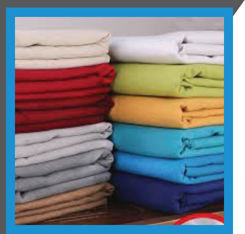
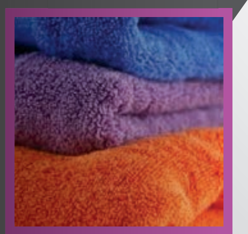
Annual Report 2018





Indus Dyeing

& Manufacturing Company Limited

CONTENTS

Company Profile

Board of Directors

1	Mr. Mohammad Ahmed	Chairman
2	Mr. Shahzad Ahmed	Chief Executive
3	Mr. Riaz Ahmed	
4	Mr. Naveed Ahmed	
5	Mr. Kashif Riaz	
6	Mr. Imran Ahmed	
7	Mr. Irfan Ahmed	
8	Mr. Shafqat Masood	
9	Mr. Shahwaiz Ahmed	
10	Sheikh Nishat Ahmed	
11	Mr. Farooq Hassan	Nominee N.I.T.

Audit committee

1	Sheikh Nishat Ahmed	Chairman
2	Mr. Kashif Riaz	Member
3	Mr. Irfan Ahmed	Member

Human resource and remuneration committee

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

Company secretary

Mr. Ahmed Faheem Niazi

Group Chief financial officer

Mr. Zahid Mahmood

Chief financial officer

Mr. Arif Abdul Majeed

Chief Internal auditor

Mr. Yaseen Hamidia

Legal Advisor

Mr. M. Yousuf Naseem (Advocates & Solicitors)

Registered office

Office # 508, Tel. 111 - 404 - 404
5th floor, Beaumont Plaza, Fax. 009221 - 35693594
Civil Lines Quarters, Karachi.

Symbol of the company IDYM

Website

www.indus-group.com

Auditors

M/s Deloitte Yousuf Adil
Chartered Accountants

Registrar & Share Transfer Office

JWAFFS Registrar (Pvt) Ltd.
407-408, Al - Ameera Centre, Tel. 35662023 - 24
Shahrah-e-Iraq, Saddar, Karachi. Fax. 35221192

Factory location

1	P 1 S.I.T.E. Tel. Hyderabad, Sindh.		0223 - 880219 & 252
2	Plot # 3 & 7, Sector - 25, Korangi Industrial Area, Karachi.	Tel.	021- 35061577 - 9
3	Muzaffergarh, Bagga Sher, District Multan.	Tel.	0662 - 490202 - 205
4	Indus Lyallpur Limited. 38th Kilometre, Shaikhupura Road, District Faisalabad.	Tel.	041 - 4689235 - 6
5	Indus Home Limited. 2.5 Kilometre, Off Manga Raiwind Road, Manga Mandi, Lahore.	Tel.	042 - 35385021 - 7 111 - 404 - 405

INDUS DYEING & MFG. CO. LIMITED

VISION

To be leading and diversified company, offering a wide range of quality products and services.

MISSION

We aim to provide superior products, Financial security, performance and service quality that fully meet the needs of our customers and to maintain the financial strength of the company.

CHAIRMAN'S REVIEW

FOR THE YEAR ENDED JUNE 30, 2018

It is my privilege and pleasure in presenting to the members of Indus Dyeing and Manufacturing Company Limited, review on the performance of the Company for the financial year ended June 30, 2018. I would take this opportunity to invite you for the 61st Annual General Meeting of the company.

Review of the Boards Performance

The Board, being responsible for the management of the company's affair and determining the company's level of risk tolerance, formulates polices and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

Board members do have the suitable knowledge, variety of expertise and experience that is required to successfully govern the business. Individual board members are committed to perform for the betterment of the company.

During the year 2017-2018 the board met 05 times. The board act in consonance with pertinent laws and best practices, complying with all regulatory requirements.

The board strictly monitored the performance of its sub-committees. Comprehensive and effective meetings of the board resulted in conducive decisions for the Company. Whereas, integration of all policies assimilating to company's mission and vision was ensured by the board. In addition to it, the board also ensures compliance with all applicable rules and best practices of the company.

To keep updated the board members and enabling them to remain harmonize for continuous progression of the company, the board assessed its sub-committees along with the evaluation of its own performance, facilitating the board to play an effective and efficient role in accomplishing set targets of the company.

BUSINESS OVERVIEW

In terms of profitability, performance of the company has improved, profit from operations has increased by almost 72.09 % during the year.

Considering the tough competition and economic slowdown, efforts of the management are yielding these better results and are admirable. Company would continue to improve efficiencies in order to emerge as leader in this market

On Behalf of the board, I would like to thank of all stakeholders for their continued confidence in the company and for their support, dedication and hard work

October 05, 2018

Chairman

Mian Mohammad Ahmed

Directors' Review

For The Year Ended June 30, 2018

The Directors of Indus Dyeing and Manufacturing Company Limited are pleased to present the Annual Report together with the audited Financial Statements for the year ended June 30th, 2018 before the Sixty First Annual General Meeting of the Company

The consolidated financial highlights of the Company are as under:

	For the Year Ended June 30, 2018	For the Year Ended June 30, 2017
	(Rupees in 000)	
Sales	30,630,286	27,573,192
Gross profit	3,013,451	2,641,910
Other operating income	654,869	124,080
Finance cost	(372,135)	(254,998)
Provision for taxation	(226,823)	(317,382)
Profit for the year after taxation	1,781,697	1,035,345
Un-appropriated profit brought forward	4,786,250	5,913,069
Un-appropriated profit carried forward	6,328,375	4,786,250
Earnings per share basic and diluted (net)	98.58	Rs.57.28

DIVIDEND

The Directors proposed160% final cash dividend i.e. Rs: 16/= per share for the year 30th June 2018.

BUSINESS OVERVIEW

Your Group earned post-tax profit of Rs 1,782 million as compared to Rs 1,035 million for the corresponding last year. During the year under review the sales increased to Rs 30,630 million from Rs 27,573 million mainly due to increase in yarn prices. The profit before tax for the year increased by 656 million as compared to last year.

An earnings per share of the Company on a standalone basis isRs. 76.28 per share as compared to Rs. 37.95 per share last year. The consolidated earnings per share isRs. 98.58 per share as compared to Rs. 57.28 per share last year.

BUSINESS REVIEW

The year under review was quite challenging for the spinning industry as the cotton prices jumped substantially due to devaluation.

Textile constitutes the largest sector in Pakistan's Export and the country is faced with a serious current account deficit situation for which the GOP provided rebate incentives to increase exports, which has been achieved to some extent. But from July 2018, the rebate incentive was not extended for spinning industry which will definitely impact our company negatively. Availability of gas and RLNG is a major concern for textile industry which is up to some extend is being provided to the industry but their utility prices are uncompetitive as compared to other regional countries. Despite these challenges, the intelligent business moves of the management in the areas of cotton procurement, sales and financial management has made the operating results profitable to a greater extent.

Indus Home Limited (Subsidiary) performed well in term of production which is higher by 3% from last year. However, profit of current year is down by PKR 80 million from previous year. Profit is subdued due to high cost of raw material, increase in wage rate, expensive fuel namely RLNG and coal, high cost of packing due to inadmissibility of input tax and increased sizing cost. This year the company is able to sustain last year production and sale quantum. Capex for the year is PKR 376.73 million which includes 353.58 spent on Machinery. This year, machinery addition includes 12 Picanol Looms, Pentek tumbling line and Texpa hemmer and cutting machines, weft straightner, Stitching and lock machines to modernize plant by replacing old machinery and enhance stitching capacity to handle customers orders as per their quality and compliance standards.

With reference to our Company's venture in the renewable energy sector through our subsidiary "Indus Wind Energy Limited", considerable progress has been achieved. To start with from where we left off in our last Annual Report, our Company was successful in concluding agreements with Machinery Suppliers, EPC Contractors and Financial Institutions. Moreover, our Company has applied for Cost Plus Tariff with NEPRA which is in final stages of award. With the induction of new Government at Center, the prospects for new renewable projects have become very promising and as such hope to attain financial close within the ongoing financial year. Furthermore, with rising fossil fuel energy prices at present, the outlook for renewable energy has become very essential in our national as well as in global sphere. Hence, at the outset, our project promises huge potential in benefits translated into true value to our stakeholders in days to come.

FUTURE OUTLOOK

So far, the outlook for the next year looks tough. High input costs are resulting in the closure of a large number of textile mills engaged in the manufacturing of yarn and fabric. Both the spinning and weaving sectors have faced the brunt of a higher cost of doing business despite being integral to the textile value chain, the situation has made the sector unviable throughout the country.

Though the cotton availability is expected to remain comfortable or may improve further from that of previous year, cotton prices are expected to be subdued since China is diluting their stock reserves. Measures are being taken to save costs and rationalize operations, which are likely to yield positive results. Competition from other exporting countries with lower cotton cost and devaluation of Indian rupee against US Dollar may affect our future profitability. The operating margins are also under pressure due to high input costs towards electricity and manpower.

With respect to home textile division current market is giving tough competition in term of price and operational compliance. Forecasts about the World Economy and Country Economy not look prosperous as the economic sanctions imposed on Turkey by the US. Similarly imposition of tariff on China products by the US negatively impacting our economy by declining our exports to China.The management is making all out efforts to run Plant at maximum capacity and keep operation profitable.

A lot depend now is what the new Government does regarding its policies towards export. If they make policies that support export then the situation may improve. However currently, as things stand, the coming year looks challenging.

CORPORATE SOCIAL RESPONSIBILITY

The management work towards empowering people by helping them develop the skills they need to succeed in a global economy. The company equips communities with information, technology and the capacity to achieve improved health, education and livelihood outcomes.

Key to this approach are employees of the company who generously give of their time, experience and talent to serve communities; company encourages and facilitate them to do so.

POST BALANCE SHEET EVENTS

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director’s report.

RELATED PARTY TRANSACTION

The company has presented all related party transactions before the audit committee and the Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related part transactions have been provided in Note 39 of the annexed financial statements for the year ended June 30, 2018.

CORPORATE GOVERNANCE, FINANCIAL REPORTING AND INTERANAL CONTROL SYSTEM

The Company is committed to good corporate governance and compliance with best practices. The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in their Listing Regulations have been duly complied with. A Statement to this effect is annexed with the Report.

We are pleased to report that:

- The financial statements, prepared by the management of the company present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored. Emphasis is being done on control procedures to ensure that the policies of the company are adhered with and in case of any anomaly, rectification is done timely.
- The board is satisfied that the company is a going concern, Auditors have emphasized the matter of going concern in their report however these financial statements have been prepared on going concern assumption for reasons more fully disclosed in the financial statements.

- Key operating and financial data for the last six year is annexed.
- There are no statuary payments on account of taxes, duties, levies and charge which are outstanding as on June 30th 2018 except for those disclosed in financial statements.
- Directors, Executives and their spouses and minor children did not carry out any transaction in shares of the company during the year.
- The company has not arranged the training programs for its Directors during the year.

BOARD OF DIRECTORS

The Board of Directors of the company is predominantly independent which ensures transparency and good corporate governance. Board members are competent and proficient leaders having immense experience in various sectors of business world. The board comprises of Chairman, one independent Director, one nominee Director, fivenon-executiveDirectors and three executive Directors (excluding the Chief Executive Officer). The non-executiveDirectors bring to the company their vast experience of business, governance and law, contributing valuable input and ensuring the company's operations at a high standard of the principles of legal and corporate compliance.

Following are the names of persons who were Directors of the company during the year 2017-2018, number of board and committees' meeting held during the year and status of attendance by:

Name of Directors	Eligibility	Attended
Mian Mohammad Ahmed (Chairman)	5	3
Mian Shahzad Ahmed (Chief Executive)	5	5
Mr. Riaz Ahmed	5	3
Mr. Naveed Ahmed	5	5
Mian Imran Ahmed	5	3
Mr. Kashif Riaz	5	4
Mr. Irfan Ahmed	5	5
Mr. Shahwaiz Ahmed	5	5
Mr. Shafqat Masood	5	5
Mr. Sheikh Nishat Ahmed	5	5
Mr. Farooq Hassan (Nominee NIT)	5	5

HUMAN RESOURCE ATTEEND REMENURATION COMMITTEE

Committee constitutes of:

1. Sheikh Nishat Ahmed (Chairman)
2. Mr.Irfan Ahmed (Member)
3. Mr. Shahwaiz Ahmed (Member)

One (1) Meeting was held during the financial year from July 2017 to June 2018. All three members were present in the meeting.

AUDIT COMMITTEE MEETINGS

Four (4) meetings were held during the period from July 2017 to June 2018.All of the members are non-executive Directors including the Chairman.
Committee constitutes of and status of attendance during the year by:

Name of Members		Eligibility	Attended
Sheikh Nishat Ahmed	(Chairman)	4	4
Mr. Irfan Ahmed	(Member)	4	4
Mr. Kashif Riaz	(Member)	4	4

DIRECTORS' REMENURATION

The Directors has a formal remuneration policy for its Directors (Executive/Non-Executive) duly approved by the Board of Directors. The policy has been designed as a component of HR strategy and both are required to support business strategy. The Board believes that the policy is appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the company as well as to create congruence between Directors, executives and shareholders.

APPOINTMENT OF AUDITORS

Messer's Deloitte Yousaf Adil, Chartered Accountant, (Deloitte) member firm of Deloitte Touché Tohmatsu Limited, a reputable Chartered Accountants Firm completed its tenure of appointment with the company and being eligible has offered its services for another term. The Board of Directors of Company, based on the recommendation of the audit committee of the board, has proposed Deloitte for reappointment as auditors of the company for the ensuring year.

AUDIT COMMITTEE

The Board of Directors constituted a fully functional Audit Committee comprising three members: one is Independent Director and two are non-executive Director. The term of reference of the committee, inter alia, consists of ensuring transparent internal audits, accounting and control systems, adequate reporting structure as well as determining appropriate measures to safeguard the Company's assets.

INTERNAL AUDIT FUNCTION

The board have set up efficient and energetic internal control system with operational, financial and compliance controls to carry on the business of the company. Internal audit findings are reviewed by the Audit Committee, and where necessary, action is taken in the basis of recommendations contained in the internal audit reports.

SHAREHOLDING PATTERN

The shareholding pattern as at June 30th, 2018 is annexed.

WEB PRESENCE

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

ACKNOWLEDGEMENT

We acknowledge the contribution of each and every employee of the Company. We would like to express our thanks to our customers for the trust shown in our products and the bankers for continued support to the Company.

We are also grateful to our shareholders for their confidence in our management.

Chief Executive Officer
Karachi
Dated: October 05, 2018

Naveed Ahmed
Director

Key operating and financial results

	2013	2014	2015	2016	2017	2018
Operating data						
Turn over	17,943,482	18,849,796	20,514,847	18,269,007	19,932,316	22,263,855
Less : commission	(331,466)	(233,064)	(229,804)	(165,230)	(175,252)	(173,428)
Sales (net)	17,612,016	18,616,732	20,285,043	18,103,777	19,757,064	22,090,427
Gross profit	3,274,429	2,052,994	1,604,924	1,128,954	1,723,694	2,334,642
Profit before tax	2,323,393	1,059,747	423,937	268,893	962,934	1,561,596
Profit after tax	2,347,529	1,187,803	276,346	91,871	685,835	1,378,581
Financial data						
Gross assets	11,315,251	16,124,298	15,667,103	16,782,496	17,229,879	19,691,466
Return on equity	27.89%	12.74%	2.96%	0.98%	6.91%	12.45%
Current assets	4,849,357	6,343,867	5,637,231	6,599,848	7,256,217	9,666,805
Shareholders equity	8,416,927	9,325,254	9,330,865	9,418,035	9,923,532	11,070,683
Long term debts and deferred liabilities	802,608	1,995,294	1,401,166	1,478,333	1,401,927	1,696,202
Current liabilities	2,095,716	4,803,750	4,935,072	5,886,128	5,904,420	6,924,581
Key ratios						
Gross profit ratio	18.59%	11.03%	7.91%	6.24%	8.72%	10.57%
Net profit	13.33%	6.38%	1.36%	0.51%	3.47%	6.24%
Debt / equity ratio	09 : 91	18 : 82	13 : 87	14 : 86	12 : 88	13 : 87
Current ratio	2.31	1.32	1.14	1.12	1.23	1.40
Earning per share (basic and diluted)	129.89	65.72	15.29	5.08	37.95	76.28
Dividend (percentage)						
- Cash	100% Int	150% Int	150% Int	50% Final	180% Final	-
- Stock	-	-				
- Specie dividend	100 : 09	-	-	-	-	-
Statistics						
Production (tons)	43,427	50,785	51,565	52,684	51,886	50,292

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS OF INDUS DYEING & MANUFACTURING CO. LIMITED JUNE 30 2018

No. Of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Percentage of Total Capital
1,148	1	100	30,880	0.17
136	101	500	32,610	0.18
23	501	1,000	13,162	0.07
21	1,001	5,000	39,170	0.22
2	5,001	15,000	23,725	0.13
7	15,001	50,000	190,430	1.05
2	50,001	100,000	162,700	0.90
4	100,001	500,000	1,362,795	7.54
3	500,001	800,000	1,854,578	10.26
2	1,200,001	1,500,000	2,749,939	15.22
3	1,500,001	2,200,000	6,261,045	34.64
1	2,880,001	5,352,700	5,352,698	29.62
1,352			18,073,732	100.00

Categories of shareholding

Shareholders	No. of Share Holders	Shares Held	Percentage
Individuals	1,325	354,462	1.96
Joint Stock Companies	7	2,956	0.02
Financial Institutions	3	763,774	4.23
Insurance Companies	1	446,605	2.47
Mutual Fund	1	525,295	2.91
Directors, CEO their Spouses & Minor Children	15	15,980,640	88.42
	1,352	18,073,732	100

Individuals	1,325		354,462
Joint Stock Companies	7		
N.H Capital Fund Limited		10	
Kamal Factory (Pvt) Ltd		1,400	
S.H. Bukhari Securities (Pvt) Ltd		525	
United Securities (Pvt) Ltd		17	
Mra Securities (Pvt) Ltd		700	
Black Stone Equites (Pvt) Ltd		106	
M/s Azeem Services (Pvt) Ltd		198	
			2,956

Financial Institutions	3		
National Bank of Pakistan		267,657	
National Investment Trust		11,227	
United Bank Limited Trading Port Folio		484,890	
			763,774
Insurance Companies	1		
State Life Insurance Corp. of Pakistan		446,605	
			446,605
Mutual Fund	1		
CDC-Trustee National Investment (UNIT) Trust		525,295	
			525,295
Directors And Their Spouses	15		
Mian Mohammad Ahmed		1,400,149	
Mian Riaz Ahmed		1	
Mr. Shahzad Ahmed		1,349,790	
Mr. Naveed Ahmed		2,144,358	
Mr. Kashif Riaz		5,352,698	
Mr. Imran Ahmed		1,981,959	
Mr. Irfan Ahmed		2,134,728	
Mr. Shafqat Masood		40,585	
Mr. Shahwaiz Ahmed		1,092	
Mr. Sheikh Nishat Ahmed		100	
Mrs. Salma Jabeen		78,820	
Mrs. Lozina Shahzad		779,816	
Mrs. Shazia Naveed		3,139	
Mrs. Fadia Kashif		549,467	
Mrs. Tahia Imran		163,938	
			15,980,640
			18,073,732

Shareholders holding 10% or more voting interest in the company as at June 30, 2018

Name	Holding	Percentage
Mr. Kashif Riaz	5,352,698	29.62
Mr.Imran Ahmed	1,981,959	10.97
Mr. Naveed Ahmed	2,144,358	11.86
Mr. Irfan Ahmed	2,134,728	11.81

purchase / sale of shares by Directors, Company Secretary, Head of Internal Audit Department, Chief Finance Officer, Chief Executive Office and their spouses, minor children was Nil during 2017-2018

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017
Indus Dyeing and Manufacturing Company Limited
For the year ending June 30, 2018

The Company has complied with the requirements of the Regulations in the following manner

1. The total number of director are 11 as per follows;
   a) Male 11
   b) Female -
2. The composition of Board is as followed;

Category	**Names**
Independent Director	Mr. Sheikh Nishat Ahmed
Executive Directors	Mian Shahzad Ahmed Mr. Naveed Ahmed Mr. Sheikh Shafqat Masood
Non-Executive Directors	Mian Mohammad Ahmed Mr. Shahwaiz Ahmed Mian Riaz Ahmed Mr. Kashif Riaz Mian Imran Ahmed Mr. Irfan Ahmed Mr. Farooq Hassan (Nominee N.I.T)

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board of directors have a formal policy and transparent procedures for the remuneration of the directors in accordance with the Act and these Regulations.
9. Majority of the directors of the company are exempt from the requirement of the directors training program in the regulations, except one director who obtained certificate under directors' training program. The board is in the process to obtain exemption from the Commission for all directors exempt on the basis of qualification and experience criteria.

10. The board has approved appointment of CFO, Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment. The board is in the process of assessing the requirement of current regulations and will make necessary changes in appointments in ensuing years.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of the members given below:

    a) Audit Committee

Chairman	Mr Sheikh Nishat Ahmed
Members	Mr. Kashif Riaz Mr. Irfan Ahmed

    b) HR and Remuneration Committee

Chairman	Mr Sheikh Nishat Ahmed
Members	Mr. Shahwaiz Ahmed Mr. Irfan Ahmed

13. The terms of the reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of the meeting of the committee were as per following:

    a) Audit Committee 5 meetings including 4 Quarterly meetings

    b) HR and Remuneration Committee1 Annual year meeting held on October 2, 2017

15. The board has set up an effective internal audit function. The staff of Internal Audit Function is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regards.

18. We confirm that all other requirements of the Regulations have been complied with except the following;

    - The Company has not obtained the required acknowledgement from the Commission for determining the suitability of chief financial officer and chief internal auditor; and

    - Same person is simultaneously serving on the position of Company Secretary of two listed companies.

On behalf of the Board of Directors

Shahzad Ahmad
Chief Executive

Karachi: October 5, 2018

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of Indus Dyeing & Manufacturing Company Limited (the Company) for the year ended June 30, 2017 to comply with the requirements of the Code contained in the clause 5.19 of Rule Book of the Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Chartered Accountants

Engagement Partner:
Naresh Kumar

Date: October 06, 2018
Place: Karachi

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 61st Annual General Meeting of Indus Dyeing & Manufacturing. Co. Limited. will be held at Indus Dyeing & Manufacturing Company Limited. Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi on Saturday, October 27, 2018 at 11:30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the Annual General Meeting held on October 31, 2017.
2. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended June 30, 2018, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report;
3. To appoint the Statutory Auditors for the year ending June 30, 2019 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Deloitte Yousuf Adil, Chartered Accountants who being eligible have offered themselves for re-appointment;
4. To Consider and approve, as recommended by the Board of Directors, the payment of final cash dividend for the year ended June 30, 2018 @160% i.e. Rs. 16/- per ordinary share.

SPECIAL BUSINESS:

5. To consider and approve enhancement in monthly remuneration of the Chief Executive and two fulltime working Directors namely, Mr. Naveed Ahmed and Mian Imran Ahmed.
6. To transact any other business with the permission of the chair.

