA	A1+
The Bank of Punjab Limited	PACRA	AA	A1+
The Hong-Kong Shanghai Banking Corporation	Moody's	A1	P-1
United Bank Limited	JCR-VIS	AA+	A1+

40.2 Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient cash on demand to meet expected working capital requirements (refer note 13). Following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

40.2.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Effective interest rate	Less than 1 month	1 to 3 months	3 months - 1 year	1 - 5 years	More than 5 years	Total
	%		Rupees in '000'				
Trade and other payables	-	542,248	-	-	-	-	542,248
Long-term financing	3 month Kibor + 1% to 6 month Kibor + 1.25% and SBP rate + 2%	14,486	48,820	242,292	776,231	-	1,081,829
Liabilities against assets subject to finance lease	3 month Kibor + 0.8%	-	2,222	-	-	-	2,222
Short-term borrowings	1 month Kibor + 0.5% to 1 month Kibor + 1.75% and 1 month Libor + 0.7% to 1 month Libor 1.1%	1,276,098	296,400	275,014	-	-	1,847,512
Interest / mark-up payable	-	31,200	-	-	-	-	31,200
2013		1,864,032	347,442	517,306	776,231	-	3,505,011
Trade and other payables	-	551,327	-	-	-	-	551,327
Long-term financing	3 month Kibor + 1% to 6 month Kibor + 2% and SBP rate + 2%	4,717	25,390	98,226	868,008	25,037	1,021,378
Liabilities against assets subject to finance lease	3 month Kibor + 0.8% to 3 month Kibor + 1.6%	-	1,105	3,531	2,232	-	6,868
Short-term borrowings	1 month Kibor + 1% to 1 month Kibor + 1.75% and 1 month Libor + 2% to 1 month Libor 2.25%	499,729	1,145,093	-	-	-	1,644,822
Interest / mark-up payable	-	34,589	-	-	-	-	34,589
2012		1,090,362	1,171,588	101,757	870,240	25,037	3,258,984

40.2.2 The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	2013	2012
	Rupees in '000	
6 months or less		
- Short-term borrowings	**1,847,512**	1,644,821
- Long-term loans	**878,503**	904,506
- Liabilities against assets subject to finance lease	**2,222**	4,637

40.3 Market risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

40.3.1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the balance sheet date the interest rate risk profile of the Group's interest-bearing financial instruments is:

	Carrying amount	
	2013	2012
	Rupees in '000	
Fixed rate instruments		
Financial assets	**7,676**	9,123
Variable rate instruments		
Financial liabilities		
- KIBOR based	**1,882,293**	2,660,735
- LIBOR based	**836,454**	695,481

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities. Therefore, a change in interest rate at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit before tax for the year ended June 30, 2013 would decrease / increase by Rs. 13.59 million (2012: Rs. 4.45 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings determined on outstanding balance at year end.

40.3.2 Foreign exchange risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. The Group enters into forward foreign exchange contracts to cover its exposure to foreign currency sales and receivables.

At June 30, 2013, if the Rupee had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit for the year would have been higher / lower by Rs. 16.57 million (2012: Rs. 16.58 million) determined on the outstanding balance at year end amounting to Rs 331.35 million (2012 : 331.61 million).

40.3.3 **Equity price risk management**

The Group's listed securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the balance sheet date, the Group has exposure of Rs. 1,374.12 million (2012: Rs. 1,312.66 million) to unlisted equity securities of a joint venture which is held for strategic rather than trading purpose. The Group does not actively trade these securities.

At the balance sheet date, the Group has exposure of Rs. 19.64 million (2012: Rs. 403.61 million) to listed equity securities of an associate which is held for strategic rather than trading purpose. The Group does not actively trade these securities.

At the balance sheet date, the Group has exposure of Rs. 990 million (2012: Rs. 840 million) to unlisted equity securities of a subsidiary which is held for strategic rather than trading purpose.

At the balance sheet date, the exposure to listed equity securities at fair value was Rs. 13.46 million (2012: Rs. 12.43 million). A decrease / increase of 5% on the KSE market index would have an impact of approximately Rs. 0.67 million (2012: Rs. 0.55 million) determined based on market value of investment at year end.