By Order of the Board

Karachi

Date; October 05, 2018

Ahmed Faheem Niazi
Company Secretary

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES Act, 2017

Item 05 of the Agenda

Due to increase in the cost of living during the years, to enhance the monthly remuneration from Rs. 600,000/- per month to Rs. 1,200,000/- per month tax free for Mr. Shahzad Ahmed, Chief Executive and Mr. Naveed Ahmed, and to fix monthly remuneration of Mr. Imran Ahmed, Director at Rs. 1,200,000/- per month. The said remuneration is in addition to the Company maintained car; medical expenses; residential utilities, recreational and telephone expenses etc in accordance with the company policy. Approval on the matter is sought by passing the following resolution as an ordinary resolution pursuant to provisions of Articles of Association of the Company:

Resolved that, a sum of Rs. 1,200,000/- per month tax free remuneration be and is hereby approved as a remuneration of Mr. Shahzad Ahmed, Chief Executive, Mr. Naveed Ahmed, and Mian Imran Ahmed, Director of the Company with effect from July 01, 2018 in addition to the Company maintained cars, medical expenses, residential utilities, recreational and telephone expenses etc.

The directors have no other interest except to the extent of remunerations and other benefits approved in accordance with the provisions of Articles of Association of the company.

Notes:

1. The Share Transfer Books of the Company will remain closed for the period from October 20, 2018 to October 27, 2018 (both days inclusive) and the Final Cash Dividend will be paid to the Members whose name appear in the Register of Members. Transfers received in order at the Office of Company's Share Registrar M/s Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shahra-e-Iraq, Saddar Karachi. ('Registrar') at the close of business on October 19, 2018 will be considered in time to attend and vote at the Meeting.

2. Financial Statements for the year ended June 30, 2018 will be available at the website of the Company www.indus-group.com twenty one days before the date of meeting.

   Further, as per approval obtained from members in Annual General Meeting of the Company held on October 31, 2016 to circulate Annual Audited Accounts through CD/DVD/USB in accordance with SRO 470(I)/2016 dated May 31, 2016 of Securities and Exchange Commission of Pakistan (SECP); Annual Audited Accounts of the Company for the year ended June 30, 2018 are being dispatched to the Members through CD/DVD. The Members may request a hard copy of Annual Audited Accounts free of cost. Standard request form is available at the website of the Company www.indus-group.com

3. Pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. Members are therefore requested to provide their valid email IDs. For convenience, a Standard Request Form has also been made available on the Company's website www.indus-group.com

4. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shahra-e-Iraq, Saddar Karachi.

6. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

7. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

   A. FOR ATTENDING THE MEETING:

   i. In case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the Meeting.

   ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   B. FOR APPOINTING PROXIES:

   i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.

   ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.

v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

8. Members are requested to notify Change in their addresses, if any; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted.

9 Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001

Pursuant to the provisions of the Finance Act 2018 effective July 1, 2018, the rates of deduction of income

(a)	Rate of tax deduction for filer of income tax returns	15%
(b)	Rate of deduction for non- filer of income tax returns	20%

The income tax is deducted from the payment of dividend according to Active Tax-Payers List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 20%.

Further, according to clarification received from FBR, withholding tax will be determined separately on 'Filer/Non Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

In this regard, all shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal Shareholder and Joint-holders in respect of shares held by them to our Shares Registrar, in writing. The joint accounts information must reach to our Shares Registrar within 10 days of this notice. In case of non-receipt of the information, it will be assumed that the shares are equally held by Principal Shareholder and the Joint-holder(s).

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be.

10 Dividend Mandate and Payment of Cash Dividend through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require that the dividend payable in cash shall only be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, for making compliance to the provisions of the law, all those physical shareholders who have not yet submitted their IBAN bank account details to the Company are requested to provide the same on the Dividend Mandate Form available on Company website at www.indus-group.com.

Non CDC shareholders are requested to send valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity) to the Registrar of the Company. Please note that CNIC number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.

CDC shareholders who have also not provided their IBAN bank account details are also requested to provide the same to their Participants in CDC and ensure that their IBAN bank account details are updated. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

11. Members may avail video conference facility for this Annual General Meeting other than Karachi, provided the Company receives consent (standard format is given below) atleast 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at respective city.

    The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

    "I/we ______________ of __________ being member(s) of Indus Dyeing & Manufacturing Company. Limited, holder of __________ Ordinary Share(s) as per Registered Folio No./CDC Account No. _________ hereby opt for video conference facility at ___________i in respect of 61st Annual General Meeting of the Company.

    ____

    Signature of Member"

12 For any query/problem/information, Members may contact the Company at email I____________________ and/or the Share Registrar of the Company at above mentioned address and at (+92 21) _________________, email _____________________

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF INDUS DYEING & MANUFACTURING COMPANY LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Indus Dyeing & Manufacturing Company Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of Regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Sr #	Paragraph reference	Description
1	18	The Company has not obtained the required acknowledgement from the Commission for determining the suitability of chief internal auditor and chief financial officer.
2	18	Same person is simultaneously serving on the position of Company Secretary of two listed companies.

Chartered Accountants

Chartered Accountants

Place: Karachi
Date: October 06, 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDUS DYEING & MANUFACTURING COMPANY LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Indus Dyeing & Manufacturing Company Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2018, and the unconsolidated statement of profit and loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equityand the unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information requiredby the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code)and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matter:

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition	
The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in notes 4.15, and the related amounts of revenue recognized during the year are disclosed in note 26 to the unconsolidated financial statements. The Company generates revenue from sale of goods to domestic as well as export customers. Revenue from the local (including indirect exports) and export sales is recognized when significant risks and rewards of ownership have been transferred to the customer. We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized based on transfer of risk and rewards to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • obtained understanding and performed testing on design and implementation and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period and based on dispatch of goods to customers in case of local customers and on export of goods to customers outside Pakistan as evidenced by respective bills of lading; • assessed appropriateness of the Company's accounting policies for revenue recognition in light of applicable accounting and reporting standards; and • checked on a sample basis whether the recorded local and export sales transactions were based on actual dispatch of goods or on exports, substantiated by supporting documents; • Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents.
2. Valuation of stock in trade	

Stock-in-trade has been valued following an accounting policy as stated in note 4.9 and the related value of stock-in-trade is disclosed in note 18 to the unconsolidated financial statements. Stock-in-trade forms material part of the Company's assets comprising of around 24% of total assets.
 	
The valuation of finished goods within stock-in-trade at cost has different components, which includes judgment in relation to the allocation of overheads costs, which are incurred in bringing the finished goods to its present location and condition. Judgmentsare also involved in determining the net realizable value (estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy.
 	
Due to the above factors, we have considered the valuation of stock in trade as key audit matter.
	Our audit procedures to address the valuation of stock-in-trade, included the following:
	
	• obtained an understanding of mechanism of recording purchases and valuation of stock-in-trade;
	
	• tested on a sample basis purchases with underlying supporting documents;
	
	• verified the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods;
	
	• obtained an understanding of management's process for determining the net realizable value and checked:
	
	    • future selling prices by performing a review of sales close to and subsequent to the year-end; and
	
	    • determination of cost necessary to make the sales.
	
	• checked the calculations of net realizable value of itemized list of stock-in-trade, on selected sample and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.When we read the annual report, Ifwe conclude that there is a material misstatement of therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under law. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance

The engagement partner on the audit resulting in this independent auditor's report is Naresh Kumar.

Chartered Accountants

Date: October 06, 2018

Place: Karachi

Unconsolidated Statement of Financial Position

As at June 30, 2018

Equity and liabilities	Note	2018	2017
		Rupees in '000	
Share capital and reserves			
Authorized share capital 45,000,000 ordinary shares of Rs. 10 each		**450,000**	450,000
Issued, subscribed and paid up capital	5	**180,737**	180,737
Reserves	6	**7,000,000**	7,000,000
Unappropriated profits		**3,889,946**	2,742,795
		11,070,683	9,923,532
Non-current liabilities			
Long-term financing	7	**1,323,195**	1,048,036
Deferred liabilities	8	**373,007**	353,891
		1,696,202	1,401,927
Current liabilities			
Trade and other payables	9	**1,920,207**	1,516,030
Unclaimed dividends		**11,080**	6,326
Interest / mark-up payable	10	**44,631**	41,436
Short-term borrowings	11	**4,594,774**	3,911,125
Current portion long term financing	7	**353,889**	429,503
		6,924,581	5,904,420
Contingencies and commitments	12		
		19,691,466	17,229,879

Assets	Note	2018	2017
		Rupees in '000	
Non-current assets			
Property, plant and equipment	13	**6,310,579**	6,215,360
Intangibles	14	**19,592**	24,517
Long-term investments	15	**3,689,680**	3,729,680
Long-term deposits	16	**4,810**	4,105
		10,024,661	9,973,662
Current assets			
Stores, spares and loose tools	17	**265,723**	256,082
Stock-in-trade	18	**4,716,028**	4,203,973
Trade debts	19	**3,533,973**	1,286,181
Loans and advances	20	**165,097**	140,304
Trade deposits and short-term prepayments	21	**1,649**	15,440
Other receivables	22	**63,547**	44,753
Other financial assets	23	**315,213**	584,330
Tax refundable	24	**489,286**	475,105
Cash and bank balances	25	**116,289**	250,049
		9,666,805	7,256,217
		19,691,466	17,229,879

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

Arif Abdul Majeed
Chief Financial Officer

Shahzad Ahmed
Chief Executive Officer

Naveed Ahmed
Director

Unconsolidated Statement of Profit and Loss

For the year ended June 30, 2018

	Note	2018	2017
		Rupees in '000	
Sales - net	26	**22,090,427**	19,757,064
Cost of goods sold	27	**(19,755,785)**	(18,033,370)
Gross profit		**2,334,642**	1,723,694
Other income	28	**286,630**	48,817
		2,621,272	1,772,511
Distribution cost	29	**(324,886)**	(323,853)
Administrative expenses	30	**(249,080)**	(233,551)
Other operating expenses	31	**(219,655)**	(74,732)
Finance cost	32	**(266,055)**	(177,441)
		(1,059,676)	(809,577)
Profit before tax		**1,561,596**	962,934
Taxation	33	**(183,015)**	(277,099)
Profit for the year		**1,378,581**	685,835
		------------ Rupees ------------	
Earnings per share - basic and diluted	34	**76.28**	37.95

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

Arif Abdul Majeed	**Shahzad Ahmed**	**Naveed Ahmed**
Chief Financial Officer	**Chief Executive Officer**	**Director**

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2018

	Note	2018	2017
		Rupees in '000	
Profit for the year		**1,378,581**	685,835
Items that may be reclassified subsequently to profit and loss		-	-
Items that will not be reclassified subsequently to profit and loss			
Remeasurement of defined benefit liability	8.1	**4,329**	488
Less: tax thereon		**(801)**	(88)
Total other comprehensive income for the year		**3,528**	400
		3,528	400
Total comprehensive income for the year		**1,382,109**	686,235

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

Arif Abdul Majeed Chief Financial Officer	Shahzad Ahmed Chief Executive Officer	Naveed Ahmed Director

Unconsolidated Statement Of Changes in Equity
For the year ended June 30, 2018

	Issued, subscribed and paid up capital	Reserves - Capital: Share premium	Reserves - Capital: Merger reserve	Reserves - Revenue: General reserve	Reserves - Revenue: Unappropriated profits	Total
	Rupees in '000'					
Balance at June 30, 2016	180,737	10,920	11,512	5,000,000	4,214,866	9,418,035
Comprehensive income for the year ended June 30, 2017						
Profit for the year	-	-	-	-	685,835	685,835
Other comprehensive income for the year net of tax	-	-	-	-	400	400
Total comprehensive income for the year	-	-	-	-	686,235	686,235
Transfer to general reserve	-	-	-	1,977,568	(1,977,568)	-
Transactions with owners recognized directly in equity						
Final cash dividend for the year ended June 30, 2016 @ Rs. 5 per share	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended September 30, 2016 @ Rs. 5 per share	-	-	-	-	(90,369)	(90,369)
Balance at June 30, 2017	**180,737**	**10,920**	**11,512**	**6,977,568**	**2,742,795**	**9,923,532**
Comprehensive income for the year ended June 30, 2018						
Profit for the year	-	-	-	-	1,378,581	1,378,581
Other comprehensive income for the year net of tax	-	-	-	-	3,528	3,528
Total comprehensive income for the year	-	-	-	-	1,382,109	1,382,109
Transactions with owners recognized directly in equity						
Final cash dividend for the year ended June 30, 2017 @ Rs. 13 per share	-	-	-	-	(234,958)	(234,958)
Balance at June 30, 2018	**180,737**	**10,920**	**11,512**	**6,977,568**	**3,889,946**	**11,070,683**

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

Arif Abdul Majeed	Shahzad Ahmed	Naveed Ahmed
Chief Financial Officer	Chief Executive Officer	Director

Unconsolidated Cash Flow Statement

For the year ended June 30, 2018

		Note	2018	2017
			Rupees in '000	
A.	**Cash flows from operating activities**			
	Cash generated from operations	35	**212,229**	1,582,429
	Taxes paid - net		**(213,364)**	(324,028)
	Finance cost paid		**(262,860)**	(160,598)
	Gratuity paid	8.1	**(44,901)**	(52,469)
	Net cash (used in) / generated from operating activities		**(308,896)**	1,045,334
B.	**Cash flows from investing activities**			
	Payment for purchase of property, plant and equipment		**(739,176)**	(409,610)
	Proceeds from disposal of property, plant and equipment	13.2	**31,697**	22,853
	Purchase of investments in other financial assets		**(464,088)**	(1,334,125)
	Proceeds from redemption of investments in other financial assets		**695,979**	1,028,324
	Payment for investment in subsidiary companies	15.2.3	**-**	(6,957)
	Dividends received		**5,521**	2,955
	Net cash used in investing activities		**(470,067)**	(696,560)
C.	**Cash flows from financing activities**			
	Receipts from long-term finance	7.1	**620,095**	260,971
	Repayment of long-term finance	7.1	**(420,549)**	(280,596)
	Dividends paid		**(230,204)**	(200,084)
	Net cash used in financing activities		**(30,658)**	(219,709)
	Net decrease in cash and cash equivalents (A+B+C)		**(809,621)**	129,065
	Cash and cash equivalents at beginning of the year		**(3,661,076)**	(3,793,364)
	Effect of exchange rate changes on cash and cash equivalents		**(7,788)**	3,223
	Cash and cash equivalents at end of the year	36	**(4,478,485)**	(3,661,076)

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

Arif Abdul Majeed Chief Financial Officer	Shahzad Ahmed Chief Executive Officer	Naveed Ahmed Director

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

Manufacturing Unit	Address
Hyderabad	P-1, S.I.T.E, Hyderabad, Sindh
Karachi	Plot Number 03 & 07, Sector 25, Korangi Industrial Area,
Muzaffargarh	Muzaffargarh, Bagga Sher, District Multan Karachi.

The Company has the following investees:

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

1.1 Significant transactions and events affecting the Company's financial position and performance

Following are the most significant events that had considerably impacted the financial position and financial performance of the Company.

- The Company's investment in one of the subsidiaries was impaired during the year based on indicators mentioned in related accounting standard (refer note 15.2.3).
- Due to devaluation of Pakistani Rupee during the year ended June 30, 2018, the Company has recorded an exchange gain amounted to Rs. 137.7 million with respect to transactions in foreign currency receivables denominated in US Dollar (note 28)
- During the year the Company has received duty drawback of taxes of Rs. 120.25 million, on export sales, as per duty drawback of taxes order 2016-2017 and 2017- 2018.
- After application of the Companies Act, 2017, certain amounts reported for the previous year are restated. For information please refer note 2.3.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statement have been prepared under accounting and reporting standard as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for certain employee retirement benefits which are measured at present value and certain financial instruments which are carried at fair value.

The Company also prepares consolidated financial statements in accordance with IAS 28 - Investment in Associates and IFRS 10 - Consolidated Financial Statements.

2.3 New amendments that are effective for the year ended June 30, 2018

The following amendments are effective for the year ended June 30, 2018. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments	**Effective date (accounting periods**
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017

Certain annual improvements have also been made to a number of IFRSs, which do not have a significant effect on the financial reporting of the Company and therefore have not been discussed here.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company, which interalia include presentation of unclaimed dividend and dividend payable on the face of the statement of financial position.

Further, the disclosure requirements contained in the Fourth Schedule to the Act have been

- elimination of duplicative disclosures with the IFRS disclosure requirement; and
- incorporation of significant additional disclosures.

2.4 New accounting standards / amendments 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 consolidated financial statements other than certain additional disclosures.

Standards / Amendments / Interpretation	**Effective date (accounting periods**
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.

IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 15 'Revenue from contracts with customer' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018

Standards / Amendments / Interpretation	**Effective date (accounting periods**
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018. Earlier application is permitted.
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where	January 01, 2018. Earlier application is permitted.
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

2.4.1 IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 01, 2018.

Key requirements of IFRS 9 are as follows;

Classification and measurement of financial assets

- All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value.
- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.
- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are generally measured at fair value through other comprehensive income "FVTOCI".
- All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, 'IFRS 9 requires as follows:

The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

2.4.2 Impact assessment of standards, amendments and interpretations

The above standards, amendments and interpretations are not expected to have any material impact on the Company's financial statements in the period of initial application of except for IFRS 15 - Revenue From Contracts With Customers and IFRS 9- Financial Instruments .The Company is currently evaluating the impact of these standards.

2.4.3 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
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of unconsolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan, requires management to make estimates, assumptions and judgment 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 unconsolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for current and deferred tax (note 4.1 and 33)
- Provision for gratuity (note 4.2 and 8.1)
- Depreciation rates of property, plant and equipment (note 13.1)
- Classification and impairment of investment (note 4.7, 15 and 23)
- Net realizable value of stock-in-trade (note 4.9 and 18)
- Provision for impairment of trade debts and other receivables (note 4.10, 19 and 22)
- Useful lives of intangibles (note 4.6, and 14)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates, remaining taxable income at the current rates, of taxation under normal tax regime after taking into account tax credits and rebates available, if any, or on turnover at the specified rate or Alternative Corporate Tax as defined in section 113C of Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred tax is recognized using balance sheet liability method for all major temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the unconsolidated 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 taxable 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 reporting 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 Employee benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period. Provisions are determined based on the actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of providing for gratuity is charged to profit and loss account so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in profit and loss account and actuarial gains and losses are recognized immediately in other comprehensive income.

Compensated absences

The Company 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 future for goods and services received whether billed to the Company or not.

4.4 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of profit or loss over the period of borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

4.5 Property, plant and equipment

4.5.1 Owned

Property, plant and equipment owned by the Company are stated at cost less accumulated depreciation and impairment loss if any, except for freehold land which is stated at cost. Depreciation is charged to profit and loss account using the reducing balance method whereby cost of an asset is written-off over its estimated useful life at the rates given in note 13.1.

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

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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company 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.

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

4.5.2 Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less accumulated impairment, if any. 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.

4.6 Intangible assets

Intangible assets of the Company are stated at cost less accumulated amortisation and impairment loss if any. Amortisation is charged to profit and loss account using the reducing balance method at the rates given in note 14.1. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4.7 Impairment

4.7.1 Financial assets

The Company 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 objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

4.7.2 Non-financial assets

The Company assesses at each reporting 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss account.

4.8 Stores, spares and loose tools

These are valued at cost 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.

4.9 Stock-in-trade

These are valued at lower of cost and net realizable value. Cost is determined by 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
	Basis of valuation
Finished goods	Weighted average cost of material and share of applicable overheads
Packing material	Moving average cost
Waste	Net realizable value
Stock in transit	Accumulated cost till reporting date

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.

4.10 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 4.6.1. Balances considered bad and irrecoverable are written off when identified.

4.1 Investments

4.11.1 Regular way purchase or sale of investments

All purchases and sales of investments are recognized using settlement date accounting. Settlement date is the date when the investments are delivered to or by the Company.

4.11.2 Investment in associate and subsidiaries

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

Subsidiary is an entity due to which the Company is exposed, or has rights, to variable returns from its involvement with such entity and has the ability to affect those returns through its power over the investee entity.

The investments in subsidiary and associate are stated at cost less any impairment losses in these unconsolidated financial statements. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts are adjusted accordingly. Impairment losses are recognized as expense in the profit and loss account. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Reversal of impairment loss is recognized in the profit and loss account adjusted for impairment, if any, in the recoverable

4.11.3 Financial assets at fair value through profit or loss - held-for-trading

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 recognized 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 recognized at fair value and transaction costs are recognized in the profit and loss account.

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.

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

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 profit and loss account.

4.11.4 Derivative financial instruments

Derivativesare initially recorded at fair value on the date a derivativecontract is entered into and are remeasured to fair value at subsequent reporting dates. Derivativeswith positive impact at reporting 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 or other expenses respectively.

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

4.12 Borrowing costs

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 that such assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit and loss account in the period in which these are incurred.

4.1 Foreign currency transactions and translation

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Company'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. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

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

4.1 Provisions

Provisions are recognized when the Company 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 reporting date and adjusted to reflect the current best estimate.

4.2 Revenue recognition

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

Sales are recorded when the significant risk and rewards of ownership of the goods have been passed to the customers which coincide with the dispatch of goods to the customers for local sales and date of bill of lading for export sales.

Income on bank deposits are recorded on time proportionate basis using effective interest rate.

Dividend income is recognized when the right to receive the dividend is established.

Duty drawbacks are recognised on receipt basis when there is reasonable assurance that these will certainly be received.

Gain from sale of securities is recognised in the period when these are sold.

Gain on revaluation of foreign currency receivables and payables are determined and recognised based on rates prevalent at reporting dates and settlement date

4.2 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument and derecognized when the Company 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 Company are disclosed in the individual policy statements associated with each item of financial instruments.

4.17 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 Company has a legal right to offset the recognized amounts and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.18 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. 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.

4.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the unconsolidated financial statements in the period in which the dividends are approved.

4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.21 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the approved accounting standards, is presented in note 42 to these financial statements.

5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018	2017		Note	2018	2017
Number of shares				Rupees in '000	
		Ordinary shares of Rs.10/- each			
9,637,116	9,637,116	fully paid in cash		**96,371**	96,371
		Other than cash			
5,282,097	5,282,097	Issued to the shareholders of YTML	5.1	**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

5.1 These shares were issued pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with agreed share-swap ratio.

5.2 There was no movement in issued, subscribed and paid up capital during the year.

5.3 The 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 Company. All shares rank equally with regard to the Company's residual assets.

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

	Note	2018	2017
		Rupees in '000	
6. RESERVES			
Capital			
Share premium	6.1	**10,920**	10,920
Merger reserve	6.2	**11,512**	11,512
		22,432	22,432
Revenue			
General reserve	6.3	**6,977,568**	6,977,568
		7,000,000	7,000,000

6.1 This represents 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.

6.2 Merger reserve represents excess of (a) assets of YTML over its liabilities merged with the Company over (b) consideration to shareholders of YTML as per the Scheme of Amalgamation. (Refer note 5.1)

6.3 This represents reserves created out of profits of the Company.

	Note	2018	2017
		Rupees in '000	
7. LONG-TERM FINANCING			
Secured			
From banking companies	7.1, 7.2 & 7.3	**1,677,084**	1,477,539
Less: Payable within one year		**(353,889)**	(429,503)
		1,323,195	1,048,036

7.1 Details and movement are as follows:

Name of banks	As at July 01, 2017	Acquired during the year	Repaid during the year	As at June 30, 2018
	Rupees in '000			
Allied Bank Limited	-	134,438	-	134,438
Askari Bank Limited	172,313	-	29,865	142,448
Bank Al Falah Limited	30,000	-	20,000	10,000
Bank Al-Habib Limited	219,500	-	94,000	125,500
Habib Bank Limited	559,758	-	92,830	466,928
MCB Bank Limited	-	378,922	-	378,922
Meezan Bank Limited	138,127	-	105,533	32,594
Soneri Bank Limited	30,000	-	20,000	10,000
United Bank Limited	327,841	106,735	58,321	376,255
Grand Total	**1,477,539**	**620,095**	**420,549**	**1,677,085**

7.2 Particulars of long-term financing

Type and nature of loan	2018 Amount outstanding	Mark up rate per annum	Terms of repayments
	Rupees in '000		
Term finances	**284,875**	**3 month KIBOR + 0.5% to 0.75%**	**Quarterly**
Long term finance facility (LTFF)	**1,392,209**	**2.50% to 7.0%**	**Quarterly and half**
	1,677,084		

Type and nature of loan	2017 Amount outstanding	Mark up rate per annum	Terms of Repayments
	Rupees in '000		
Term finances	627,018	3 month KIBOR + 0.5% to 0.75%	Quarterly
Long term finance facility (LTFF)	850,521	2.50% to 7.0%	Quarterly and half
	1,477,539		

7.3 These finances are secured by charge over property, plant and equipment of the Company.

7.4 There is no non-compliance of the financing agreements with banking companies which may expose the Company to penalties or early repayment.

7.5 Sanctioned amount on long term financing amounts to Rs. 5,155 million (2017: Rs. 5,155 million)

	Note	2018	2017
		Rupees in '000	
8. DEFERRED LIABILITIES			
Provision for gratuity	8.1	**230,814**	210,024
Deferred taxation	8.2	**142,193**	143,867
		373,007	353,891

8.1 Provision for gratuity

The Company operates unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2018 using Projected Unit Credit Method. Details of assumptions used and the amounts recognized in these financial statements are as follows :

	2018	2017
Significant actuarial assumptions		
Discount rate (%)	**9.00**	**7.75**
Expected rate of increase in salary level (%)	**8.50**	**6.75**
Weighted average duration of defined benefit obligation	**7 years**	**7 years**

The expected maturity analysis of undiscounted retirement benefit obligation is:

	Undiscounted payments ------------Rs. '000---------
Year 1	**26,933**
Year 2	**34,907**
Year 3	**45,161**
Year 4	**37,349**
Year 5	**36,780**
Year 6 and above	**146,180**

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2018	**2017**
	Rupees in '000	
Present value of defined benefit obligation	**230,814**	210,024
Movement in net defined benefit liability		
Balance at the beginning of the year	**210,024**	189,134
Recognized in profit and loss account		
Current service cost	**55,483**	62,037
Interest cost	**14,537**	11,810
	70,020	73,847
Recognized in other comprehensive income		
Actuarial gains - net (refer below)	**(4,329)**	(488)
Benefits paid	**(44,901)**	(52,469)
Balance at the end of the year	**230,814**	210,024
Actuarial gains - net		
Actuarial losses due to change in financial assumption	**13,439**	-
Actuarial gain due to experience adjustments	**(17,768)**	(488)
	(4,329)	(488)

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Change in assumptions	Impact on defined benefit obligation: Increase	Impact on defined benefit obligation: Decrease
		-- (Rupees in '000) ---	
Discount rate	1%	(211,072)	254,053
Salary growth rate	1%	253,938	(210,818)

The expected gratuity expense for the next year amounted to Rs. 76.7 million. This is the amount by which defined benefit liability is expected to increase.

Risks to which the scheme maintained by the Company is exposed are as follows such as:

Salary risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risk

The risk that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risk

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

8.2 Deferred taxation

	Opening balance	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
	-------------------- (Rupees in '000) ----------------------			
Movement for the year ended June 30, 2018				
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(37,725)	(5,795)	801	(42,719)
- provision of stores and spare parts	(180)	(18)	-	(198)
- other financial assets	(2,788)	(9,594)	-	(12,382)
- impairment on subsidiary	-	(11,000)	-	(11,000)
Unclaimed amortisation on intangibles	-	(169)		(169)
Unutilized minimum tax paid	(179,352)	27,629	-	(151,723)
	(220,045)	1,053	801	(218,191)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	363,912	(3,528)	-	360,384
Deferred tax liability	143,867	(2,475)	801	142,193

	Opening balance	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
	(Rupees in '000)			
Movement for the year ended June 30, 2017				
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(13,110)	(24,703)	88	(37,725)
- provision of stores and spare parts	(81)	(99)	-	(180)
- other financial assets	(69)	(2,719)	-	(2,788)
Unutilized minimum tax paid	(102,629)	(76,723)	-	(179,352)
	(115,889)	(104,244)	88	(220,045)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	180,889	183,023	-	363,912
Deferred tax liability	65,000	78,779	88	143,867

As at year end, the net reversal of Rs. 1.67 million in the deferred tax liability balance for the year has been recognized as under:

	Note	2018	2017
		Rupees in '000	
Profit and loss account		**(2,475)**	78,779
Other comprehensive income		**801**	88
		(1,674)	78,867

9. TRADE AND OTHER PAYABLES

	Note	2018	2017
Creditors	9.1	**161,791**	83,186
Accrued liabilities		**1,376,227**	1,065,739
Infrastructure cess		**295,678**	244,231
Workers' Profits Participation Fund	9.2	**7,487**	51,107
Advance from customers		**38,451**	27,954
Withholding tax payable		**8,888**	7,975
Others		**31,685**	35,838
		1,920,207	1,516,030

9.1 This includes Rs. 6.53 million (2017: Rs. 4.54 million) due to related parties (refer note 38 for details).

	Note	2018	2017
		Rupees in '000	
9.2 Workers' Profits Participation Fund			
Balance at beginning of the year		**51,107**	14,447
Allocation for the year		**72,487**	51,107
		123,594	65,554
Payments made during the year		**(116,107)**	(14,447)
Balance at end of the year		**7,487**	51,107

10. INTEREST / MARK-UP PAYABLE

	2018	2017
On secured loans from banking companies:		
- Long-term financing	**12,571**	13,786
- Short-term borrowings	**32,060**	27,650
	44,631	41,436

11. SHORT-TERM BORROWINGS

	Note	2018	2017
From banking companies - secured			
Running finance / cash finance arrangements	11.1	**3,544,375**	2,561,920
Foreign currency financing against export / import	11.2	**1,050,399**	1,349,205
	11.3	**4,594,774**	3,911,125

11.1 These carry mark-up ranging from 1 week KIBOR + 0.05% and 3 month KIBOR + 0.05% to 1% (2017: 1 week KIBOR + 0.02% to 1% and 3 month KIBOR + 0.02% to 1%). These are secured against charge over current assets of the Company with upto 25% margin.

11.2 These carry mark-up ranging from 1.8% to 2.2% (2017: 1% to 2.25%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Company.

11.3 The Company has aggregated short-term borrowing facilities amounting to Rs. 9,970 million (2017:Rs. 9,970 million) from various commercial banks.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 Under the Gas Infrastructure Development Cess Act, 2011, Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on gas bills at the rate of Rs. 13 per MMBTU on all industrial consumers. In the month of June 2012, the Federal Government revised GIDC rate from Rs. 13 per MMBTU to Rs. 100 per MMBTU and further increased from Rs.100 per MMBTU to Rs. 200 per MMBTU in July 2014.

The Company filed a suit before the High Court of Islamabad, challenging the applicability of Gas Infrastructure Cess Act 2011. The Islamabad High Court has restrained the Federation and gas companies from recovering GIDC over and above Rs. 13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GIDC as a tax was not levied in accordance with the Constitution and hence not valid.

In September 2014, the Federal Government promulgated Gas Infrastructure Cess Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the ground that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the said Ordinance was approved by the Parliament and became an Act.

Following the imposition of the said Act, many consumers filed a petition in Honorable Sindh High Court and obtained stay order against the Act passed by the Parliament. On October 26, 2016, the learned single Judge of Honorable High Court of Sindh had passed an order to refund / adjust the GIDC collected in the future bills of the respective plaintiff. In other similar case, the said order was stayed by the Honorable Sindh High Court through order dated November 10, 2016. The Company intervened in the aforementioned case for clarification and the decision of Court is pending.

In view of aforementioned developments, the Company on prudent basis, recognized provision for GIDC as at June 30, 2018 amounting to Rs. 726.06 million (2017: Rs. 569.36 million) in these financial statements.

12.1.2 A show cause notice bearing No. DCIR/E&Cunit-01/CREST/Zone-I/LTU/2018 dated June 11, 2018 was issued in respect of inadmissible input claim on the purchase invoices of cement, steel and varnish, packing material and Crest discrepancies involving sales tax amount of Rs. 75.99 million. A detailed reply has been submitted by the management, however the case is pending for the decision by the Tax Authorities. The Tax advisor of the Company is confident that the above said matter will be decided in favor of the Company.

		2018	2017
		Rupees in '000	
12.1.3	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
12.1.4	Guarantees issued by banks in favour of custom authorities on behalf of the Company	**3,817**	3,817
12.1.5	Guarantees issued by banks in favor of gas / electric companies	**104,768**	77,558
12.1.6	Bank guarantees against payment of infrastructure cess	**296,042**	253,042
12.2	**Commitments**		
	Letters of credit for raw material and stores and spares	**1,098,318**	444,576
	Letters of credit for property, plant and equipment	**203,663**	366,705
	Sales contracts to be executed	**2,530,447**	2,358,629

12.3 The Company has total unutilised facility limit against letters of credit aggregating to Rs 4.62 billion (2017: Rs. 4.44) as of reporting date.

		Note	2018	2017
			Rupees in '000	
13.	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	13.1	**6,295,541**	6,187,997
	Capital work-in-progress	13.4	**15,038**	27,363
			6,310,579	6,215,360

13.1 **Operating Fixed Assets**

	2018							
Particulars	**Cost at July 01, 2017**	**Additions / (disposal) during the year**	**Cost at June 30, 2018**	**Accumulated depreciation at July 01 2017**	**Depreciation/ (adjustment) during the year**	**Accumulated depreciation at June 30, 2018**	**Carrying value at June 30, 2018**	**Depreciation Rate**
	<------------------------------			Rupees in '000'			------------------------------>	%
Owned								
Freehold land	14,302	-	14,302	-	-	-	14,302	-
Leasehold land	127,094	-	127,094	-	-	-	127,094	-
Factory buildings	1,314,612	41,945	1,356,557	470,071	44,325	514,396	842,161	5%
Non-factory buildings	177,606	-	177,606	103,028	7,458	110,486	67,120	10%
Office building	110,316	20,100	130,416	21,072	5,468	26,540	103,876	5%
Plant and machinery	8,719,733	505,567 (162,485)	9,062,815	4,304,711	465,037 (124,635)	4,645,113	4,417,702	10%
Electric installations	211,823	9,788	221,611	105,892	10,798	116,690	104,921	10%
Power generators	716,670	138,156 (8,979)	845,847	314,567	41,116 (7,153)	348,530	497,317	10%
Office equipment	11,359	-	11,359	5,122	623	5,745	5,614	10%
Furniture and fixtures	32,164	2,150 (9,422)	24,892	12,074	2,055 (7,288)	6,841	18,051	10%
Vehicles	203,179	33,795 (11,314)	225,660	114,324	21,392 (7,439)	128,277	97,383	20%
June 30, 2018	11,638,858	751,501 (192,200)	12,198,159	5,450,861	598,272 (146,515)	5,902,618	6,295,541	

	2017							
Particulars	Cost at July 01, 2016	Additions / (disposal) during the year	Cost at June 30, 2017	Accumulated depreciation at July 01, 2016	Depreciation/ (adjustment) during the year	Accumulated depreciation at June 30, 2017	Carrying value at June 30, 2017	Depreciation Rate
	< - - - - - - - - - -	- - - - - - - - - -	- - - - - - Rupees in '000'	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - - >	%
Owned								
Freehold land	14,902	- (600)	14,302	-	-	-	14,302	-
Leasehold land	52,035	75,059	127,094	-	-	-	127,094	-
Factory buildings	1,312,586	2,026	1,314,612	425,713	44,358	470,071	844,541	5%
Non-factory buildings	177,606	-	177,606	94,742	8,286	103,028	74,578	10%
Office building	110,316	-	110,316	16,375	4,697	21,072	89,244	5%
Plant and machinery	8,519,301	283,250 (82,818)	8,719,733	3,897,818	475,964 (69,071)	4,304,711	4,415,022	10%
Electric installations	211,823	-	211,823	94,120	11,772	105,892	105,931	10%
Power generators	594,390	122,280	716,670	280,411	34,156	314,567	402,103	10%
Office equipment	11,359	-	11,359	4,429	693	5,122	6,237	10%
Furniture and fixtures	27,952	4,212	32,164	9,988	2,086	12,074	20,090	10%
Vehicles	202,464	17,299 (16,584)	203,179	103,538	20,990 (10,204)	114,324	88,855	20%
June 30, 2017	11,234,734	504,126 (100,002)	11,638,858	4,927,134	603,002 (79,275)	5,450,861	6,187,997	

13.1.1 Allocation of depreciation

	Note	2018	2017
		Rupees in '000'	
Manufacturing expense	27.2	**568,734**	574,536
Administrative expense	30	**29,538**	28,466
		598,272	603,002

13.2 Disposals of operating fixed assets

Particulars	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
	------	------	------	Rupees in '000'	------		
Plant and machinery							
Autocone Schalaforst	20,749	(12,912)	7,837	8,096	259	Negotiation	Gulf Textile
Autoconer Schalaforst	31,360	(26,021)	5,339	1,500	(3,839)	Negotiation	MKM Textile Int.
Ring Frames	51,105	(38,765)	12,340	7,200	(5,140)	Negotiation	AJ Textile Mills
Machconer Savio 64 Spindles	5,006	(4,025)	981	632	(349)	Negotiation	Muhammad Kamran
Ring Frames	12,673	(9,613)	3,060	1,200	(1,860)	Negotiation	Nagra Spin Mills PVT Limited
Autocone Schalaforst	17,127	(13,470)	3,657	2,874	(783)	Negotiation	Gulf Textile
Schalaforst	17,021	(13,452)	3,569	2,310	(1,259)	Negotiation	Gulf Textile
Capio Slub Device	4,524	(3,575)	949	170	(779)	Negotiation	Muhammad Kamran
	159,565	(121,833)	37,732	23,982	(13,750)		
Vehicles							
Honda Prosmatec	2,090	(1,516)	574	600	26	Negotiation	Ghulam Murtaza
Honda Prosmatec	2,511	(746)	1,765	2,100	335	Negotiation	Insurance Claim
	4,601	(2,262)	2,339	2,700	361		
Furniture & fixtures							
Office furniture	9,422	(7,288)	2,134	165	(1,969)	Negotiation	Zubair Kabari
	9,422	(7,288)	2,134	165	(1,969)		
Power generators							
Caterpillar Generator	8,979	(7,153)	1,826	1,900	74	Negotiation	Gulzar traders
	8,979	(7,153)	1,826	1,900	74		
Assets having carrying value less than Rs. 500,000	9,633	(7,979)	1,654	2,950	1,296	Negotiation	Various
2018	**192,200**	**(146,515)**	**45,685**	**31,697**	**(13,988)**		
2017	100,002	(79,275)	20,727	22,853	2,125		

13.3 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location	Usage of immovable property	Total Area (In acres)	Covered Area (In sq.ft)
Land:			
Korangi mill - Plot No. 3 & 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	12.50	544,500.00
Hyderabad mill - Plot No. P-1 & P-5, S.I.T.E, Hyderabad	Manufacturing facility and labour colony	29.00	1,263,240.00
Nooriabad land - Plot No. K-31 & K-32, Nooriabad	Held for business expansion	40.00	1,742,400.00
Shujabad land - Railway Road, Shujabad	Held for business expansion	15.64	681,441.75
Naseerpur land - Adda Pira Ghayaib, Mototly Road	Manufacturing facility	8.28	360,459.00
Muzaffergarh mill - Bagga Sher, Khan pur Shumail, District Multan	Manufacturing facility and labour colony	30.86	1,344,370.50
Lahore land - 2.5 Kilometer off Manga Raiwind Road, Lahore	Held for business expansion	15.80	688,248.00
Factory and non factory buildings:			
Korangi mill - Plot No. 3 & 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	8.50	370,647.00
Karachi- Office No. 508, 5th Floor, Beaumont Plaza, Karachi	Business office	0.14	5,946.03
Hyderabad mill - Plot No. P-1, S.I.T.E, Hyderabad	Manufacturing facility and labour colony	21.36	930,711.00
Muzaffergarh mill - Bagga Sher, Khan pur Shumail, District Multan	Manufacturing facility and labour colony	13.92	606,498.00
Raiwind Road, Manga Mandi, Lahore	Held for business expansion	0.09	3,750.00

		Note	2018	2017
			Rupees in '000	
13.4	**Capital work-in-progress**			
	Civil works		**4,350**	27,363
	Advance against purchase of vehicles		**10,688**	-
		13.4.1	**15,038**	27,363

13.4.1 Capital work-in-progress

	Civil works	Plant and machinery	Advance against purchase of vehicles	Total
	......................(Rupees '000).........................			
As at June 30, 2016	20,391	96,247	5,241	121,879
Additions during the year	6,972	123,027	4,640	134,639
Transferred to operating fixed assets	-	(219,274)	(9,881)	(229,155)
As at June 30, 2017	27,363	-	-	27,363
Additions during the year	18,857	-	10,688	29,545
Transferred to operating fixed assets	(41,870)	-	-	(41,870)
As at June 30, 2018	**4,350**	**-**	**10,688**	**15,038**

		Note	2018	2017
			Rupees in '000	
14	**INTANGIBLES**			
	Intangibles under use - software	14.1	**11,492**	16,417
	Intangibles under implementation - software	14.2	**8,100**	8,100
			19,592	24,517
14.1	**Intangibles under use - software**			
	Year ended June 30			
	Net book value as at July 1		**16,417**	-
	Additions		**-**	18,241
	Amortization for the year	14.1.1	**(4,925)**	(1,824)
	Net book value as at June 30		**11,492**	16,417
	At June 30			
	Cost		**18,241**	18,241
	Accumulated amortization		**(6,749)**	(1,824)
	Net book value		**11,492**	16,417
	Annual amortization rate		**30%**	30%

14.1.1 Amortization for the year has been charged to administrative expenses.

14.2 Intangibles under implementation - ERP software

	Rupees in '000
As at June 30, 2016	26,341
Transferred to intangible assets	(18,241)
As at June 30, 2017	8,100
Transferred to intangible assets	-
As at June 30, 2018	**8,100**

15. LONG-TERM INVESTMENTS

	Note	2018 Rupees in '000	2017 Rupees in '000
Investment in associate			
Sunrays Textile Mills Limited	15.1	**13,476**	13,476
Investment in subsidiaries	15.2.1, 15.2.2 & 15.2.3	**3,676,204**	3,716,204
		3,689,680	3,729,680

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

15.2 Investment in subsidiaries

	2018	2017
15.2.1 Indus Home Limited (IHL)	**2,491,204**	2,491,204

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

	2018 Rupees in '000	2017 Rupees in '000
15.2.2 Indus Lyallpur Limited (ILP)	**1,185,000**	1,185,000

ILP is a wholly owned subsidiary of the Company and is involved in the business of manufacturing, export and sale of yarn. The subsidiary is incorporated in Pakistan as public unlisted company. Investment in ILP is carried at cost in these unconsolidated financial statements.

15.2.3 Indus Wind Energy Limited (IWE)

	2018 Rupees in '000	2017 Rupees in '000
Opening	**40,000**	33,043
Advance against equity	**-**	6,957
Impairment on investment	**(40,000)**	-
Closing	**-**	40,000

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

As per the requirements relating to impairment mentioned in applicable financial reporting standards, management has assessed to book an impairment loss against the carrying value of investment and receivable amount relating to IWE. Management estimates based on uncertainty relating to determination of tariff, letter of support, financial closing and commencement of opertaions.

		Note	2018	2017
			Rupees in '000	
16.	**LONG-TERM DEPOSITS**			
	Electricity		**2,139**	3,790
	Others		**2,671**	315
			4,810	4,105
17.	**STORES, SPARES AND LOOSE TOOLS**			
	Stores, spares and loose tools	17.1	**266,723**	257,082
	Less: Provision for slow moving and obsolete stock		**(1,000)**	(1,000)
			265,723	256,082

17.1 It includes stores and spares in transit amounting to Rs. 26.67 million (2017: Rs. 18.7 million).

		Note	2018	2017
			Rupees in '000	
18.	**STOCK-IN-TRADE**			
	Raw material			
	- in hand		**3,304,280**	3,115,787
	- in transit		**583,335**	183,578
			3,887,615	3,299,365
	Work-in-process		**242,775**	218,812
	Finished goods		**470,984**	584,759
	Packing material		**54,604**	41,346
	Waste		**60,050**	59,691
			4,716,028	4,203,973
19.	**TRADE DEBTS**			
	Considered good			
	Secured			
	Foreign debtors	19.1 & 19.3	**2,663,225**	440,281
	Local debtors	19.2	**14,740**	18,573
			2,677,965	458,854
	Unsecured			
	Local debtors	19.4	**856,008**	827,327
			3,533,973	1,286,181
	Less: Provision for doubtful debts		**-**	-
			3,533,973	1,286,181

19.1 The amount of export sales in respect of outstanding trade debts along with foreign jurisdiction is below:

	2018		2017	
	Debt	**Sale**	**Debt**	**Sale**
	---------- Rupees in '000 ----------			
Bangladesh	**1,870**	**1,774**	-	-
Brazil	**-**	**-**	7,880	7,908
China	**2,185,725**	**2,072,686**	221,331	222,115
France	**-**	**-**	3,521	3,534
Germany	**-**	**-**	7,127	7,152
Hong Kong	**25,895**	**24,556**	-	-
India	**-**	**-**	8,635	8,666
Italy	**71,312**	**67,624**	27,109	27,205
Japan	**85,573**	**81,147**	9,339	9,372
Korea	**99,473**	**94,329**	19,545	19,615
Manila	**14,154**	**13,422**	2,291	2,300
Portugal	**33,702**	**31,959**	14,073	14,123
Singapore	**24,969**	**23,678**	-	-
Taiwan	**22,815**	**21,635**	-	-
Turkey	**97,737**	**92,682**	119,427	119,850
	2,663,225	**2,525,491**	440,281	441,840

All these debts are secured against letters of credit.

19.2 The details of past due or impaired trade debts from associates and related parties are as follows:

Name	**Maximum aggregate outstanding at the end of any month**	**Up to 6 months**	**More than 6 months**	**Total**	
				2018	2017
Subsidiaries:					
Indus Home Limited	209,557	14,740	-	**14,740**	17,248
Associates:					
Sunrays Textile Mills Limited	-	-	-	**-**	1,054
Indus Heartland Limited	-	-	-	**-**	271

19.3 These are secured against letters of credit in favour of the Company.

19.4 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, to assess their recoverability.

		Note	2018	2017
			(Rupees in '000)	
19.5	**Aging of trade debts**			
	From 1 to 30 days		**951,352**	786,880
	From 30 to 60 days		**258,797**	207,439
	From 60 to 90 days		**881,914**	183,785
	From 90 to 180 days		**1,441,910**	108,077
			3,533,973	1,286,181

		Note	2018	2017
20.	**LOANS AND ADVANCES**			
	Considered good			
	Loans / advances to staff	20.1	**30,179**	21,115
	Advance income tax - net	20.2	**91,283**	77,591
	Advances to:			
	- Suppliers		**6,516**	4,351
	- Others		**37,119**	37,247
			43,635	41,598
			165,097	140,304

20.1 These are interest free, secured against gratuity entitlements and granted of an amount not more than Rs. 500,000.

		Note	2018	2017
			(Rupees in '000)	
20.2	**Advance income tax - net**			
	Advance income tax		**285,120**	281,989
	Provision for taxation	33	**(185,490)**	(196,294)
	Workers Welfare Fund	20.2.1	**(8,347)**	(8,104)
			91,283	77,591

20.2.1 Prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers 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 Acts, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the Ordinance in 2011. However, the Company together with other stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against the Company and other stakeholders. Management has filed a petition before the Honorable Supreme Court of Pakistan against the decision of the Sindh High Court.

Honorable Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Acts, 2006 and 2008 have been declared invalid in the said order. Therefore, the management believes that in the light of the aforementioned judgement, all cases pertaining to WWF, pending for adjudication would be decided in the favour of the Company. The management has filed an application for rectification order amounting to Rs. 125.28 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

21. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS	Note	2018	2017
		Rupees in '000	
Considered good			
Trade deposits		**1,577**	1,577
Prepayments		**72**	13,863
		1,649	15,440

22. OTHER RECEIVABLES	Note	2018	2017
Considered good			
Cotton claims against short deliveries		**28,226**	13,175
Others	22.1 & 22.2	**35,321**	31,578
		63,547	44,753

22.1 The details of past due and impaired trade debts from associates and related parties are as follows:

Name	Maximum aggregate outstanding at the end of any month	Up to 6 months	More than 6 months	Total 2018	Total 2017
Indus Wind Energy Limited	27,943	17,224	10,719	**27,943**	10,719

22.2 The movement in provision for impairment against due from a related party (Indus Wind Energy Limited) during the year is as follows:

	Total 2018	Total 2017
Balance at beginning of the year	**-**	-
Provisions during the year	**27,943**	-
Balance at end of the year	**27,943**	-

23. OTHER FINANCIAL ASSETS	Note	2018	2017
		Rupees in '000	
At fair value through profit or loss - held-for-trading			
Investment in ordinary shares of listed companies	23.1.1	**82,785**	126,958
Investment in units of mutual funds	23.1.2	**232,428**	457,372
		315,213	584,330

23.1 Particulars of other financial assets

23.1.1 Investment in ordinary shares of listed companies

2018	2017		Note	2018	2017
Number of shares				Rupees in '000	
42,000	42,000	Bestway Cement Limited		**5,502**	9,203
-	160,000	Engro Fertilizers Limited		**-**	8,838
40,000	45,000	Engro Corporation Limited		**12,554**	14,666
30,000	30,000	Fauji Fertilizer Company Limited		**2,967**	2,479
15,000	15,000	Habib Bank Limited		**2,497**	4,037
2,050,000	1,850,000	K-Electric Limited		**11,644**	12,765
13,304	11,088	Pakistan State Oil Company Limited		**4,235**	4,295
10,000	10,000	Pak Elektron Limited		**355**	1,103
100,000	100,000	Pakistan International Airlines Corporation Limited		**409**	584
193,900	193,900	Pioneer Cement Limited		**9,086**	25,207
25,950	25,950	Sitara Chemical Industries Limited		**9,558**	11,538
141,900	136,900	United Bank Limited		**23,978**	32,243
				82,785	126,958

23.1.2 Investment in units of mutual funds

2018	2017			2018	2017
Number of units					
-	9,979,741	ABL Income Fund		**-**	100,151
2,163	2,163	HBL Money Market Fund		**232**	220
1,081	1,081	HBL Cash Fund (Formerly PICIC Cash Fund)		**115**	109
-	3,965,107	Meezan Cash Fund		**-**	199,960
266	266	Meezan Sovereign Fund		**14**	14
497,400	497,400	Meezan Income Fund		**31,503**	38,006
9,917	9,917	NAFA Government Security Liquid Fund		**106**	101
-	11,013,815	NAFA Money Market Fund		**-**	108,580
100,000	100,000	NAFA Islamic Active Allocation Plan-V		**8,965**	9,868
1,803,098	3,505	UBL Liquidity Plus Fund		**191,482**	353
104	104	UBL Money Market Fund		**11**	10
				232,428	457,372

24. TAX REFUNDABLE

	Note	2018	2017
Sales tax refundable		**95,904**	139,109
Income tax refundable		**393,382**	335,996
		489,286	475,105

25. CASH AND BANK BALANCES

	Note	2018	2017
With banks			
- in deposit accounts	25.1	**12,786**	12,807
- in current accounts		**97,165**	231,151
		109,951	243,958
Cash in hand		**6,338**	6,091
		116,289	250,049

25.1 Markup rates on these accounts range between 3.5% - 8.5% per annum (2017: 3.75% - 5.75% per annum)

25.2 These include balance in foreign currency accounts aggregating to Rs.19.89 million at year end (2017: Rs. 16.31 million)

		Note	2018	2017
			Rupees in '000	
26.	**SALES - NET**			
	Export sales	26.1 & 26.2	**14,844,757**	12,205,627
	Less: Commission		**(107,021)**	(117,800)
			14,737,736	12,087,827
	Local sales			
	Yarn		**6,692,541**	7,222,368
	Waste		**726,557**	504,321
			7,419,098	7,726,689
	Less:			
	Brokerage on local sales		**(66,407)**	(57,452)
			22,090,427	19,757,064

26.1 It includes exchange gain of Rs.169.18 million (2017: loss of Rs.15.48 million) and indirect exports of Rs. 3,044.33 million (2017: Rs. 878 million).

26.2 This includes indirect exports to related undertakings of Rs. 225.94 million (2017: Rs. 214 million) (refer note 38 for details).

		Note	2018	2017
			Rupees in '000	
27.	**COST OF GOODS SOLD**			
	Raw material consumed	27.1	**15,330,843**	14,321,269
	Manufacturing expenses	27.2	**4,172,366**	3,948,073
	Outside purchases - yarn for processing		**163,123**	3,700
			19,666,332	18,273,042
	Work in process			
	- Opening		**218,812**	218,243
	- Closing		**(242,775)**	(218,812)
			(23,963)	(569)
	Cost of goods manufactured		**19,642,369**	18,272,473
	Finished goods			
	- Opening		**644,450**	405,347
	- Closing		**(531,034)**	(644,450)
			113,416	(239,103)
			19,755,785	18,033,370

27.1 Raw material consumed

Opening stock		**3,115,787**	1,620,855
Purchases		**15,794,949**	16,043,442
		18,910,736	17,664,297
Cost of raw cotton sold	31.1	**(275,613)**	(227,241)
Closing stock		**(3,304,280)**	(3,115,787)
		15,330,843	14,321,269

27.2 Manufacturing expenses

	Note	2018	2017
		Rupees in '000	
Salaries, wages and benefits	27.2.1	**1,212,579**	1,172,236
Utilities		**1,580,937**	1,466,278
Packing material consumed		**267,012**	318,423
Stores and spares consumed		**454,109**	344,199
Repairs and maintenance		**39,286**	29,916
Insurance		**30,112**	19,935
Rent, rates and taxes		**2,297**	1,960
Depreciation on operating fixed assets	13.1.1	**568,734**	574,536
Other		**17,300**	20,590
		4,172,366	3,948,073

27.2.1 It includes staff retirement benefits Rs. 62.2 million (2017: Rs. 66.2 million).

28. OTHER INCOME

	Note	2018	2017
		Rupees in '000	
Income from non-financial assets:			
Scrap sale		**13,225**	9,719
Gain on disposal of operating fixed assets - net		**-**	2,125
Profit on trading of raw cotton / fiber	31.1	**-**	11,862
Duty drawback		**120,253**	-
Income from financial assets:			
Capital gain on sale of investments		**5,468**	18,290
Realised exchange gain on foreign currency		**4,088**	-
Unrealized gain on revaluation of foreign currency loans		**-**	3,223
Unrealized gain on revaluation of foreign currency debtors	28.1	**137,734**	-
Dividend income		**5,521**	2,955
Profit on term deposit receipts		**341**	643
		286,630	48,817

28.1 This arises due to devaluation of Pakistani Rupee against US Dollar as at the year end which results in exchange gain on revaluation of foreign currency debtors.

29. DISTRIBUTION COST

	2018	2017
	Rupees in '000	
Export		
Ocean freight	**101,063**	64,048
Export development surcharge	**27,544**	28,597
Export charges	**98,858**	141,774
Local		
Freight and other	**91,078**	84,244
Insurance	**6,343**	5,190
	324,886	323,853

30. ADMINISTRATIVE EXPENSES

	Note	2018	2017
		Rupees in '000	
Salaries and benefits	30.1	**102,822**	95,847
Directors' remuneration other than meeting fees	37	**33,787**	35,551
Meeting fees	37	**349**	265
Repairs and maintenance		**5,966**	4,570
Postage and telephone		**8,039**	7,635
Traveling and conveyance		**2,094**	3,509
Vehicles running		**6,977**	5,242
Printing and stationery		**4,936**	5,175
Rent, rates and taxes		**10,502**	9,119
Utilities		**5,227**	8,394
Entertainment		**1,981**	2,269
Fees and subscription		**19,652**	17,350
Insurance		**2,571**	1,502
Legal and professional		**860**	820
Charity and donations	30.2	**1,548**	1,245
Auditors' remuneration	30.3	**1,470**	1,455
Depreciation on operating fixed assets	13.1.1	**29,538**	28,466
Amortization on intangible assets	14.1	**4,925**	1,824
Advertisement		**115**	208
Others		**5,721**	3,105
		249,080	233,551

30.1 It includes staff retirement benefits of Rs. 7.82 million (2017: Rs. 11.57 million).

30.2 None of the directors and their spouses have any interest in the donees' fund. Each of these donations does not exceed amount of Rs. 500,000.

30.3 Auditors' remuneration

	Note	2018	2017
		Rupees in '000	
Audit fee		**1,100**	1,100
Half year review fee		**300**	300
Fee for certifications		**20**	20
Out of pocket expenses		**50**	35
		1,470	1,455

31. OTHER OPERATING EXPENSES

Loss on trading of raw cotton / fiber	31.1	**6,408**	-
Workers' Profits Participation Fund	9.2	**72,487**	51,107
Unrealized loss on other financial assets		**42,694**	15,521
Unrealised loss on short term borrowings		**7,788**	-
Loss on disposal of operating fixed assets		**13,988**	-
Impairment on subsidiary	15.2.3	**40,000**	-
Provision on receivable from subsidiary	22.2	**27,943**	-
Workers' Welfare Fund		**8,347**	8,104
		219,655	74,732

31.1 (Loss) / profit on trading of raw cotton / fiber

Sale of raw cotton / fiber	**269,205**	239,103
Less: Cost of goods sold	**(275,613)**	(227,241)
(Loss) / profit on trading of raw cotton / fiber	**(6,408)**	11,862

32. FINANCE COST

	2018	2017
	Rupees in '000	
Mark-up on:		
- long-term finance	**62,426**	67,118
- short-term borrowings	**185,850**	98,077
Discounting charges on letters of credit	**8,488**	6,493
Bank charges and commission	**9,291**	5,753
	266,055	177,441

33. TAXATION

Current		
- For the year	**185,490**	196,294
- Prior year	**-**	2,026
	185,490	198,320
Deferred	**(2,475)**	78,779
	183,015	277,099

33.1 The comparison of tax provisions as per financial statements and tax assessments for last three years is as follows:

Tax Year	**Tax Provisions**	**Tax Assessments**
	Rupees in '000	
2015	148,509	137,438
2016	133,227	133,227
2017	196,294	172,465

33.2 As per section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at a rate specified therein on every Public Company other than scheduled bank or modaraba that derives profit for a tax year but does not distribute a portion of its after tax profits (as per limit mentioned therein) within six months of the end of the tax year through cash or bonus shares. As the Company has made a profit for the current year, therefore the Company is required to pay tax on profit as mentioned earlier. However, it is expected that the Company shall distribute profits of an amount to comply with the requirement of section 5A of the Income Tax Ordinance, 2001, therefore, no provision for tax on undistributed profit under section 5A of the Income Tax Ordinance, 2001 is recorded in these financial statements for the year ended June 30, 2018.

33.3 Relationship between tax expense and accounting profit

	2018	2017
	Rupees in '000	
Accounting profit before tax	**1,561,596**	962,934
Tax rate	**30%**	31%
Tax on accounting profit	**468,479**	298,510
Effect of:		
Income chargeable to tax at reduced rates	**(1,648)**	(50,921)
Prior year charge	**-**	2,026
Tax impact of tax credit	**(64,372)**	(38,259)
Income chargeable to tax under final tax regime	**(240,434)**	(25,282)
Due to change in tax rate	**16,626**	60,250
Impact of permanent differences	**(17,918)**	(452)
Impact of super tax	**24,803**	23,829
Others	**(2,521)**	7,398
Tax charge as per accounts	**183,015**	277,099

34. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2018	2017
Profit for the year	**Rupees in '000**	**1,378,581**	685,835
Weighted average number of ordinary shares outstanding during the year	**No. of shares**	**18,073,732**	18,073,732
Earnings per share - Basic and diluted	**Rupees**	**76.28**	37.95

35. CASH GENERATED FROM OPERATIONS

	Note	2018	2017
		Rupees in '000	
Profit before taxation		**1,561,596**	962,934
Adjustments for:			
Depreciation	13.1.1	**598,272**	603,002
Amortization	30	**4,925**	1,824
Provision for gratuity	8.1	**70,020**	73,847
Gain on disposal of other financial assets	28	**(5,468)**	(18,290)
Unrealized loss / (gain) on revaluation of foreign currency loans	28	**7,788**	(3,223)
Unrealized loss on other financial assets	31	**42,694**	15,521
Realised exchange gain on foreign currency	28	**4,088**	-
Unrealized gain on revaluation of foreign currency debtors	28	**137,734**	-
Loss / (gain) on disposal of operating fixed assets	31	**13,988**	(2,125)
Impairment on subsidiary	31	**40,000**	-
Impairment on receivables from subsidiary	31	**27,943**	-
Dividend income	28	**(5,521)**	(2,955)
Finance cost	32	**266,055**	177,441
Cash generated before working capital changes		**2,764,114**	1,807,976

Working capital changes:

(Increase) / decrease in current assets

Stores, spares and loose tools		**(9,641)**	(37,226)
Stock-in-trade		**(512,055)**	(604,529)
Trade debts		**(2,389,614)**	127,600
Loans and advances		**(11,101)**	(11,662)
Trade deposits and short term prepayments		**13,791**	(6,035)
Other receivables		**(46,737)**	(23,937)
Long term deposits		**(705)**	-
Short term borrowings		**-**	-
Increase in current liability		**(2,956,062)**	(555,789)
Trade and other payables		**404,177**	330,242
Cash (used in) / generated from operations		**212,229**	1,582,429

36. CASH AND CASH EQUIVALENTS

Cash and bank balances	25	**116,289**	250,049
Short-term borrowings	11	**(4,594,774)**	(3,911,125)
		(4,478,485)	(3,661,076)

37. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits to chief executive officer, executives and directors of the Company are given below:

	2018				
Particulars	**Chief Executive**	**Directors**		**Executives**	**Total**
		Executive	**Non-Executive**		
	---Rupees in '000---				
Remuneration	**9,368**	**18,083**	**-**	**40,525**	**67,976**
Medical	**1,046**	**1,618**	**-**	**2,673**	**5,337**
Utilities	**1,357**	**2,315**	**-**	**3,725**	**7,397**
Meeting fees	**40**	**100**	**150**	**59**	**349**
Retirement benefits	**-**	**-**	**-**	**3,487**	**3,487**
Total	**11,811**	**22,116**	**150**	**50,469**	**84,546**
Number of persons	**1**	**2**	**7**	**22**	**33**

	2017				
Particulars	**Chief Executive**	**Directors**		**Executives**	**Total**
		Executive	**Non-Executive**		
	---Rupees in '000---				
Remuneration including benefits	10,457	19,605	-	27,893	57,955
Medical	793	1,193	-	1,729	3,715
Utilities	1,329	2,174	-	2,510	6,013
Meeting fees	40	100	90	35	265
Retirement benefits	-	-	-	3,122	3,122
Total	12,619	23,072	90	35,289	71,070
Number of persons	1	2	7	16	26

37.1 Company maintained cars are provided to Chief Executive Officer, directors and executives.

37.2 Comparative figures have been restated to reflect changes in the description of executives as per the Companies Act, 2017.

38. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries Indus Lyallpur Limited, Indus Home Limited, Indus Home USA Inc. and Indus Wind Energy Limited, the associates (Sunrays Textiles Mills Limited, Indus Heartland Limited, Riaz Cotton Factory and Haji Mola Buksh Cotton Company Limited) and key management personnel. The Company carries out transactions with related parties as per agreed terms. Remuneration of key management personnel is disclosed in note 37 to the unconsolidated financial statements. Other unconsolidated financial statements. Other significant transactions with related parties are as follows:

Name of related party	Basis of relationship	Nature of transactions	2018	2017
			Rupees in '000	
Indus Lyallpur Limited	100% owned subsidiary	Conversion Cost Paid	**32,128**	61,979
		Doubling Cost Received	**3,088**	-
		Sale of machinery	**-**	1,755
Indus Home Limited	100% owned subsidiary	Yarn Sale	**225,935**	214,405
		Yarn Purchase		-
		Conversion cost received for services rendered	**391,094**	273,504
		Doubling cost received	**48**	1,183
Indus Wind Energy Limited	100% owned subsidiary	Payment for expenses of company	**17,224**	-
		Advance against issue of shares	**-**	6,957
Sunrays Textile Mills Limited	Associate on common directorship and 0.99% holding	Sale of yarn	**-**	40,175

Name of related party	Basis of relationship	Nature of transactions	2018	2017
			Rupees in '000	
Indus Lyallpur Limited	100% owned subsidiary	Payable to related party	**3,236**	1,111
Sunrays Textile Mills Limited	Associate on common directorship and 0.99% holding	Payable to related party	**125**	260
Riaz Cotton Factory	Associate on common directorship	Payable to related party	**1,917**	1,917
Haji Mola Buksh Cotton Factory	Associate on common directorship	Payable to related party	**1,253**	1,253

39. FINANCIAL RISK MANAGEMENT

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

The Company's principal financial liabilities comprise long-term financing, short-term borrowings, trade and other payables, interest/dividend payable and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and advances, trade and other receivables, cash and bank balances and deposits that arise directly from its operations. The Company also holds long-term and short term investments.

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

39.1 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 Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, loans and advances, other financial assets (mutual funds) 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:

	2018	2017
	Rupees in '000	
Long-term deposits	**4,810**	4,105
Trade debts	**3,533,973**	1,286,181
Loans	**30,179**	21,115
Trade deposits	**1,577**	1,577
Other receivables	**63,547**	44,753
Other financial assets	**232,428**	457,372
Bank balances	**109,951**	243,958
	3,976,465	2,059,061

The 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. Though there are few past due trade debts, however, such are not impaired as per management assessment.

Credit risk related to equity investments and cash deposits

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

The credit risk on liquid funds (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	AAA	A1+
Askari Bank Limited	PACRA	AA+	A1+
Bank Alfalah Limited	JCR-VIS	AA+	A1+
Bank Islami Pakistan Limited	PACRA	A+	A1
Bank Al-Habib Limited	PACRA	AA+	A1+
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	AA-	A1
Faysal Bank Limited	JCR-VIS	AA	A1+
Habib Bank Limited	JCR-VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Industrial and Commercial Bank of China Limited	Moody's	A1	P1
J.S Bank Limited	PACRA	AA-	A1+
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 (Pakistan) Limited	PACRA	AAA	A1+
The Bank Of Punjab	PACRA	AA	A1+
United Bank Limited	JCR-VIS	AAA	A1+

39.2 Liquidity risk management

Liquidity risk is the risk that the Company 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 Company 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 Company'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 Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

39.2.1 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 Company can be required to pay.

	Carrying Values	Contractual Cash Flows	Less than 1 month	1 to 3 months	3 months to 1 year	1-5 years	More than 5 years
	-----	-----	-----	Rupees in '000'	-----	-----	-----
Trade and other payables	**843,639**	**843,639**	-	**843,639**	**-**	**-**	**-**
Long-term financing	**1,677,084**	**1,756,476**	**-**	**-**	**353,889**	**1,402,587**	**-**
Short-term borrowings	**4,594,774**	**4,594,774**	**-**	**3,544,375**	**1,050,399**	**-**	**-**
Unclaimed dividends	**11,080**	**11,080**					
Interest / mark-up payable	**44,631**	**44,631**	**-**	**44,631**	**-**	**-**	**-**
2018	**7,171,208**	**7,250,600**	**-**	**4,432,645**	**1,404,288**	**1,402,587**	**-**

	Carrying Values	Contractual Cash Flows	Less than 1 month	1 to 3 months	3 months to 1 year	1-5 years	More than 5 years
	-----	-----	-----	Rupees in '000'	-----	-----	-----
Trade and other payables	615,405	615,405	-	615,405	-	-	-
Long-term financing	1,477,539	1,540,421	-	-	429,503	1,110,918	-
Short-term borrowings	3,911,125	3,911,125	-	2,561,920	1,349,205	-	-
Unclaimed dividends	6,326	6,326					
Interest / mark-up payable	41,436	41,436	-	41,436	-	-	-
2017	6,051,831	6,114,713	-	3,218,761	1,778,708	1,110,918	-

The effective rate of interests on non-derivative financial liabilities are disclosed in respective notes.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy :

	Carrying amount				Fair Value Hierarchy			
	Fair value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	June 30, 2018							
	(Rupees in '000)							
Financial assets measured at fair value								
Other financial assets	315,213	-	-	315,213	315,213	-	-	315,213
Financial assets not measured at fair value								
	June 30, 2018							
	(Rupees in '000)							
Long-term deposits	-	4,810	-	4,810				
Trade debts	-	3,533,973	-	3,533,973				
Loans	-	30,179	-	30,179				
Trade deposits	-	1,577	-	1,577				
Other receivables	-	63,547	-	63,547				
Bank balances	-	109,951	-	109,951				
Cash in hand	-	6,338	-	6,338				
	-	3,750,375	-	3,750,375				

	Carrying amount				Fair Value Hierarchy			
	Fair value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	June 30, 2018							
	(Rupees in '000)							
Financial liabilities not measured at fair value								
	June 30, 2018							
	(Rupees in '000)							
Long-term financing	-	-	1,677,084	1,677,084				
Trade and other payables	-	-	843,639	843,639				
Unclaimed dividends	-	-	11,080	11,080				
Short-term borrowings	-	-	4,594,774	4,594,774				
Interest / mark-up payable	-	-	44,631	44,631				
	-	-	7,171,208	7,171,208				

	June 30, 2017							
	Carrying amount				Fair Value Hierarchy			
	Fair value through profit & loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial assets measured at fair value								
Other financial assets	584,330	-	-	584,330	584,330	-	-	584,330
Financial assets not measured at fair value	June 30, 2017							
	(Rupees in '000)							
Long-term deposits	-	4,105	-	4,105				
Trade debts	-	1,286,181	-	1,286,181				
Loans	-	21,115	-	21,115				
Trade deposits	-	1,577	-	1,577				
Other receivables	-	44,753	-	44,753				
Bank balances	-	243,958	-	243,958				
Cash in hand	-	6,091	-	6,091				
	-	1,607,780	-	1,607,780				
Financial liabilities not measured at fair value	June 30, 2017							
	(Rupees in '000)							
Long-term financing	-	-	1,477,539	1,477,539				
Trade and other payables	-	-	615,405	615,405				
Unclaimed dividends	-	-	6,326	6,326				
Short-term borrowings	-	-	3,911,125	3,911,125				
Interest / mark-up payable	-	-	41,436	41,436				
	-	-	6,051,831	6,051,831				

39.3 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 Company'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 optimizing returns.

39.3.1 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 Company's interest-bearing financial instruments is:

	Carrying amount	
	2018	**2017**
Fixed rate instruments	**Rupees in '000**	
Financial assets	**12,786**	12,807
Financial liabilities	**1,392,209**	850,521
Variable rate instruments		
Financial liabilities		
- KIBOR based	**3,829,250**	3,188,938
- LIBOR based	**1,050,399**	1,349,205

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss - held-for-trading, 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 Company's profit before tax for the year ended June 30, 2018 would decrease / increase by Rs. 24.4 million (2017: Rs. 22.69 million) determined on the outstanding balance at year end. This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

39.3.2 Foreign exchange risk management

Exposure to currency risk	**2018**		**2017**	
	Rupees	**US Dollar**	**Rupees**	**US Dollar**
	Currency in '000			
Trade debts	**2,663,225**	**21,938**	440,281	4,193
Bank Balances	**19,894**	**164**	16,313	155
Foreign currency loans	**(1,050,399)**	**(8,652)**	(1,349,205)	(12,850)
	1,632,720	**13,450**	(892,611)	(8,502)

	2018	**2017**
	Rupees	
Average rate	**113.15**	104.73
Balance sheet date rate	**121.40**	105.00

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 Company is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees.

At June 30, 2018, if the Rupee had weakened / strengthened by 5% against the US dollar with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 81.64 million (2017: higher / lower by Rs. 45.45 million) determined on the outstanding balance at year end. Profit / (loss) is sensitive to movement in Rupee / foreign currency exchange rates in 2018 than 2017 because of high fluctuation in foreign currency exchange rates.

39.3.3 Equity price risk management

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company 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 Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the Company has exposure of Rs.13.476 million (2017: Rs. 13.476 million) to listed equity securities of an associate which is held for strategic rather than trading purpose.

At the balance sheet date, the Company have exposure of Rs. 3,676 million (2017: Rs. 3,716 million) to unlisted equity securities of subsidiaries which are held for strategic rather than trading purpose. At the balance sheet date, the exposure to listed equity securities at fair value was Rs. 315.213 million (2017: Rs.584.330 million). A decrease / increase of 5% in market prices would have an impact of approximately Rs. 15.761 million (2017: Rs. 29.217 million) on profit and loss for the year determined based on market value of investments at year end.

39.4 Financial instruments by category

	Loans & receivables	Fair value through profit & loss account - held-	Total
	------------------ Rupees in '000	------------	
Financial assets - June 30, 2018			
Long-term deposits	4,810	-	4,810
Trade debts	3,533,973	-	3,533,973
Loans	30,179	-	30,179
Trade deposits	1,577	-	1,577
Other receivables	63,547	-	63,547
Other financial assets	-	315,213	315,213
Bank balances	109,951	-	109,951
Cash in hand	6,338	-	6,338
	3,750,375	315,213	4,065,588

	Loans & receivables	Fair value through profit & loss account - held-for-trading	Total
	-- - - - - - - - - - - - - -	Rupees in '000	- - - - - - - - - - -
Financial assets - June 30, 2017			
Long-term deposits	4,105	-	4,105
Trade debts	1,286,181	-	1,286,181
Loans	21,115	-	21,115
Trade deposits	1,577	-	1,577
Other receivables	44,753	-	44,753
Other financial assets	-	584,330	584,330
Bank balances	243,958	-	243,958
Cash in hand	6,091	-	6,091
	1,607,780	584,330	2,192,110

	Financial liabilities measured at amortized cost	Total
	---------------Rupees in '000	-------------
Financial liabilities - June 30, 2018		
Long-term financing	**1,677,084**	**1,677,084**
Trade and other payables	**843,639**	**843,639**
Unclaimed dividends	**11,080**	**11,080**
Short-term borrowings	**4,594,774**	**4,594,774**
Interest / mark-up payable	**44,631**	**44,631**
	7,171,208	**7,171,208**

	Financial liabilities measured at amortized cost	Total
	---------------Rupees in '000	-------------
Financial liabilities - June 30, 2017		
Long-term financing	1,477,539	1,477,539
Trade and other payables	615,405	615,405
Unclaimed dividends	6,326	6,326
Short-term borrowings	3,911,125	3,911,125
Interest / mark-up payable	41,436	41,436
	6,051,831	6,051,831

39.5 Fair value and categories of financial instruments

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

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

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

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

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

40. CAPITAL RISK MANAGEMENT

The objective of the Company 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 Company 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 Company may adjust the amount of dividend paid to shareholders or issue new shares.

Consistent with others in the industry, the Company 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, 2018 and 2017 were as follows:

	2018	2017
	Rupees in '000	
Total borrowings (note 7 & 11)	**6,271,858**	5,388,664
Less: cash and bank balances (note 25)	**(116,289)**	(250,049)
Net debt	**6,155,569**	5,138,615
Total equity	**11,070,683**	9,923,532
Total capital	**17,226,252**	15,062,147
Gearing ratio	**36%**	34%

There is no significant change in the gearing ratio of the Company as compared to the last year.

41. CAPACITY AND PRODUCTION

Spinning units	2018	2017
Total number of spindles installed	**178,896**	178,896
Total number of spindles worked per annum (average)	**176,910**	177,210
Number of shifts worked per day	**3**	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	**127,255,973**	127,275,682
Actual production for the year after conversion into 20 counts (lbs.)	**110,875,158**	114,388,159
Ginning units		
Installed capacity to produce cotton bales	**72,999**	72,999
Actual production of cotton bales	**-**	11,918
Number of shifts	**-**	1
Capacity attained in (%)	**-**	17%

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

42. SEGMENT REPORTING

The Company'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 led by Chief Executive Officer who continuously is involved 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 the Company has three yarn manufacturing units at Hyderabad, Karachi and Muzaffargarh. 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 Company's performance is evaluated by the management on an overall basis, therefore these operational segments by location are not separately reportable segments.

43. NUMBER OF EMPLOYEES

	Number of employees	
	2018	2017
Average number of employees during the year	**2,447**	2,588
Number of employees as at June 30	**2,553**	2,669
Number of factory employees as at June 30	**2,427**	2,549

43.1 Daily wage employees are not included in the above number of employees.

44. SUBSEQUENT EVENT

The Board of Directors proposed a final dividend for the year ended June 30, 2018 of Rs. 16 per share (2017: Rs. 13 per share) at their meeting held on October 05, 2018 for approval of members at the Annual General Meeting. These financial statements do not reflect this dividend payable which will be accounted for

45. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements have been authorized for issue on October 05,2018 by the Board of Directors of the Company.

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year except that (i) unclaimed dividend as at June 30, 2017 amounting to Rs. 6.326 million previously disclosed under 'Trade and other payables' are now disclosed on the face of the statement of financial position to comply with requirement of Fourth Schedule to the Companies Act, 2017.

47. GENERAL

Figures have been rounded off to the nearest rupees in thousand.

Arif Abdul Majeed Chief Financial Officer	Shahzad Ahmed Chief Executive Officer	Naveed Ahmed Director

Consolidated Annual Report 2018

CONTENTS

Consolidated key operating and financial results

	2013	2014	2015	2016	2017	2018
Operating data						
Turn over	20,375,904	24,301,493	26,812,047	25,111,229	27,818,111	30,877,734
Less : commission	(353,707)	(267,068)	(251,980)	(180,566)	(244,919)	(247,448)
Sales (net)	20,022,197	24,034,425	26,560,067	24,930,663	27,573,192	30,630,286
Gross profit	3,630,687	2,487,947	2,184,056	1,937,179	2,641,910	3,013,451
Profit before tax	2,523,383	1,866,427	474,828	666,821	1,352,727	2,008,520
Profit after tax	2,547,734	1,996,643	299,887	449,069	1,035,345	1,781,697
Financial data						
Gross assets	12,698,532	20,272,036	19,391,820	20,984,661	21,984,382	25,641,644
Return on equity	28.51%	18.75%	2.81%	4.04%	8.65%	13.19%
Current assets	5,826,529	9,316,161	8,264,447	10,025,542	11,487,926	14,938,598
Shareholders equity	8,936,904	10,646,575	10,674,211	11,115,770	11,966,431	13,509,269
Long term debts and deferred liabilities	808,605	2,395,176	1,843,852	1,737,544	1,694,447	2,376,990
Current liabilities	2,950,413	7,227,675	6,873,757	8,131,347	8,323,504	9,755,385
Key ratios						
Gross profit ratio	18.13%	10.35%	8.22%	7.77%	9.58%	9.84%
Net profit	12.72%	8.31%	1.13%	1.80%	3.75%	5.82%
Debt / equity ratio	12 : 88	16 : 84	13 : 87	12 : 88	11 : 89	12 : 88
Current ratio	1.97	1.29	1.20	1.23	1.38	1.23
Earning per share (basic and diluted)	140.96	110.47	16.59	24.85	57.28	98.58
Dividend (percentage)						
- Cash	100% Int	150% Int	150% Int	50% Final	180% Final	-
- Stock	-	-	-	-	-	-
- Specie dividend	100 : 09	-	-	-	-	-
Statistics						
Production (tons)	52,894	63,821	68,361	69,924	70,389	68,759

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDUS DYEING & MANUFACTURING COMPANY LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Indus Dyeing & Manufacturing Company Limited (the Holding Company) and its subsidiarycompanies (together the Group) which comprise the consolidated statement of financial position as at June 30, 2018, and the consolidated statement of profitand loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred as consolidated financial statements).

In our opinion, theconsolidated financial statementsgive a true and fair view of theconsolidated financial position of the Group as at June 30, 2018and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code)and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidatedfinancial statements of the current period. These matters were addressed in the context of our audit of the consolidatedfinancial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition	
Revenue recognition policy has been explained in notes 4.14, and the related amounts of revenue recognized during the year are disclosed in note 27 to the consolidatedfinancial statements. The Group generates revenue from sale of goods to domestic as well as export customers. Revenue from the local (including indirect exports) and export sales is recognized when significant risks and rewards of ownership have been transferred to the customer. We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Group and because of the potential risk that revenue transactions may not have been recognized based on transfer of risk and rewards to the customers in line with the accounting policy adopted and may not have been recognized in the appropriate period.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • obtained understanding and performed testingon design and implementation and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period and based on dispatch of goods to customers in case of local customers and on export of goods to customers outside Pakistan as evidenced by respective bills of lading; • assessed appropriateness of the Group's accounting policies for revenue recognition in light of applicable accounting and reporting standards; • checked, on a sample basis, specific local and export saletransactions with underlying documentation to assess whether revenue has been recognized in the correctaccounting period; andchecked on a sample basis whether the recorded local and export sales transactions were based on actual dispatch of goods or on exports, substantiated by supporting documents; and • Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents.
2. Valuation of stock in trade	

Stock-in-trade has been valued following an accounting policy as stated in note 4.8 and the related value of stock-in-trade are disclosed in note 19 to the consolidatedfinancial statements. Stock-in-trade forms material part of the Group's assets comprising of around 28.79% of total assets.
 	
The valuation of finished goods within stock-in-trade at cost has different components, which includes judgment in relation to the allocation of overheads costs, which are incurred in bringing the finished goods to its present location and condition. Judgmentsare also involved in determining the net realizable value (estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale) of stock-in-trade items in line with accounting policy.
 	
Due to the above factors, we have considered the valuation of stock in trade as key audit matter.
	Our audit procedures to address the valuation of stock-in-trade, included the following:
	
	• obtained an understanding of mechanism of recording purchases and valuation of stock-in-trade;
	
	• tested on a sample basis purchases with underlying supporting documents;
	
	• verified the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods;
	
	• obtained an understanding of management's process for determiningthe net realizable value and checked:
	
	    • future selling prices by preforming a review of sales close to and subsequent to the year-end; and
	
	    • determination of cost necessary to make the sales
	
	• checked the calculations of net realizable value of itemized list of stock-in-trade, on selected sample and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy.

Information Other than the ConsolidatedFinancial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidatedfinancial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidatedfinancial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidatedfinancial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, If we conclude that there is a material misstatement of therein, we are required to communicate the matter to those charged with governance and take necessary actions as required under law. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of theconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidatedfinancial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidatedfinancial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidatedfinancial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidatedfinancial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidatedfinancial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidatedfinancial statements, including the disclosures, and whether the consolidatedfinancial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidatedfinancial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Naresh Kumar.

Chartered Accountants

Date: October 06, 2018

Place: Karachi

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018	2017
		Rupees in '000	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 45,000,000 ordinary shares of Rs. 10 each		**450,000**	450,000
Issued, subscribed and paid-up capital	6	**180,737**	180,737
Reserves	7	**7,000,157**	6,999,444
Unappropriated profit		**6,328,375**	4,786,250
		13,509,269	11,966,431
Non current liabilities			
Long-term financing	8	**1,813,143**	1,193,821
Deferred liabilities	9	**563,847**	500,626
		2,376,990	1,694,447
Current liabilities			
Trade and other payables	10	**2,742,665**	2,124,215
Unclaimed dividend		**11,080**	6,326
Interest / mark-up payable	11	**65,406**	53,005
Short-term borrowings	12	**6,541,667**	5,691,516
Current portion of long-term financing	8	**394,567**	448,442
		9,755,385	8,323,504
Contingencies and commitments	13		
		25,641,644	21,984,382

	Note	2018	2017
		Rupees in '000	
ASSETS			
Non current assets			
Property, plant and equipment	14	**10,638,926**	10,431,373
Intangible assets	15	**21,861**	27,759
Long-term investments	16	**26,784**	22,567
Long-term deposits	17	**15,475**	14,757
		10,703,046	10,496,456
Current assets			
Stores, spares and loose tools	18	**578,782**	527,318
Stock-in-trade	19	**7,384,547**	6,550,142
Trade debts	20	**5,194,308**	2,020,014
Loans and advances	21	**256,670**	228,353
Trade deposits and short-term prepayments	22	**4,374**	28,879
Other receivables	23	**183,261**	98,705
Other financial assets	24	**317,838**	994,123
Tax refundable	25	**746,122**	754,180
Cash and bank balances	26	**272,696**	286,212
		14,938,598	11,487,926
		25,641,644	21,984,382

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed	Shahzad Ahmed	Naveed Ahmed
Chief Financial Officer	Chief Executive Officer	Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018	2017
		Rupees in '000	
Sales - net	27	**30,630,286**	27,573,192
Cost of goods sold	28	**(27,616,835)**	(24,931,282)
Gross profit		**3,013,451**	2,641,910
Other income	29	**654,869**	124,080
		3,668,320	2,765,990
Distribution cost	30	**(631,276)**	(604,382)
Administrative expenses	31	**(449,745)**	(417,385)
Other operating expenses	32	**(211,136)**	(138,141)
Finance cost	33	**(372,135)**	(254,998)
		(1,664,292)	(1,414,906)
		2,004,028	1,351,084
Share of profit from associate - net of tax	16.1	**4,492**	1,643
Profit before taxation		**2,008,520**	1,352,727
Taxation	34	**(226,823)**	(317,382)
Profit for the year - attributable to ordinary share holders of the Holding Company		**1,781,697**	1,035,345
Earnings per share - basic and diluted	35	**98.58**	57.28

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed	**Shahzad Ahmed**	**Naveed Ahmed**
Chief Financial Officer	**Chief Executive Officer**	**Director**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees in '000	
Profit for the year	**1,781,697**	1,035,345
Items that may be reclassified subsequently to profit and loss		
Exchange loss on translation of balances of foreign subsidiary	**713**	(88)
Items that will not be reclassified subsequently to profit and loss		
Remeasurement of defined benefit obligation - net of tax	**(4,614)**	(3,858)
Total comprehensive income for the year - attributable to ordinary share holders of the Holding Company	**1,777,796**	1,031,399

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed **Chief Financial Officer**	**Shahzad Ahmed** **Chief Executive Officer**	**Naveed Ahmed** **Director**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid up capital	Reserves - Capital - Share premium	Reserves - Capital - Merger reserve	Reserves - Capital - Exchange translation reserve	Reserves - Revenue - General reserve	Reserves - Revenue - Unappropri ated profit	Total
	Rupees in '000'						
Balance at June 30, 2016	180,737	10,920	11,512	(468)	5,000,000	5,913,069	11,115,770
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,035,345	1,035,345
Exchange loss on translation of balances of foreign subsidiary	-	-	-	(88)	-	-	(88)
Remeasurement of defined benefit obligation -net of tax	-	-	-	-	-	(3,858)	(3,858)
Total comprehensive income for the year	-	-	-	(88)	-	1,031,487	1,031,399
Transfer to general reserve	-	-	-	-	1,977,568	(1,977,568)	-
Transactions with owners of the Holding Company recorded directly in equity							
Final cash dividend for the year ended June 30, 2016 @ Rs. 5 per share	-	-	-	-	-	(90,369)	(90,369)
Interim cash dividend for the period ended September 30, 2016 @ Rs. 5 per share	-	-	-	-	-	(90,369)	(90,369)
Balance at June 30, 2017	180,737	10,920	11,512	(556)	6,977,568	4,786,250	11,966,431
Total comprehensive income for the year							
Profit for the year	**-**	**-**	**-**	**-**	**-**	**1,781,697**	**1,781,697**
Exchange loss on translation of balances of foreign subsidiary	**-**	**-**	**-**	**713**	**-**	**-**	**713**
Remeasurement of defined benefit obligation - net of tax	**-**	**-**	**-**	**-**	**-**	**(4,614)**	**(4,614)**
Total comprehensive income for the year	**-**	**-**	**-**	**713**	**-**	**1,777,083**	**1,777,796**
Transactions with owners of the Holding Company recorded directly in equity							
Final cash dividend for the year ended June 30, 2017 @ Rs. 13 per share	**-**	**-**	**-**	**-**	**-**	**(234,958)**	**(234,958)**
Balance at June 30, 2018	**180,737**	**10,920**	**11,512**	**157**	**6,977,568**	**6,328,375**	**13,509,269**

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed	Shahzad Ahmed	Naveed Ahmed
Chief Financial Officer	Chief Executive Officer	Director

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

		Note	2018	2017
			Rupees in '000	
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	Cash generated from operations	36	**89,736**	1,961,485
	Taxes paid - net		**(228,248)**	(411,807)
	Finance cost paid		**(359,734)**	(235,565)
	Gratuity paid		**(77,117)**	(72,308)
	Deposits refunded		**(718)**	-
	Net cash generated from / (used in) operating activities		**(576,081)**	1,241,805
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
	Payment for purchase of property, plant and equipment		**(1,298,621)**	(660,652)
	Proceeds from disposal of property, plant and equipment	14.2	**44,191**	53,747
	Payment for purchase of other financial assets		**633,594**	(332,900)
	Dividend received		**5,796**	2,268
	Net cash used in investing activities		**(615,040)**	(937,537)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
	Long term finance obtained / (repaid) -net		**565,447**	(35,415)
	Dividend paid		**(230,204)**	(200,085)
	Net cash generated from / (used in) financing activities		**335,243**	(235,500)
	Net decrease in cash and cash equivalents (A+B+C)		**(855,878)**	68,768
	Cash and cash equivalents at beginning of the year		**(5,405,304)**	(5,477,806)
	Effect of exchange rate changes on cash and cash equivalent		**(7,788)**	3,734
	Cash and cash equivalents at end of the year	37	**(6,268,971)**	(5,405,304)

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Arif Abdul Majeed **Chief Financial Officer**	**Shahzad Ahmed** **Chief Executive Officer**	**Naveed Ahmed** **Director**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. THE GROUP AND ITS OPERATIONS

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

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

Manufacturing Unit	Address
Hyderabad	P-1, S.I.T.E, Hyderabad, Sindh
Karachi	Plot Number 03 & 07, Sector 25, Korangi Industrial Area, Karachi.
Muzaffargarh	Muzaffargarh, Bagga Sher, District Multan
Faisalabad	Chak # 61 R/B, Mouza Bedianwala, Tehsil Jaranwala at 38-Km, Shaikhupura road, District Faisalabad
Lahore	Raiwand Road, Manga Mandi, Lahore

1.1.2 Subsidiary companies

Indus Lyallpur Limited - 100% owned

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

Indus Home Limited - 100% owned

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

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

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

Indus Wind Energy Limited - 100% owned

Indus Wind Energy Limited is incorporated in Pakistan as a public unlisted company on February 21, 2015. Its principal business activity is to generate and sale electricity to the national grid.

1.1.3 Sunrays Textile Mills Limited - Associate

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

1.2 Significant transactions and events affecting the Group's financial position and performance

Following are most significant events that had impacted considerably the financial position and financial performance of the Group.

- Due to devaluation of Pakistani Rupee during the year ended June 30, 2018, the Group's income from exchange gain amounted to Rs.167.722 million with respect to transactions in foreign currencies and for receivables denominated in US Dollar (note 29)

- During the year the Group has received duty drawback of taxes of Rs. 120.25 million, on export sales, as per duty drawback of taxes order 2016-2017 and 2017-2018.

- After applicability of the Companies Act, 2017, certain amounts reported for the previous period are restated. For information please refer note 2.3

1.3 Basis of Consolidation

- The consolidated financial statements include the financial statements of the Holding Company, its subsidiaries and share of profit/loss from an associate company collectively referred to as "the Group" in these consolidated financial statements.

- Subsidiary companies are fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control them is established and excluded from consolidation from the date of disposal or when the control is lost.

- The financial statements of the subsidiaries are 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 companies are consolidated on a line by line basis.
- Material inter-group balances and transactions have been eliminated.
- Non-controlling Interest in equity of the subsidiary companies are measured at fair value as of the acquisition date of the subsidiaries.

1.4 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 recognized in profit and loss account as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized 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, net amounts at the acquisition-date 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 recognized 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 subsidiaries' 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 under accounting and reporting standard as applicable in Pakistan.The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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;
- recognition of certain financial instruments at fair value; and
- investment in associate accounted for under equity method

2.3 New amendments that are effective for the year ended June 30, 2018

The following amendments are effective for the year ended June 30, 2018. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	Effective from accounting periods beginning on or after:
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017

Certain annual improvements have also been made to a number of IFRSs, which do not have a significant effect on the financial reporting of the Group and therefore have not been discussed here.

The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of consolidated financial statements of the Group, which interalia include presentation of unclaimed dividend and dividend payable on the face of the statement of financial position.

Further, the disclosure requirements contained in the Fourth Schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements; and
- incorporation of significant additional disclosures.

2.4 New accounting standards / amendments 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 consolidated financial statements other than certain additional disclosures.

Standards / Amendments / Interpretation	Effective date (accounting periods beginning on or after)
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment	January 01, 2018

IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018.
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 15 'Revenue from contracts with customer' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 01, 2019
Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018. Earlier application is permitted.
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

2.4.1 IFRS 9 'Financial Instruments' Impact Assessment

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective from accounting periods beginning on or after July 01, 2018.

Key requirements of IFRS 9 are as follows;

Classification and measurement of financial assets

- All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value.

- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.

- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are generally measured at fair value through other comprehensive income "FVTOCI".

- All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, 'IFRS 9 requires as follows:

The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

2.4.2 Impact assessment of standards, amendments and interpretations

The above standards and amendments are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application of except for IFRS 15 - Revenue From Contracts With Customers and IFRS 9- Financial Instruments.The Group is currently evaluating the impact of the said standard.

2.5 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
- IFRS 14 – Regulatory Deferral
- IFRS 17 – Insurance Contracts

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan, requires management to make estimates, assumptions and use of judgment 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 consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- Provision for current tax and deferred tax (Notes 4.1, 9 and 34)
- Provision for staff retirement benefits (Notes 4.2, 9.2-9.6)
- Depreciation rates of property, plant and equipment (Note 14.1)
- Classification of investments (Notes 4.10,16 and 24)
- Net realizable value of stock-in-trade (Notes 4.8 and 19)
- Provision for impairment of trade debts and other receivables (Notes 4.9, 4.6.1, 20.4 and 23)
- Provision for slow moving stores and spares (Notes 4.7 and 18.2)
- Useful lives of intangibles (note 4.5.3, and 15)

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These have been consistently applied to all years presented unless otherwise stated.

4.1 Taxation

Current

Provision for current taxation is based on taxability of certain income streams of the Group under presumptive / final tax regime at the applicable tax rates, remaining taxable income at the current rates of taxation under normal tax regime after taking into account tax credits and rebates available, if any, or on turnover at the specified rate or Alternative Corporate Tax as defined in section 113C of Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred income tax is recognized 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 taxable 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 reporting 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.

4.2 Employee benefits

4.2.1 Defined benefit plan

The Holding Company

The Holding Company operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period of service. Provisions are determined based on actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of providing for gratuity is charged to profit and loss account so as to spread the cost over the service lives of the eligible employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in profit and loss account and actuarial gains and losses are recognized immediately in other comprehensive income.

Indus Lyallpur Limited

The Company operates an unfunded gratuity scheme covering all its employees who have completed minimum qualifying period. Provisions are determined based on the actuarial valuation conducted by a qualified actuary using Projected Unit Credit Method. Under this method cost of providing for gratuity is charged to profit and loss account so as to spread the cost over the service lives of the eligible employees in accordance with the actuarial valuation. Past-service costs are recognized immediately in profit and loss account and actuarial gains and losses are recognized immediately in other comprehensive income.

Indus Home Limited

The Company operates an unfunded gratuity scheme for all its employees who are eligible under the scheme. Provision is made annually to cover the liability under the scheme. The latest actuarial valuation was carried on June 30, 2018, using projected unit credit method. Past service cost are recognized immediately in profit and loss. Acturial gains and losses are recognised immediately in other comprehensive income.

4.2.2 Compensated absences

The Holding Company and Indus Lyallpur Limited provide for compensated absences of its eligible employees on unavailed balance of leaves in the year 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 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of profit or loss over the period of borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

4.5 Property, plant and equipment

4.5.1 Owned

Property, plant and equipment owned by the Group are stated at cost less accumulated depreciation and impairment loss if any, except for freehold and leasehold land which are stated at cost.

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 14.1.

An item of property and equipment is derecognized 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 recognized in the profit and loss account in the year the asset is derecognized.

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

Subsequent costs are included in the asset's carrying amount or recognized 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 these 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 reporting date.

4.5.2 Capital work-in-progress

Capital work-in-progress (CWIP) is stated at cost less accumulated impairment if any. 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.

4.5.3 Intangible assets

Intangible assets of the Company are stated at cost less accumulated amortisation and impairment loss if any. Amortisation is charged to profit and loss account using the reducing balance method at the rates given in note 15.1. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimate being accounted for on prospective basis.

4.6 Impairment

4.6.1 Financial assets

The Group assesses at each reporting date whether there is an indication that an asset or a group of assets 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 specific 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 loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets carried at amortized cost are recognized in profit and loss account.

4.6.2 Non-financial assets

The Group assesses at each reporting 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss account.

4.7 Stores, spares and loose tools

These are valued at cost 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.

4.8 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined by 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 and scrap	Net realizable value
Stock in transit	Accumulated cost till reporting date

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs 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 4.6.1. 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 recognized using settlement date accounting. Settlement date is the date when the investments are delivered to or by the Group.

4.10.2 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.

Investments in associate 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 (carrying amount under equity method), 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.

4.10.3 Financial assets at fair value through profit or loss - held-for-trading

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 recognized 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 recognized at fair value and transaction costs are recognized in the profit and loss account.

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

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Net gains and losses arising from changes in the fair value of financial assets carried 'at fair value through profit or loss - held-for-trading' are taken to the profit and loss account.

4.10.4 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. Derivativeswith positive impact at reporting date are included in 'other financial assets' and with negative impacts in 'trade and other payables' in the balance sheet. The resultant gains and losses are included in other income/ other operating expenses.

Derivativesfinancial 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 costs

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 recognized in profit and loss account in the period in which they are incurred.

4.12 Foreign currencies

These consolidated financial statements are presented in Pakistani 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 reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date except for those covered by forward contracts, which are stated at contracted rates.
Gains and losses arising on retranslation are included in profit and loss account.

4.12.1 Foreign subsidiary

The assets and liabilities of foreign subsidiary are translated to Pakistani Rupees at exchange rates prevailing at the reporting date. The results of foreign subsidiary are translated at the average rate of exchange for the year. Resulting exchange gains and losses are recognised in other comprehensive income in the consolidated financial statements.

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 reporting date and adjusted to reflect the current best estimate.

4.14 Revenue recognition

Revenue is recognized 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 recognized on the following basis:

- Sales are recorded when the significant risk and rewards of ownership of the goods have passed to the customers which coincide with the dispatch of goods to the customers for local sales and date of preparation of bill of lading for export sales.
- Income on bank deposits are recorded on time proportionate basis using effective interest rate.
- Dividend income is recognized when the right to receive the dividend is established.
- Duty drawbacks are recognised on receipt basis when there is reasonable assurance that these will be received.
- Gain from sale of securities is recognised in the period when these are sold.
- Gain on revaluation of foreign currency receivables and payables are determined and recognised based on rates prevalent on reporting dates and settlement date.

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 derecognized 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 asset 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, savings and deposit accounts and short-term borrowings excluding loans from directors and their spouses.

4.18 Dividend distribution

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

4.19 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Holding Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.20 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Group considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Group considers itself to be a single reportable segment; however, certain information about the Group's products, as required by the approved accounting standards, is presented in note 44 to these financial statements.

5. BUSINESS COMBINATION

In the previous years, the Holding Company subscribed the entire shareholding of Indus Wind Energy Limited comprising 25,000 ordinary shares of Rs. 10 each representing 100% of total issued share capital of Indus Wind Energy Limited at aggregate purchase consideration of Rs.250,000. At the time of subscription, the subsidiary company did not have any assets except for bank balances representing investment made by the Holding Company. As a result, no fair values were determined and the acquisition did not result in goodwill or bargain purchase gain.

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2018	2017			2018	2017
No. of shares			Note	Rupees in '000	
		Ordinary shares of Rs.10/- each			
9,637,116	9,637,116	fully paid in cash		**96,371**	96,371
		Other than cash:			
5,282,097	5,282,097	Issued to the shareholders	6.1	**52,821**	52,821
3,154,519	3,154,519	Issued as bonus shares		**31,545**	31,545
180,737	180,737			**180,737**	180,737

6.1 These shares were issued pursuant to the Scheme of Amalgamation with Yousuf Textile Mills Limited (YTML), determined as at October 01, 2004, in accordance with the agreed 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	2018	2017
		Rupees in '000	
7. RESERVES			
Capital			
Share premium	7.1	**10,920**	10,920
Merger reserve	7.2	**11,512**	11,512
Exchange translation reserve	7.3	**157**	(556)
		22,589	21,876
Revenue			
General reserve		**6,977,568**	6,977,568
		7,000,157	6,999,444

7.1 This represents 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 represents exchange translation reserve on translation of foreign subsidiary Indus Home USA Inc. (subsidiary of Indus Home Limited)

	Note	2018	2017
		Rupees in '000	
8. LONG-TERM FINANCING			
Secured			
From banking companies	8.2 & 8.3	**2,207,710**	1,642,263
Less: Payable within one year		**(394,567)**	(448,442)
		1,813,143	1,193,821

8.1 Details and movement are as follows:

	As at July 01, 2017	Acquired during the year	Repaid during the year	As at June 30, 2018
	------------------------- Rupees in '000			--------------------
Long-Term Financing	**1,642,263**	**1,004,936**	**439,489**	**2,207,710**

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

	2018		
Type and nature of loan	**Amount outstanding**	**Mark up rate per annum**	**Terms of repayments**
	Rupees in '000		
Long term finance facility (LTFF)	**1,922,835**	**3 month KIBOR + 0.50% to 5.00%**	**Quarterly**
Term finances	**284,875**	**2.50% to 7.00%**	**Quarterly and half yearly**
	2,207,710		

	2017		
Type and nature of loan	**Amount outstanding**	**Mark up rate per annum**	**Terms of repayments**
	Rupees in '000		
Long term finance facility (LTFF)	1,015,245	2.50% to 7.00%	Quarterly and half yearly
Term finances	627,018	3 month KIBOR + 0.50% to 0.75%	Quarterly
	1,642,263		

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

8.4 There is no non-compliance of the financing agreements with banking companies which may expose the Group to penalties or early repayment.

8.5 Sanctioned amount on long term financing amounts to Rs. 5,960 million (2016: Rs. 5,737 million)

	Note	2018	2017
		Rupees in '000	
9. DEFERRED LIABILITIES			
Deferred taxation	9.1	**161,663**	148,187
Staff retirement gratuity:			
- the Holding Company	9.2	**230,814**	210,024
- Indus Lyallpur Limited	9.3	**29,943**	23,433
- Indus Home Limited	9.4	**140,689**	118,982
- Indus Wind Energy Limited	9.5	**738**	-
		563,847	500,626

9.1 Deferred taxation

Movement for the year ended June 30, 2018	Opening balance	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
	(Rupees in '000)			
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	**(37,725)**	**(5,795)**	**801**	**(42,719)**
- provision of stores and spare parts	**(180)**	**(18)**	**-**	**(198)**
- other financial assets	**(2,788)**	**(9,594)**	**-**	**(12,382)**
Intangible	**-**	**(169)**	**-**	**(169)**
Unutilized minimum tax paid	**(179,351)**	**27,628**	**-**	**(151,723)**
Others	**-**	**-**	**-**	**-**
	(220,044)	**12,052**	**801**	**(207,191)**
Taxable temporary differences in respect of:				
- accelerated tax depreciation	**363,911**	**(3,527)**	**-**	**360,384**
- unrealized export debtors	**4,320**	**4,150**	**-**	**8,470**
	148,187	**12,675**	**801**	**161,663**

	Opening balance	Recognized in profit and loss account	Recognized in statement of comprehensive income	Closing balance
	(Rupees in '000)			
Movement for the year ended June 30, 2017				
Deductible temporary differences in respect of:				
Provision for:				
- retirement benefits	(24,966)	(12,847)	88	(37,725)
- provision of stores and spare parts	(132)	(48)	-	(180)
- other financial assets	(155)	(2,633)	-	(2,788)
Unutilized minimum tax paid	(132,271)	(47,080)	-	(179,351)
	(157,524)	(62,608)	88	(220,044)
Taxable temporary differences in respect of:				
- accelerated tax depreciation	222,524	141,387	-	363,911
- unrealized export debtors	3,327	993	-	4,320
	68,327	79,772	88	148,187

9.1.1 The Group has not accounted for deferred tax on differences relating to its subsidiaries as the Holding Company does not have an intention to receive dividends or dispose off its investments in its subsidiaries in forseeable future. Deferred tax charge has been allocated as follows;

	2018	2017
	Rupees in '000	
Profit and loss account	**12,675**	79,772
Other comprehensive income	**801**	88
	13,476	79,860

9.1.2 Indus Home Limited - the Subsidiary Company

The deferred tax liability recognized in the financial statements of the subsidiary relates to unrealized export debtors. The income of the subsidiary company falls under Final Tax Regime; accordingly no deferred tax in respect of fair value adjustments of assets and liabilities has been recognized in these consolidated financial statements.

9.2 Staff retirement gratuity - the Holding Company

The Holding Company operates an unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service. Provision is made to cover obligations under the scheme on the basis of valuation conducted by a qualified actuary. The latest valuation was conducted on June 30, 2018 using Projected Unit Credit Method. Details assumptions used and the amounts charged in these consolidated financial statements are as follows:

	2018	2017
Significant actuarial assumptions		
Discount rate (%)	**9.00**	7.75
Expected rate of increase in salary level (%)	**8.50**	6.75
Weighted average duration of defined benefit obligation	**7 years**	7 years

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2018	2017
	Rupees in '000	
Present value of defined benefit obligation	**230,814**	210,024
Movement in net defined benefit obligation		
Balance at the beginning of the year	**210,024**	189,134
Recognized in profit and loss account		
Current service cost	**55,483**	62,037
Interest cost	**14,537**	11,810
	70,020	73,847
Recognized in other comprehensive income		
Actuarial gain on remeasurement of obligation	**(4,329)**	(488)
Benefits paid	**(44,901)**	(52,469)
Present value of defined benefit obligation as at June 30	**230,814**	210,024

Actuarial gains and losses

Actuarial losses due to changes in demographic assumptions	**13,439**	-
Actuarial loss / (gain) due to experience adjustments	**(17,768)**	(488)
	(4,329)	(488)

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on defined benefit obligation		
	Change in assumptions	Increase	Decrease
		-------- (Rupees in '000) --------	
Discount rate	1%	(211,072)	254,053
Salary growth rate	1%	253,938	(210,818)

9.3 **Staff retirement gratuity - Indus Lyallpur Limited**

Significant actuarial assumptions

	2018	2017
Discount rate (%)	**9.00**	7.75
Expected rate of increase in salary level (%)	**8.00**	6.75
Weighted average duration of defined benefit obligation	**10 years**	8 years

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2018	2017
	Rupees in '000	
Present value of defined benefit obligation	**29,943**	**23,433**
Movement in net defined benefit obligation		
Balance at the beginning of the year	**23,433**	20,168
Recognized in profit and loss account		
Current service cost	**11,840**	9,915
Interest cost	**1,460**	1,257
	13,300	11,172
Recognized in other comprehensive income		
Actuarial (gain) / loss on remeasurement of obligation	**2,400**	(2,251)
Benefits paid	**(9,190)**	(5,656)
Present value of defined benefit obligation as at June 30	**29,943**	23,433
Actuarial gains and losses		
Actuarial loss / (gain) due to experience adjustments	**2,400**	(2,251)

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

	Impact on defined benefit obligation		
	Change in assumptions	Increase	Decrease
		-------- (Rupees in '000) --------	
Discount rate	1%	(26,637)	33,948
Salary growth rate	1%	33,948	(26,581)

9.4 Staff retirement gratuity - Indus Home Limited

Significant actuarial assumptions	2018	2017
Discount rate (%)	**9**	8
Expected rate of increase in salary level (%)	**8**	7
Weighted average duration of defined benefit obligation	**8 years**	8 years

Mortality rates assumed were based on the SLIC 2001-2005 mortality table.

The rates for withdrawal from service and retirement on ill-health grounds are based on industry / country experience.

	2018	2017
	Rupees in '000	
Present value of defined benefit obligation	**140,689**	118,982
Movement in net defined benefit obligation		
Balance at the beginning of the year	**118,982**	95,919
Recognized in profit and loss account		
Current service cost	**30,392**	24,297
Interest cost	**8,598**	6,440
	38,990	30,737
Recognized in other comprehensive income		
Actuarial loss on remeasurement of obligation	**5,743**	6,509
Benefits paid	**(23,026)**	(14,183)
Present value of defined benefit obligation as at June 30	**140,689**	118,982
Actuarial gains and losses		
Actuarial loss due to experience adjustments	**5,743**	6,509

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit

	Impact on defined benefit obligation		
	Change in assumptions	Increase	Decrease
		-------- (Rupees in '000) --------	
Discount rate	1%	(130,716)	152,279
Salary growth rate	1%	152,730	(130,126)

9.5 Staff retirement gratuity - Indus Wind Energy Limited

Management has assessed that had an actuarial valuation been carried out, the resulting provision calculated as at June 30, 2018 would not have been materially different than reflected in these consolidated financial statements.

The expected gratuity expense for the next year amounted to Rs. 76.7 million. This is the amount by which defined benefit liability is expected to increase.

9.6 Risks to which the schemes maintained by the Group is exposed are as follows such as:

Salary risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risk

The risk that the actual mortality / withdrawal experience is different. The effect depends upon the beneficiaries' service / age distribution and the benefit.

Longevity risk

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

10. TRADE AND OTHER PAYABLES

	Note	2018	2017
		Rupees in '000	
Creditors		**320,110**	249,225
Accrued liabilities		**1,730,458**	1,320,735
Foreign bills payable		**104,158**	80,363
Infrastructure cess		**358,376**	293,459
Workers' Profits Participation Fund	10.1	**31,512**	75,641
Workers Welfare Fund		**602**	1,589
Advance from customers		**103,132**	31,869
Withholding tax payable		**8,888**	7,975
Others		**85,429**	63,359
		2,742,665	2,124,215

		Note	2018	2017
			Rupees in '000	
10.1	**Workers' Profits Participation Fund**			
	Balance at beginning of the year		**75,641**	36,969
	Allocation for the year		**96,537**	75,656
	Interest charged during the year on the funds utilized by the Group	33	**445**	569
			172,623	113,194
	Payments made during the year		**(141,111)**	(37,553)
	Balance at end of the year		**31,512**	75,641

		Note	2018	2017
11.	**INTEREST / MARK-UP PAYABLE**		Rupees in '000	
	On secured loans from banking companies			
	- Long-term financing		**15,041**	19,817
	- Short-term borrowings		**50,365**	33,188
			65,406	53,005

		Note	2018	2017
12.	**SHORT-TERM BORROWINGS**			
	From banking companies - secured			
	Running finance / cash finance arrangements	12.1	**4,454,243**	4,232,550
	Finance against import / export	12.2	**2,087,424**	1,458,966
		12.3	**6,541,667**	5,691,516

12.1 These carry mark-up ranging from 1 week KIBOR plus 0.05% to 3 month KIBOR + 0.05% to 1% (2017: 1 week KIBOR + 0.02% to 1% and 3 month KIBOR + 0.02% to 1%). These are secured against charge over current assets of the Group with upto 25% margin.

12.2 These carry mark-up ranging from 0.25% to 2.2% (2017: 3 month LIBOR + 1% to 3 month LIBOR + 2.25%) on foreign currency borrowing amount. These arrangements are secured against charge over current assets of the Group.

12.3 The Group has aggregate short-term borrowing facilities amounting to Rs. 16,604 million (2017: Rs. 13,454 million) from various commercial banks.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 Under the Gas Infrastructure Development Cess Act, 2011, Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on gas bills at the rate of Rs. 13 per MMBTU on all industrial consumers. In the month of June 2012, the Federal Government revised GIDC rate from Rs. 13 per MMBTU to Rs. 100 per MMBTU and further increased from Rs.100 per MMBTU to Rs. 200 per MMBTU in July 2014.

The Holding Company filed a suit before the High Court of Islamabad, challenging the applicability of Gas Infrastructure Cess Act 2011. The Islamabad High Court has restrained the Federation and gas companies from recovering GIDC over and above Rs. 13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GIDC as a tax was not levied in accordance with the Constitution and hence not valid.

In September 2014, the Federal Government promulgated Gas Infrastructure Cess Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the ground that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the said Ordinance was approved by the Parliament and became an Act.

Following the imposition of the said Act, many consumers filed a petition in Honorable Sindh High Court and obtained stay order against the Act passed by the Parliament. On October 26, 2016, the learned single Judge of Honorable High Court of Sindh had passed an order to refund / adjust the GIDC collected in the future bills of the respective plaintiff. In other similar case, the said order was stayed by the Honorable Sindh High Court through order dated November 10, 2016. The Holding Company intervened in the aforementioned case for clarification and the decision of Court is pending.

In view of aforementioned developments, the Group on prudent basis, recognized provision for GIDC as at June 30, 2018 amounting to Rs. 758.100 million (2017: Rs. 627.747 million) in these financial statements.

The management has only recorded provision by way of abundant precaution and management has not passed the burden of GIDC to its customers.

13.1.2 A show cause notice bearing No. DCIR/E&Cunit-01/CREST/Zone-I/LTU/2018 dated June 11, 2018 was issued to the Holding Company in respect of inadmissible input claim on the purchase invoices of cement, steel and varnish, packing material and Crest discrepancies involving sales tax amount of Rs. 75.99 million. A detailed reply has been submitted by the management, however the case is pending for the decision by the Tax Authorities. The tax advisor of the Holding Company is confident that the above said matter will be decided in favor of the Holding Company.

		2018	2017
		Rupees in '000	
13.1.3	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
13.1.4	Guarantees issued by banks in favour of custom authorities on behalf of the Group	**3,817**	3,817
13.1.5	Guarantees issued by banks in favour of gas and electric distribution companies	**279,460**	234,167
13.1.6	Bank guarantees against payment of infrastructure cess	**328,042**	308,196
13.1.7	Bank guarantees in favour of Collector of Customs	**3,040**	-
13.1.8	Bank guarantees in favour of Government of Sindh	**43,154**	2,625

13.2 Commitments

	2018	2017
Letters of credit against property, plant and equipment, stores and spares and raw cotton purchases	**1,862,873**	1,044,075
Civil work contracts	**12,832**	73,917
Bills discounted	**32,050**	50,333
Foreign currency forward contracts - Sale	**438,854**	643,503
Foreign currency forward contracts - Purchase	**6,801**	37,824
Post dated cheques in favour of: Revenue Department - Government of Pakistan	**1,084,776**	728,891
Sales contract to be executed	**2,530,447**	2,358,629

13.3 The Company has total unutilised facility limit against letters of credit aggregating to Rs 18.97 billion as of reporting date.

14. PROPERTY, PLANT AND EQUIPMENT

	Note	2018	2017
		Rupees in '000	
Operating fixed assets	14.1	**10,429,941**	10,304,698
Capital work-in-progress	14.4	**208,985**	126,675
		10,638,926	10,431,373

14.1 Operating fixed assets

2018

Particulars	Cost at July 1, 2017	Additions/ (disposal) during the year	Cost at June 30, 2018	Accumulated depreciation at July 1, 2017	Depreciation/ (adjustment) for the year	Accumulated depreciation at June 30, 2018	Carrying value at June 30, 2018	Dep. Rate
	< - - - - - - - - - -	- - - - - - - - - -	- - - - - - Rupees in '000'	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - - >	%
Owned								
Freehold land	220,101	-	220,101	-	-	-	220,101	-
Leasehold land	143,359	4,848	148,207	-	1,627	1,627	146,580	-
Factory buildings	2,271,752	41,945	2,313,697	825,519	97,263	922,782	1,390,915	5-10
Non-factory buildings	177,606	-	177,606	103,028	7,458	110,486	67,120	10
Office building	110,316	20,100	130,416	21,072	16,158	37,230	93,186	5-10
Plant and machinery	12,839,175	829,914 (254,523)	13,414,566	5,515,418	765,129 (189,034)	6,091,513	7,323,053	10
Electric installations	230,170	9,788	239,958	113,513	11,890	125,403	114,555	10
Power generators	877,154	236,044 (8,979)	1,104,219	313,628	57,229 (7,153)	363,704	740,515	10
Factory equipment	172,568	1,103	173,671	49,064	12,195	61,259	112,412	10
Office equipment	41,729	2,718 (188)	44,259	16,309	3,951 (137)	20,123	24,136	10-30
Furniture and fixtures	56,678	5,215 (9,453)	52,440	18,771	3,923 (7,309)	15,385	37,055	10
Vehicles	274,312	64,636 (20,997)	317,951	133,900	34,986 (11,248)	157,638	160,313	20
June 30, 2018	17,414,920	1,216,311 (294,140)	18,337,091	7,110,222	1,011,809 (214,881)	7,907,150	10,429,941	

Particulars	Cost at July 1, 2016	Additions/ (disposal) during the year	Cost at June 30, 2017	Accumulated depreciation at July 1, 2016	Depreciation/ (adjustment) for the year	Accumulated depreciation at June 30, 2017	Carrying value at June 30, 2017	Dep. Rate
	2017							
	Rupees in '000'							%
Owned								
Freehold land	220,701	- (600)	220,101	-	-	-	220,101	-
Leasehold land	52,035	91,324	143,359	-	-	-	143,359	-
Factory buildings	2,263,085	8,667	2,271,752	652,858	172,661	825,519	1,446,233	5-10
Non-factory buildings	177,606	-	177,606	94,742	8,286	103,028	74,578	10
Office building	110,316	-	110,316	16,375	4,697	21,072	89,244	5-10
Plant and machinery	12,564,770	407,925 (133,520)	12,839,175	4,874,751	733,820 (93,153)	5,515,418	7,323,757	10
Electric installations	229,674	496	230,170	100,649	12,864	113,513	116,657	10
Power generators	834,261	123,855 (80,962)	877,154	310,325	52,339 (49,036)	313,628	563,526	10
Factory equipment	172,550	2,980 (2,962)	172,568	37,026	13,351 (1,313)	49,064	123,504	10
Office equipment	38,703	3,801 (775)	41,729	12,678	4,305 (674)	16,309	25,420	10-30
Furniture and fixtures	51,589	5,089	56,678	14,806	3,965	18,771	37,907	10
Vehicles	263,347	35,534 (24,569)	274,312	118,343	32,261 (16,704)	133,900	140,412	20
June 30, 2017	**16,978,637**	**679,671 (243,388)**	**17,414,920**	**6,232,553**	**1,038,549 (160,880)**	**7,110,222**	**10,304,698**	

	Note	2018	2017
		--------Rupees in '000'--------	

14.1.1 Allocation of depreciation

	Note	2018	2017
Manufacturing expense	28.2	**962,166**	988,209
Administrative expense	31	**49,643**	50,340
		1,011,809	1,038,549

14.2 Disposals of operating fixed assets:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)	Particulars of buyers	Mode of disposal
	---------------------------------- Rupees in '000' ----------------------------------						
Plant and machinery							
Autocone Schalaforst	20,749	(12,912)	7,837	8,096	259	Gulf Textile	Negotiation
Autoconer Schalaforst	31,360	(26,021)	5,339	1,500	(3,839)	MKM Textile Int.	Negotiation
Ring Frames	51,105	(38,765)	12,340	7,200	(5,140)	AJ Textile Mills	Negotiation
Machconer Savio 64 Spindles	5,006	(4,025)	981	632	(349)	Muhammad Kamran	Negotiation
Ring Frames	12,673	(9,613)	3,060	1,200	(1860)	Nagra Spin Mills PVT Limited	Negotiation
Autocone Schalaforst	17,127	(13,470)	3,657	2,874	(783)	Gulf Textile	Negotiation
Schalaforst	17,021	(13,452)	3,569	2,310	(1,259)	Gulf Textile	Negotiation
Capio Slub Device	4,524	(3,575)	949	170	(779)	Muhammad Kamran	Negotiation
Dyeing Bleach Line	84,624	(58,018)	26,606	3,100	(23,506)	Akram Trading	Auction
	244,189	**(179,851)**	**64,338**	**27,082**	**(37,256)**		
Vehicles							
Honda Prosmatec	2,090	(1,516)	574	600	26	Ghulam Murtaza	Negotiation
Honda Prosmatec	2,511	(746)	1,765	2,100	335	Insurance Claim	Negotiation
Suzuki Cultus Vxrii-16 LEB 5823	1,138	(302)	836	1,138	302	Qazi Tariq	Negotiation
Honda City 16 BFG 474	1,526	(366)	1,160	1,526	366	Adnan Sheikh	Negotiation
Honda City Prosmatic Aspire16 LED 1978	1,841	(441)	1,400	1,841	441	Yasir Qureshi	Negotiation
Suzuki Mehran VXR-16 LEH 6081	725	(151)	574	580	6	Saqib Minhas	Negotiation
	9,830	**(3,522)**	**6,309**	**7,784**	**1,475**		
Furnitures & fixtures							
Office furniture	9,422	(7,288)	2,134	165	(1969)	Zubair Kabari	Negotiation
Power generators							
Caterpillar Generator	8,979	(7,153)	1,826	1,900	74	Gulzar Traders	Negotiation
Other (assets having net book value of less than Rs. 500,000)	21,719	(17,067)	4,652	7,260	2,608	Various	Negotiation
2018	**294,139**	**(214,881)**	**79,259**	**44,191**	**(35,068)**		
2017	243,388	(160,880)	82,508	53,747	(28,761)		

14.3 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location	Usage of immovable property	Total Area (In acres)	Covered Area (In sq.ft)
Land:			
Chak # 61 R/B, Mouza Bedianwala, Tehsil Jaranwala at 38-Km, Sheikhpura Road, Dist. Faisalabad	Manufacturing facility	26.00	415,898
Korangi mill , Karachi- Plot # 3 and 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	12.50	544,500
Hyderabad mill - Plot No. P-1 & P-5, S.I.T.E, Hyderabad	Manufacturing facility and labour colony	29.00	1,263,240
Nooriabad - Plot # K-31 and K-32 , Nooriabad	Held for business expansion	40.00	1,742,400
Shujabad- Railway Road, Shujabad	Held for business expansion	15.64	681,442
Naseerpur- Adda Pira Ghayaib, Mototly Road	Manufacturing facility	8.28	360,459
Muzaffargarh Mill- Bagga Sher, Khan pur Shumail, District Multan	Manufacturing facility and labour colony	30.86	1,344,371
Lahore- 2.5 Kilometr off Manga Raiwind Road, Lahore	Held for business expansion	15.80	688,248
Raiwand Road, Manga Mandi, Lahore	Manufacturing Unit	353.00	986,833
Factory and non factory buildings:			
Korangi Mill- Plot # 3 and 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	7.32	318,925
Hyderabad Mill- Plot # P-1 & P-5, S.I.T.E. Hyderabad	Manufacturing facility	16.65	725,505
Muzaffargarh Mill- Bagga sher, Khan pur Shumali, District Multan	Manufacturing facility	12.13	528,477
Korangi Mill- Plot # 3 and 7, Sector 25, Korangi, Karachi	Manufacturing facility and labour colony	1.18	51,722
Hyderabad Mill- Plot # P-1 & P-5, S.I.T.E. Hyderabad	Manufacturing facility and labour colony	4.71	205,206
Muzaffargarh Mill- Bagga sher, Khan pur Shumali, District Multan	Manufacturing facility and labour colony	1.79	78,021
Office building:			
Lahore- 174, Abu Bakar Block, New Garden Town Lahore	Held for business expension	0.09	3,750
Karachi- Office# 508, 5th Floor, Beaumont Plaza, Karachi	Office use	0.14	5,946

		Note	2018	2017
			Rupees in '000	
14.4	**Capital work-in-progress**			
	Civil work		**197,159**	126,675
	Plant and machinery		**1,138**	-
	Vehicles		**10,688**	-
		14.4.1	**208,985**	126,675

14.4.1	Capital work-in-progress	Civil work	Plant and machinery	Vehicles	Total
		(Rupees '000)			
	As at June 30, 2016	39,023	101,430	5,241	145,694
	Additions during the year	107,133	123,027	4,640	234,800
	Transferred to operating fixed assets	(19,481)	(224,457)	(9,881)	(253,819)
	As at June 30, 2017	126,675	-	-	126,675
	Additions during the year	**118,678**	**1,138**	**10,688**	**130,504**
	Transferred to operating fixed assets	**(48,194)**	**-**	**-**	**(48,194)**
	As at June 30, 2018	**197,159**	**1,138**	**10,688**	**208,985**

		Note	2018	2017
			Rupees in '000	
15.	**INTANGIBLE ASSETS**			
	Intangibles under use - Software	15.1	**13,762**	19,660
	Intangibles under implementation - Software		**8,099**	8,099
			21,861	27,759
15.1	**Intangibles under use - Software**			
	Year ended June 30			
	Net book value as at July 1		**19,660**	4,633
	Additions		**-**	18,241
	Amortisation for the year	15.1.1	**(5,898)**	(3,214)
	Net book value as at June 30 At June 30		**13,762**	19,660
	Cost		**25,595**	25,595
	Accumulated amortisation		**(11,833)**	(5,935)
	Net book value		**13,762**	19,660
	Annual amortisation rate		**30%**	30%

15.1.1 Amortisation for the year has been charged to administrative expenses.

15.2 Intangibles under implementation - Software

As at June 30, 2017	8,099
Additions during the year	-
Transferred to intangible assets	-
As at June 30, 2018	**8,099**

	Note	2018	2017
		Rupees in '000	
16. LONG-TERM INVESTMENT			
Investment in associate	16.1	**26,784**	22,567

16.1 Investment in associate
- Sunrays Textile Mills Limited

	2018	2017
Cost	**1,716**	1,716
Share of post acquisition profits:		
Opening	**20,851**	19,895
Dividend received	**(275)**	(687)
Share of profit from associate for the year	**4,492**	1,643
	25,068	20,851
	26,784	22,567
Number of shares held	**68,654**	68,654
Ownership interest	**0.99%**	0.99%
Market value (Rupees in '000)	**11,702**	13,559
Cost of investment (Rupees in '000)	**1,716**	1,716

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

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

	Note	2018	2017
		Rupees in '000	
Non-current assets		**1,508,583**	1,185,009
Current assets		**4,196,080**	2,859,535
Total assets		**5,704,663**	4,044,544
Non-current liabilities		**588,777**	89,440
Current liabilities		**2,410,387**	1,500,405
Total liabilities		**2,999,164**	1,589,845
Net assets		**2,705,499**	2,454,699
Net assets		**2,705,499**	2,454,699
Percentage holding		**0.99%**	0.99%
Share in net assets		**26,784**	24,302
Revenue		**4,952,171**	4,256,597
Comprehensive income for the year		**278,400**	141,738

17. LONG-TERM DEPOSITS

Electricity		**12,791**	10,502
Others		**2,684**	4,255
		15,475	14,757

18. STORES, SPARES AND LOOSE TOOLS

	Note	2018	2017
		Rupees in '000	
Stores, spares and loose tools	18.1	**625,690**	577,517
Less: provision for slow moving and obsolete stock	18.2	**(46,908)**	(50,199)
		578,782	527,318

18.1 It include stores and spares in transit amounting to Rs. 154.56 million (2017: Rs. 93.73 million).

	Note	2018	2017
		Rupees in '000	

18.2 Movement in provision for slow moving & obsolete stock

Opening balance		**50,199**	45,399
Provision for the year		**3,711**	4,800
Reversal of provision		**(7,002)**	-
Closing Balance		**46,908**	50,199

19. STOCK-IN-TRADE

	Note	2018	2017
Raw material			
- in hand		**4,621,507**	4,438,861
- in transit		**797,914**	291,168
		5,419,421	4,730,029
Work-in-process		**811,992**	671,686
Finished goods	19.1	**1,025,684**	1,034,081
Packing material		**54,760**	44,621
Waste		**72,690**	69,725
		7,384,547	6,550,142

19.1 The stock of finished goods have been written down to their net realizable values by Rs. 1.07 million (2017: Rs. 5.6 million).

20. TRADE DEBTS

	Note	2018	2017
		Rupees in '000	
Considered good			
Secured			
Foreign debtors	20.1 & 20.2	**4,201,258**	933,467
Local debtors		**-**	87,346
		4,201,258	1,020,813
Unsecured			
Local debtors		**993,050**	999,201
		5,194,308	2,020,014
Less: provision for doubtful debts		**-**	-
	20.3	**5,194,308**	2,020,014

20.1 The amount of export sales in repect of outstanding trade debts along with foreign jurisdiction is below:

	2018		2017	
	Debt	Sale	Debt	Sale
	Rupees in 000			
Asia	**3,912,911**	**8,058,064**	802,286	5,596,167
Europe	**288,347**	**397,433**	131,181	243,455
	4,201,258	**8,455,497**	933,467	5,839,622

All these trade debts are secured against letters of credit.

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

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	2018	2017
		Rupees in '000	
20.4 Aging of debtors			
From 1 to 30 days		**1,086,127**	1,380,819
From 30 to 90 days		**1,141,709**	488,232
From 90 to 180 days		**1,522,343**	146,090
From 180 to 360 days		**1,443,175**	2,890
More than 360 days		**954**	1,983
		5,194,308	2,020,014

21. LOANS AND ADVANCES

Considered good

	Note	2018	2017
Loans to staff	21.2	**39,353**	26,966
Advance income tax - net	21.1	**132,045**	108,433
Advances to:			
- Suppliers		**32,483**	50,513
- Employees		**1,790**	5,194
- Others		**50,999**	37,247
		85,272	92,954
		256,670	228,353

21.1 Advance income tax - net

	Note	2018	2017
Advance income tax		**323,673**	313,097
Less: Provision for taxation		**(182,622)**	(196,294)
Less: Workers' Welfare Fund	21.1.1	**(9,006)**	(8,370)
		132,045	108,433

21.1.1 Prior to certain amendments made through the Finance Acts of 2006 & 2008, Workers 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 Acts, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the Ordinance in 2011. However, the Company together with other stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against the Company and other stakeholders. Management has filed a petition before the Honourable Supreme Court of Pakistan against the decision of the Sindh High Court.

Honourable Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Acts, 2006 and 2008 have been declared invalid in the said order. Therefore, the management believes that in the light of the aforementioned judgement, all cases pertaining to WWF, pending for adjudication would be decided in the favour of the Group. The management has filed an application for rectification order amounting to Rs. 130.15 million for the years from 2010 to 2014 contending the fact that they had erroneously paid WWF despite of having exemption available to them.

21.2 These are interest free and secured against grautity entitlement.

	Note	2018	2017
		Rupees in '000	
22. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Considered good			
Security deposits		**4,302**	11,785
Prepayments		**72**	17,094
		4,374	28,879
23. OTHER RECEIVABLES			
Considered good			
Cotton short weight claims		**36,220**	13,175
Rebate refundable		**68,877**	63,138
Others		**63,274**	20,859
Derivative financial asset		**14,890**	1,533
		183,261	98,705
24. OTHER FINANCIAL ASSETS			
At fair value through profit and loss - held for trading			
Investment in ordinary shares of listed companies	24.1	**82,785**	126,958
Investment in units of mutual funds	24.1	**232,428**	607,563
Held to maturity investments			
Treasury bills - Government of Pakistan	24.2	**-**	206,977
Term deposit receipts	24.3	**2,625**	52,625
		317,838	994,123

			Note	2018	2017
				Rupees in '000	

24.1 Market value of other financial assets

Investment in ordinary shares of listed companies

2018	2017		2018	2017
Number of shares				
42,000	42,000	Bestway Cement Limited	**5,502**	9,203
-	160,000	Engro Fertilizers Limited	**-**	8,838
40,000	45,000	Engro Corporation Limited	**12,554**	14,666
30,000	30,000	Fauji Fertilizer Company Limited	**2,967**	2,479
15,000	15,000	Habib Bank Limited	**2,497**	4,037
2,050,000	1,850,000	K-Electric Limited	**11,644**	12,765
13,304	11,088	Pakistan State Oil Company Limited	**4,235**	4,295
10,000	10,000	Pak Elektron Limited	**355**	1,103
100,000	100,000	Pakistan International Airlines Corporation Limited	**409**	584
193,900	193,900	Pioneer Cement Limited	**9,086**	25,207
25,950	25,950	Sitara Chemical Industries Limited	**9,558**	11,538
141,900	136,900	United Bank Limited	**23,978**	32,243
			82,785	126,958

Investment in units of mutual funds

2018	2017		2018	2017
Number of units			Rupees in '000	
-	-	ABL Cash Fund	**-**	-
-	19,959,482	ABL Income Fund	**-**	200,301
2,163	2,163	HBL Money Market Fund	**232**	220
1,081	1,081	HBL Cash Fund (Formerly PICIC Cash Fund)	**115**	109
-	3,965,107	Meezan Cash Fund	**-**	250,001
266	266	Meezan Sovereign Fund	**14**	14
497,400	497,400	Meezan Income Fund	**31,503**	38,006
9,917	9,917	NAFA Government Security Liquid Fund	**106**	101
-	11,013,815	NAFA Money Market Fund	**-**	108,580
100,000	100,000	NAFA Islamic Active Allocation Plan-V	**8,965**	9,868
1,803,098	3,505	UBL Liquidity Plus Fund	**191,482**	353
104	104	UBL Money Market Fund	**11**	10
			232,428	607,563

24.2 The amount pertained to investment in Government of Pakistan Treasury Bills with Muslim Commercial Bank carrying interest at 5.95% (2016: 5.85%) and maturity date is August 17, 2017.

24.3 The amount relates to investment in short term deposit receipts carrying interest at 5.0% (2017: 5.5%)

		Note	2018	2017
			Rupees in '000	
25.	**TAX REFUNDABLE**			
	Sales tax refundable		**151,713**	256,801
	Income tax refundable		**593,249**	496,219
	Others		**1,160**	1,160
			746,122	754,180
26.	**CASH AND BANK BALANCES**			
	With banks			
	- in deposit accounts	26.1	**23,019**	15,327
	- in current accounts	26.2	**240,096**	259,947
			263,115	275,274
	Cash in hand		**9,581**	10,938
			272,696	286,212

26.1 The rate of profit on bank deposits ranges from 3.5% to 8.5% per annum (2017:3.75% to 4.5% per annum).

26.2 These include balance in foreign currency accounts aggregating to Rs.19.89 million at year end (2017: Rs. 16.31 million)

		Note	2018	2017
			Rupees in '000	
27.	**SALES -net**			
	Export sales	27.1	**22,882,363**	18,964,941
	Less: Commission		**(120,918)**	(164,471)
			22,761,445	18,800,470
	Local sales			
	Yarn		**6,981,019**	8,103,303
	Towel		**150,335**	134,888
	Greige Fabric		**54**	11,181
	Waste		**863,963**	603,798
			7,995,371	8,853,170
	Less:			
	Sales tax @ 3% on local sales		**(8,368)**	(6,787)
	Discount		**(1,450)**	(3,015)
	Brokerage on local sales		**(116,712)**	(70,646)
			(126,530)	(80,448)
			30,630,286	27,573,192

27.1 It includes exchange gain of Rs.169.18 million (2017: exchange loss of Rs. 15.48 million) and indirect exports of Rs.3044 million (2017: Rs. 998 million).

	Note	2018	2017
		Rupees in '000	
28. COST OF GOODS SOLD			
Raw material consumed	28.1	**20,776,839**	18,411,918
Manufacturing expenses	28.2	**6,811,746**	6,965,295
Outside purchases - yarn		**163,123**	5,729
		27,751,708	25,382,942

	Note	2018	2017
		Rupees in '000	
Work in process			
- Opening		**671,686**	467,680
- Closing		**(811,992)**	(671,686)
		(140,306)	(204,006)
Cost of goods manufactured		**27,611,402**	25,178,936
Finished goods			
- Opening		**1,103,807**	856,153
- Closing		**(1,098,374)**	(1,103,807)
		5,433	(247,654)
		27,616,835	24,931,282

28.1 Raw material consumed

	2018	2017
Opening stock	**4,438,861**	2,749,020
Purchases	**21,237,146**	20,330,474
	25,676,007	23,079,494
Cost of raw cotton sold	**(277,661)**	(228,715)
Closing stock	**(4,621,507)**	(4,438,861)
	20,776,839	18,411,918

28.2 Manufacturing expenses

	Note	2018	2017
		Rupees in '000	
Salaries, wages and benefits	28.2.1	**2,133,760**	1,961,300
Fuel, water and power		**2,507,500**	2,241,422
Packing material consumed		**615,163**	643,456
Stores and spares consumed		**444,754**	984,868
Repairs and maintenance		**52,764**	39,757
Insurance		**45,449**	38,019
Rent, rates and taxes		**2,756**	2,476
Depreciation on operating fixed assets	14.1.1	**962,166**	988,209
Other		**47,434**	65,788
		6,811,746	6,965,295

28.2.1 It includes staff retirement benefits Rs. 105.02 million (2017: Rs. 101.08 million).

29. OTHER INCOME

	Note	2018	2017
		Rupees in '000	
Income from non-financial assets:			
Scrap sale		**18,572**	14,571
Steam sale		**-**	8,257
Profit on trading of raw cotton	29.1	**-**	12,422
Duty drawback, rebates and others		**360,104**	29,911
Income from financial assets:			
Capital gain on sale of investments		**5,468**	18,290
Dividend income		**5,521**	2,268
Profit on fixed deposits		**1,625**	2,952
Realised gain on revaluation of foreign currency loans		**240**	33,759
Unrealised gain on revaluation of foreign debtors	29.2	**167,722**	15
Realised gain on revaluation of foreign debtors		**4,088**	-
Unrealized gain on derivative financial instruments		**14,891**	1,533
Other income		**76,638**	102
		654,869	124,080

29.1 (Loss) / Profit on trading of raw cotton

	2018	2017
Sales		
- Local	**275,282**	241,137
Less: Cost of goods sold		
- Local	**(277,661)**	(228,715)
	(2,379)	12,422

29.2 This arises due to devaluation of Pakistani Rupee against US Dollar as at the year end which results in exchange gain on revaluation of foreign currency debtors.

30. DISTRIBUTION COST

	Note	2018	2017
		Rupees in '000	
Export			
Ocean freight		**265,826**	216,121
Export development surcharge		**33,339**	32,184
Insurance expense		**1,292**	-
Other export charges		**121,482**	162,714
		421,939	411,019
Local freight		**90,766**	80,260
Salaries and wages	30.1	**45,545**	41,785
Travelling and conveyance		**10,445**	11,996
Telephone and postage		**13,392**	12,825
Insurance		**6,827**	7,469
Other		**42,362**	39,028
		631,276	604,382

30.1 It includes staff retirement benefits of Rs. 3.08 million (2017 Rs. 2.25 million).

31. ADMINISTRATIVE EXPENSES

	Note	2018	2017
		Rupees in '000	
Salaries and benefits	31.1	**176,630**	156,619
Directors' remuneration		**88,658**	84,670
Meeting fees		**349**	265
Repairs and maintenance		**9,733**	9,549
Postage and telephone		**11,632**	10,912
Traveling and conveyance		**8,939**	10,229
Vehicles running		**10,255**	7,285
Printing and stationery		**6,205**	6,638
Rent, rates and taxes		**20,198**	20,253
Utilities		**10,172**	12,906
Entertainment		**3,127**	3,455
Fees and subscription		**21,277**	18,878
Insurance		**4,466**	3,903
Legal and professional		**9,350**	8,668
Charity and donations	31.2	**1,548**	1,245
Auditors' remuneration	31.3	**3,626**	3,025
Depreciation on operating fixed assets	14.1.1	**49,643**	50,340
Amortization	15.1	**5,898**	3,214
Advertisement		**115**	208
Others		**7,924**	5,123
		449,745	417,385

31.1 It includes staff retirement benefits of Rs. 14.938 million (2017: Rs. 16.347 million).

31.2 None of the directors and their spouses have any interest in the donees fund. Each of these donations does not exceed amount of Rs. 500,000.

	2018	2017
	Rupees in '000	
31.3 Auditors' remuneration		
Ernst & Young Ford Rhodes Sidat Hyder		
Audit fee	**1,455**	950
Out of pocket expenses	**152**	70
	1,607	1,020
Deloitte Yousuf Adil		
Audit fee	**1,600**	1,600
Half year limited review fee	**300**	300
Fee for certifications	**20**	20
Out of pocket expenses	**99**	85
	2,019	2,005
	3,626	3,025

	Note	2018	2017
		Rupees in '000	
32. OTHER OPERATING EXPENSES			
Workers' Profits Participation Fund		**96,537**	75,656
Workers' Welfare Fund		**5,874**	9,263
Loss on disposal of fixed assets - net		**35,068**	28,761
Exchange loss on foreign currency transactions		**-**	865
Loss from trading of raw cotton	29.1	**2,379**	-
Unrealised loss on other financial assets		**42,691**	15,380
Unrealized loss on revaluation of short term borrowings		**7,788**	-
Others		**20,799**	8,216
		211,136	138,141

33. FINANCE COST

	2018	2017
	Rupees in '000	
Mark-up on:		
- long-term finance	**71,041**	67,558
- short-term borrowings	**253,985**	145,610
Discounting charges on letters of credit	**8,488**	6,493
Interest on Workers' Profits Participation Fund	**445**	569
Bank charges and commission	**38,176**	34,768
	372,135	254,998

34. TAXATION

	2018	2017
	Rupees in '000	
Current	**221,563**	250,631
Prior	**(7,414)**	(13,021)
Deferred	**12,674**	79,772
	226,823	317,382

34.1 The comparison of tax provisions as per individual of financial statements of group entities and tax assesments for last three years is as follows:

Tax Year	Tax Provisions	Tax Assessments
	Rupees in '000	
2015	186,218	159,877
2016	184,713	169,667
2017	250,205	219,948

34.2. As per section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at a rate specified therein on every Public Company other than scheduled bank or modaraba that derives profit for a tax year but does not distribute a portion of its after tax profits (as per limit mentioned therein) within six months of the end of the tax year through cash or bonus shares. As the Group has made a profit for the current year, therefore the Group is required to pay tax on profit as mentioned earlier. However, it is expected that the Group shall distribute profits of an amount to comply with the requirement of section 5A of the Income Tax Ordinance, 2001, therefore, no provision for tax on undistributed profit under section 5A of the Income Tax Ordinance, 2001 is recorded in these consolidated financial statements for the year ended June 30, 2018.

34.3 Reconciliation between accounting profit and taxable income

	2018	2017
	Rupees in '000	
Accounting profit before tax	**2,008,520**	1,352,727
Tax rate %	**30%**	31%
Tax on accounting profit	**602,556**	419,345
Effect of:		
Income chargeable to tax at reduced rates	**(2,044)**	(109,028)
Prior year charge	**(7,414)**	(13,021)
Income that is not taxable in determining tax liability	**(28,162)**	-
Impact of permanent differences	**(5,918)**	(452)
Impact of super tax	**24,803**	23,829
Income chargeable to tax under FTR	**(317,270)**	(25,282)
Due to change in tax rate	**16,626**	60,250
Tax impact of tax credit	**(59,048)**	(38,259)
Tax charge for the year	**224,129**	317,382

35. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share attributable to the shareholders of the Holding Company, which is based on:

		2018	2017
Profit for the year	**Rupees in '000**	**1,781,697**	1,035,345
Weighted average number of ordinary shares outstanding during the year	**No. of shares**	**18,073,732**	18,073,732
Earnings per share - Basic and diluted (Rupees)	**Rupees**	**98.58**	57.28

36. CASH GENERATED FROM OPERATIONS

	Note	2018	2017
		Rupees in '000	
Profit before taxation		**2,008,520**	1,352,727
Adjustments for:			
Depreciation	14.1.1	**1,011,809**	1,038,549
Amortization	15	**5,898**	3,214
Provision for gratuity	9.2, 9.3 & 9.4	**122,310**	115,756
Unrealised loss on other financial assets	32	**42,691**	15,380
Unrealised gain on revaluation of export debtors		**(167,722)**	-
Unrealised gain on export debtors		**-**	(15)
Unrealised loss / (gain) on short term borrowings		**7,787**	(3,223)
Realised gain on export debtors	29.	**(4,088)**	(1,533)
Loss on disposal of operating fixed assets		**35,068**	28,761
Dividend income		**(5,521)**	(2,268)
Share of profit from associate	16.1	**(4,492)**	(1,643)
Finance cost	33	**372,135**	254,998
Cash generated before working capital changes		**3,424,395**	2,800,703
Working capital changes:			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(51,464)**	10,291
Stock-in-trade		**(834,405)**	(1,035,523)
Trade debts		**(3,002,484)**	(188,771)
Loans and advances		**(4,705)**	(53,447)
Trade deposits and short term prepayments		**24,505**	(17,958)
Other receivables		**(84,556)**	(16,520)
		(3,953,109)	(1,301,928)
Increase in current liability			
Trade and other payables		**618,450**	462,710
Cash generated from operations		**89,736**	1,961,485

37. CASH AND CASH EQUIVALENTS

	Note	2018	2017
Cash and bank balances	26	**272,696**	286,212
Short-term borrowings	12	**(6,541,667)**	(5,691,516)
		(6,268,971)	(5,405,304)

38. REMUNERATION TO CHIEF EXECUTIVE OFFICERS, EXECUTIVES AND DIRECTORS

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

Particulars	Chief Executive Officer	Directors - Executive	Directors - Non-Executive	Executives	Total
	2018				
	Rupees in '000				
Remuneration including benefits	**24,564**	**53,712**	**-**	**166,158**	**244,434**
Medical	**1,046**	**1,618**	**-**	**2,673**	**5,337**
Utilities	**2,191**	**2,196**	**-**	**4,883**	**9,270**
Travelling	**1,840**	**-**	**-**	**10,170**	**12,010**
Entertainment	**5**	**-**	**-**	**-**	**5**
Vehicle running	**323**	**-**	**-**	**1,944**	**2,267**
Rent	**-**	**-**	**-**	**-**	**-**
Retirement benefits	**-**	**-**	**-**	**61,976**	**61,976**
Bonus and others	**-**	**-**	**-**	**8,978**	**8,978**
Insurance	**1,163**	**-**	**-**	**1,387**	**2,550**
Meeting fee	**40**	**100**	**150**	**59**	**349**
Total	**31,173**	**57,626**	**150**	**258,227**	**347,176**
Number of persons	**3**	**8**	**7**	**121**	**136**

Particulars	Chief Executive Officers	Directors - Executive	Directors - Non-Executive	Executives	Total
	2017				
	Rupees in '000				
Remuneration including benefits	23,709	55,287	-	143,308	222,304
Medical	793	1,193	-	1,729	3,715
Utilities	2,078	2,174	-	3,524	7,776
Travelling	2,956	-	-	11,436	14,392
Vehicle running	281	-	-	1,379	1,660
Rent	851	-	-	-	851
Retirement benefits	-	-	-	54,327	54,327
Bonus and others	-	-	-	9,152	9,152
Entertainment	-	-	-	-	-
Meeting fee	40	100	90	35	265
Total	30,708	58,754	90	224,890	314,442
Number of persons	2	7	7	103	117

38.1 Group maintained cars and cellular phones are provided to Chief Executive Officers, directors and executives.

38.2 Comparative figures have been restated to reflect changes in the description of executives as per the Companies Act, 2017.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associate (Sunrays Textiles Mills Limited and Indus Heartland Limited), entities with common directorship, key management personnel. The Group carries out transactions with related parties on agreed terms. Remuneration of key management personnel is disclosed in note 38 to the consolidated financial statements and amount payable in respect of staff retirement benefits is disclosed in note 9. Significant transactions with related parties other than those shown elsewhere in these consolidated financial statements, are as follows:

		2018	2017
Relationship	**Nature of transactions**	**Rupees in '000**	
Associate (shareholding : 0.99 percent), Sunrays Textile Mills Limited	Sale of yarn	**-**	40,175
	Purchase of yarn	**82,017**	8,144
	Conversion cost paid	**-**	69,962
Director	Lease rent expense	**4,468**	
Balances with related parties			
Associate - payable, Sunrays Textile Mills Limited		**4,812**	1,980
Associate - receivable, Sunrays Textile Mills Limited		**62**	-
Balances with other related parties due to common directorship			
Receivable from Indus Heartland Limited		**213**	-
Payable to:			
Riaz Cotton Factory		**1,917**	**1,917**
Haji Mola Buksh Cotton Company		**1,253**	**1,253**

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, trade and other payables, interest/dividend payable 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 deposits that arise directly from its operations. The Group also holds long-term and short term investments.

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 summarized 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 trade debts, loans and advances, other financial assets (mutual funds) 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:

	2018	2017
	Rupees in '000	
Long-term deposits	**15,475**	14,757
Other financial assets	**232,428**	607,563
Trade debts	**5,194,308**	2,020,014
Loans to staff	**39,353**	26,966
Trade deposits	**4,302**	11,785
Other receivables	**114,384**	35,567
Bank balances	**263,115**	275,274
	5,863,365	2,991,926

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.Though there are few past due trade debts, however, such are not impaied as per management assessment.

Credit risk related to equity investments and cash deposits

The Group limits its exposure to credit risk of investments by only investing in listed mutual funds units 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	AAA	A1+
Askari Bank Limited	PACRA	AA+	A1+
Bank Alfalah Limited	JCR-VIS	AA+	A1+
Bank Islami Pakistan Limited	PACRA	A+	A1
Bank Al-Habib Limited	PACRA	AA+	A1+
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	AA-	A1
Faysal Bank Limited	JCR-VIS	AA	A1+
Habib Bank Limited	JCR-VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Industrial and Commercial Bank of China Limited	Moody's	A1	P1
J.S Bank Limited	PACRA	AA-	A1+
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 (Pakistan) Limited	PACRA	AAA	A1+
The Bank Of Punjab	PACRA	AA	A1+
United Bank Limited	JCR-VIS	AAA	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. 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 displays the Group'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.

	Carrying Values	Contractual Cash flows	Less than 1 month	1 to 3 months	3 months - 1 year	1-5 years
	Rupees in '000'					
June 30, 2018						
Trade and other payables	**2,240,155**	**2,280,567**	**25,777**	**897,988**	**642,864**	**713,937**
Long-term financing	**2,207,710**	**2,225,243**	**-**	**-**	**394,567**	**1,830,676**
Short term borrowings	**6,541,667**	**6,541,667**	**909,868**	**-**	**5,631,799**	**-**
Unclaimed dividend	**11,080**	**11,080**	**-**	**-**	**-**	**-**
Interest / mark-up payable	**65,406**	**65,406**	**13,489**	**44,631**	**7,286**	**-**
	11,066,018	**11,123,963**	**949,134**	**942,619**	**6,676,516**	**2,544,613**

	Carrying Values	Contractual Cash flows	Less than 1 month	1 to 3 months	3 months - 1 year	1-5 years
	Rupees in '000'					
June 30, 2017						
Trade and other payables	1,713,682	1,720,008	3,905	1,295,949	413,828	-
Long-term financing	1,642,263	1,642,263	-	-	448,442	1,193,821
Short term borrowings	5,691,516	5,691,516	621,559	-	5,069,957	-
Unclaimed dividend	6,326	6,326	-	-	-	-
Interest / mark-up payable	53,005	53,005	-	53,005	-	-
	18,219,910	9,113,118	625,464	1,348,954	5,932,227	1,193,821

The effective rate of interests on non derivative financial liabilities are disclosed in respective notes.

The effective rate of interests on non derivative financial liabilities are disclosed in respective notes.

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:

	2018	2017
	Rupees in '000	
6 months or less		
- Short-term borrowings	**6,541,667**	5,691,516
- Long-term loans	**2,207,710**	1,642,263

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 optimizing 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	
	2018	2017
	Rupees in '000	
Fixed rate instruments		
Financial assets	**23,019**	15,327
Financial liabilities	**1,922,835**	1,015,245
Variable rate instruments		
Financial liabilities		
- KIBOR based	**6,826,542**	4,859,568
- LIBOR based	**-**	1,458,966

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, 2018 would decrease / increase by Rs. 34.132.71 million (2017: Rs. 31.593 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

Exposure to currency risk

	2018		2017	
	Rupees	US Dollar	Rupees	US Dollar
Trade debts	**4,201,258**	**34,607**	933,467	8,890
Bank balances	**19,894**	**176**	16,313	156
Foreign currency loans	**(2,087,424)**	**(17,195)**	(1,458,966)	(13,895)
	(2,067,530)	**17,588**	(509,186)	(4,849)

	2018	2017
	Rupees	
Average rate	**113.15**	104.73
Balance sheet date rate	**121.40**	105.00

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, 2018, 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. 105.69 million (2017: Rs. 26.27 million) determined on the outstanding balance at year end.

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 reporting date, the Group has exposure of Rs. 25.083 million (2017: Rs. 22.567 million) to listed equity securities of an associate which is held for strategic rather than trading purpose.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 82.78 million (2017: Rs. 126.96 million). A decrease / increase of 5% on the PSX market index would have an impact of approximately Rs. 4.14 million (2017: Rs. 6.35 million) determined based on market value of investment at year end.

40.4 Financial instruments by category

Assets as per balance sheet - June 30, 2018	Loan and receivables	Fair value through profit & loss account	Total
	Rupees in '000		
Long-term deposits	15,475	-	15,475
Trade debts	5,194,308	-	5,194,308
Loans	39,353	-	39,353
Trade deposits	4,302	-	4,302
Other receivables	114,384	-	114,384
Other financial assets	-	315,213	315,213
Cash and Bank balances	272,696	-	272,696
	5,640,518	315,213	5,955,731

Assets as per balance sheet - June 30, 2017	Loan and receivables	Fair value through profit & loss account	Total
	------------------ Rupees in '000		----------
Long-term deposits	14,757	-	14,757
Trade debts	2,020,014	-	2,020,014
Loans	26,966	-	26,966
Trade deposits	11,785	-	11,785
Other receivables	35,567	-	35,567
Other financial assets	-	734,521	734,521
Cash and Bank balances	286,212	-	286,212
	2,395,301	734,521	3,129,822

Liabilities as per balance sheet - June 30, 2018	Financial liabilities measured at amortized cost	Total
	Rupees in '000	
Long-term financing	**2,207,710**	2,207,710
Trade and other payables	**2,240,155**	2,240,155
Unclaimed dividends	**11,080**	11,080
Short-term borrowings	**6,541,667**	6,541,667
Interest / mark-up payable	**65,406**	65,406
	11,066,018	11,066,018

Liabilities as per balance sheet - June 30, 2017	Financial liabilities measured at amortized cost	Total
	Rupees in '000	
Long-term financing	**1,642,263**	1,642,263
Trade and other payables	**1,713,682**	1,713,682
Unclaimed dividends	**6,326**	6,326
Short-term borrowings	**5,691,516**	5,691,516
Interest / mark-up payable	**53,005**	53,005
	9,106,792	9,106,792

40.5 Fair value and categories of financial instruments

Fair value is the price that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants at measurement date.

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

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

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

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy :

	Carrying amount				Fair Value Hierarchy			
	Fair Value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	June 30, 2018							
	'(Rupees in '000)							
Financial assets measured at fair value								
Other financial assets	315,213	-	-	315,213	315,213	-	-	-

Financial assets not measured at fair value

	Fair Value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total
	June 30, 2018			
	(Rupees in '000)			
Long term deposits	-	15,475	-	15,475
Trade debts	-	5,194,308	-	5,194,308
Loans	-	39,353	-	39,353
Trade deposits	-	4,302	-	4,302
Other receivables	-	114,384	-	114,384
Bank balances	-	272,696	-	272,696
	-	5,640,518	-	5,640,518

	Carrying amount				Fair Value Hierarchy			
	Fair Value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value								
	------- June 30, 2018 -------							
	------- (Rupees in '000) -------							
Long term financing	-	-	**2,207,710**	**2,207,710**				
Trade and other payables	-	-	**2,240,155**	**2,240,155**				
Unclaimed dividend	-	-	**11,080**	**11,080**				
Short-term borrowings	-	-	**6,541,667**	**6,541,667**				
Interest / mark-up payable	-	-	**65,406**	**65,406**				
	-	-	**11,066,018**	**11,066,018**				

------- June 30, 2017-------

	Carrying amount				Fair Value Hierarchy			
	Fair Value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
	------- '(Rupees in '000)-------							
Financial assets measured at fair value								
Other financial assets	734,521	-	-	734,521	734,521			734,521
Financial assets not measured at fair value								
	------- June 30, 2017 -------							
	------- (Rupees in '000) -------							
Long term deposits	-	14,757	-	14,757				
Trade debts	-	2,020,014	-	2,020,014				
Loans	-	26,966	-	26,966				
Trade deposits	-	11,785	-	11,785				
Other receivables	-	35,567	-	35,567				
Bank balances	-	286,212	-	286,212				
	-	2,395,301	-	2,395,301				

	Carrying amount				Fair Value Hierarchy			
	Fair Value through profit and loss account - held-for-trading	Loans and advances	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities not measured at fair value								
	------- June 30, 2017 -------							
	------- (Rupees in '000) -------							
Long term financing	-	-	1,642,263	1,642,263				
Trade and other payables	-	-	1,713,682	1,713,682				
Unclaimed dividend	-	-	6,326	6,326				
Short-term borrowings	-	-	5,691,516	5,691,516				
Interest / mark-up payable	-	-	53,005	53,005				
	-	-	9,106,792	9,106,792				

41. CAPITAL RISK MANAGEMENT

The objective of the Holding Company 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 Holding Company 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 Holding Company may adjust the amount of dividend paid to shareholders or issue new shares.

Consistent with others in the industry, the Holding Company 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, 2018 and 2017 were as follows:

	2018	2017
	Rupees in '000	
Total borrowings (note 8 & 12)	**8,749,377**	7,333,779
Less: cash and bank balances (note 26)	**(272,696)**	(286,212)
Net debt	**8,476,681**	7,047,567
Total equity	**13,509,269**	11,966,431
Total capital	**21,985,950**	19,013,998
Gearing ratio	**39%**	37%

There is no significant change in the gearing ratio of the Group as compared to the last year.

42. CAPACITY AND PRODUCTION

	2018	2017
	Rupees in '000	
Spinning units		
Total number of spindles installed	**203,856**	203,856
Total number of spindles worked per annum (average)	**201,308**	201,608
Number of shifts worked per day	**3**	3
Installed capacity of yarn converted into 20 counts based on 365 days (lbs.)	**145,192,073**	145,211,782
Actual production for the year after conversion into 20 counts (lbs.)	**127,575,023**	131,375,255
Ginning units		
Installed capacity to produce cotton bales	**72,999**	72,999
Actual production of cotton bales	**-**	11,918
Number of shifts	**-**	1
Capacity attained in (%)	**0%**	17%

Weaving unit	2018 Lbs	2017 Lbs
Normal capacity - Weaving	**40,953,000**	40,953,000
Actual Production - Weaving	**24,011,631**	23,805,425

It is difficult to describe precisely the production capacity in spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed and twist etc. It also varies according to the pattern of production adopted in a particular year.

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

43. NUMBER OF EMPLOYEES

	No. of employees	
	2018	2017
Average number of employees during the year	**7,686**	4,268
Number of employees as at June 30	**9,884**	5,698
Number of factory employees as at June 30	**5,063**	5,499

43.1 Daily wage employees are not included in above number of employees.

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 led by Chief Executive Officer who is continuously involved 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 the Group has five yarn manufacturing units at Hyderabad, Karachi, Muzafargarh, Faisalabad and Lahore. 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 Group 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-term strategic investments in an associated company results of which are disclosed in note 16.1 to these consolidated financial statements.

45. SUBSEQUENT EVENT

The Board of Directors proposed a final dividend for the year ended June 30, 2018 of Rs. 16 per share (2017: Rs. 13 per share) at their meeting held on October 5, 2018 for approval of members at the Annual General Meeting. These financial statements do not reflect this dividend payable which will be accounted for in the year in which it is approved.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements have been authorized for issue on October 05,2018 by the Board of Directors of the Group.

47. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current yearexcept that (i) unclaimed dividend as at June 30, 2017 amounting to Rs. 6.326 million previously disclosed under 'Trade and other payables' are now disclosed on the face of the statement of financial position to comply with requirement of Fourth Schedule to the Companies Act, 2017.

48. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Arif Abdul Majeed **Chief Financial Officer**	**Shahzad Ahmed** **Chief Executive Officer**	**Naveed Ahmed** **Director**

آڈٹ کمیٹی کے اجلاس :

جولائی 2017 سے جون 2018 کے درمیان چار اجلاس منعقد ہوئے جس میں غیر فعال ڈائریکٹرز بشمول چیئرمین نے شرکت کی۔

اس کمیٹی کے اجلاسوں کی تفصیل مندرجہ ذیل ہے۔

ڈائریکٹر کے نام	منعقدہ میٹنگ	شرکت
شیخ نشاط احمد (چیئرمین)	4	4
عرفان احمد (ممبر)	4	4
کاشف ریاض (ممبر)	4	4

ڈائریکٹران کے مشاہرے :

کمپنی ڈائریکٹران (فعل اور غیر فعل) کے مشاہروں کے بارے میں کمپنی کے بورڈ آف ڈائریکٹر کی جانب سے منظور شدہ پالیسی پر عمل درآمد کیا جاتا ہے۔