40.4 **Determination of fair values**

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

40.5 **Financial instruments by category**

The accounting policies for financial instruments have been applied for line items below:

	Loan & advances	Fair value through P&L	Total
	------	Rupees in '000	------
Assets as per balance sheet			
- June 30, 2013			
Long-term deposits	**5,039**	**-**	**5,039**
Trade debts	**1,129,122**	**-**	**1,129,122**
Loans	**9,508**	**-**	**9,508**
Trade deposits	**979**	**-**	**979**
Other receivables	**26,364**	**-**	**26,364**
Other financial assets	**-**	**13,464**	**13,464**
Bank balances	**144,239**	**-**	**144,239**
	1,315,251	**13,464**	**1,328,715**
Assets as per balance sheet			
- June 30, 2012			
Long-term deposits	4,593		4,593
Trade debts	834,427	-	834,427
Loans	10,518	-	10,518
Trade deposits	728	-	728
Other receivables	13,078	-	13,078
Other financial assets	-	12,437	12,437
Bank balances	160,090	-	160,090
	1,023,434	12,437	1,035,871

	Financial liabilities measured at amortized cost	Total
	Rupees in '000	
Liabilities as per balance sheet		
- June 30, 2013		
Long-term financing	921,714	921,714
Trade and other payables	544,163	544,163
Short-term borrowings	1,847,512	1,847,512
Liabilities against assets subject to finance lease	2,222	2,222
Interest / mark-up payable	31,200	31,200
	3,346,811	3,346,811
Liabilities as per balance sheet		
- June 30, 2012		
Long-term financing	1,021,378	1,021,378
Trade and other payables	403,877	403,877
Short-term borrowings	1,644,821	1,644,821
Liabilities against assets subject to finance lease	6,868	6,868
Interest / mark-up payable	34,589	34,589
	3,111,533	3,111,533

40.6 Fair value hierarchy

The fair values of the financial instruments have been analysed in various fair value levels 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 (i.e., as prices) or indirectly (i.e., derived from prices)

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

	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Other financial assets	13,464	-	-	13,464
Other financial liability	-	-	-	-
Total	13,464	-	-	13,464

41. CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios at June 30, 2013 and 2012 were as follows:

	2013	2012
	Rupees in '000	
Total borrowings (note 8,9 & 13)	**2,771,448**	2,673,067
Less: cash and bank balances (note 26)	**144,239**	160,090
Net debt	**2,627,209**	2,512,977
Total equity	**8,936,904**	7,384,527
Total capital	**11,564,113**	9,897,504
Gearing ratio	**23%**	25%

42. CAPACITY AND PRODUCTION

Spinning units	**2013**	**2012**
Total number of spindles installed	**171,072**	158,917
Total number of spindles worked per annum (average)	**162,603**	157,172
Number of shifts worked per day	**3**	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	**128,046,015**	108,412,047
Actual production for the year after conversion into 20 counts (lbs.)	**116,610,778**	92,717,169

Ginning units	**2013**	**2012**
Installed capacity to produce cotton bales	**135,000**	135,000
Actual production of cotton bales	**19,108**	50,124
Number of shifts	**2**	2
Capacity attained in (%)	**14.15%**	37.13%

The reason for shortfall in the production of cotton bales is limited availability of raw cotton.

43. NUMBER OF EMPLOYEES

The total average number of employees during the year as at June 30 are as follows:

	No. of employees	
	2013	2012
Average number of employees during the year	2,654	2,550
Number of employees	2,662	2,472

44. SEGMENT REPORTING

The Group's core business is manufacturing and sale of yarn and it generates more than 90% of its revenue and profit from the production and sale of yarn. Decision making process is centralized at head office lead by Chief Executive Officer who continuously involves in day to day operations and regularly reviews operating results and assesses its performance and makes necessary decisions about resources to be allocated to the segments. Currently it has three yarn manufacturing units at Hyderabad, Karachi and Muzafarghar. Owing to the similarity in nature of the products and services, nature of the production processes, type or class of customers for the products and services, the methods used to distribute the products and the nature of the regulatory environment, all the yarn producing units are aggregated into a single operating segment and the Group's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments. The Holding Company also has two ginning units including one on leasing arrangement in District Multan. The Group also holds investments in equity shares of listed companies, long

45. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

45.1 In order to expand their existing operations, the Board of Directors in their meeting held on September 27, 2013 has approved to acquire the entire shareholding of Westpoint Pakistan LLC in Indus Home Limited (the Joint Venture) comprising of 75 million ordinary shares of Rs. 10 each, representing 50% of the total issued share capital of Indus Home Limited at the aggregate purchase price of USD 12 million subject to the approval of members at the Extraordinary General Meeting to be held on 21st October, 2013.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements have been authorised for issue on October 04, 2013 by the Board of Directors of the Group.

47. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Director

FORM OF PROXY

56th Annual General Meeting

INDUS DYEING & MANUFACTURING COMPANY LIMITED

I / We --

of --- in

the district of --------------------- being a member (s) of **INDUS DYEING & MANUFACTURING COMPANY LIMITED** hereby appoint --

-------------------------- of ---as my proxy, and

failing him,--of ------------------------------ another

Member of the Company to vote for me and on my behalf at the 56th Annual General Meeting of the company to be held on the 30th day of October 2013 and at my adjournment thereof.

Signed by the said Member

Signed this ______________day of _____________ 2013.

SIGNED IN THE PRESENCE OF :

1.Signature :---------------------------------------

Name:---

Address::--

CNIC/Passport No--------------------------------

2. Signature: ------------------------------

Name:-----------------------------------

Address:--------------------------------

CNIC/Passport No:-------------------

Information required:		For Member (Shareholder)	For Proxy	For alternate Proxy(*)
Number of shares held			(if member)	
Folio No.				
CDC Account No.	Participant I.D.			
	Account no.			

Affix

Revenue

Stamp Rs.

5/-

(*) upon failing of appointed proxy.

Notes:

1. *A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member.*

2. *This proxy Form, duly completed and signed, together with Board Resolution / power of Attorney, if any under which it is signed or a notarially certified copy thereof, should be deposited, with our Registrar, Corporate Support Service Pakistan (Pvt.) Ltd. 407-408, Al Ammera Centre Sharah Iraq, Saddar Karachi. Telephone No. 35662023-24, not later than 48 hours before the time of holding the meeting.*

3. *The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity its common seal should be affixed on the instrument.*

4. *Any alteration made in this instrument of proxy should be initialed by the person who signs it.*

5. *Attested copies CNIC or the passport of the beneficial owner and proxy shall be provided with the proxy from.*

6. *If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.*

7. *In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Register for Members.*

8. *The proxy shall produce his / her original CNIC passport at the time of the meeting.*

DIVIDEND MANDATE FORM

Members of Indus Dyeing & Manufacturing Company Limited

Subject: Dividend Mandate Form

It is inform you that under section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his / her / its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan from time to time relating to the subject you being the registered shareholder of Indus Dyeing & Mfg. Co. Ltd. Are herby given the opportunity to authorize the Company to directly credit into your bank account cash dividend, if any, declared by the Company in future.

PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS.

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick "✓" any of the following boxes:

☐ YES ☐ NO

If yes, then please provide the following information:

(i) Shareholder's Detail	
Name of the Shareholder	
Folio No./ CDC Participants I D A/c No.	
CNIC NO.	
Passport No. (in case of foreign shareholder)**	
Land Line Phone Number	
Cell Number	

***(ii)* Shareholder's Bank Detail**	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	

The company is hereby authorized to directly credit cash dividend declared by it, if any, from time to time, in the above-mentioned bank account.

It is stated that the above-mentioned information is correct, and that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as they occur.

__________________________ Date:____________

Signature of the Shareholder

Note:

- The shareholders who hold shares in physical form are requested to submit this Dividend Mandate Form duly filled-in to the Share Registrar concerned.
- Shareholders maintaining their shareholdings under Central Depository System (CDS) are advised to submit this form directly to relevant Participant/ CDC Investor Account Service.
- Please attach attested photocopy of the CNIC / passport (in case of Foreign Shareholder).

AFFIX
CORRECT
POSTAGE

The company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi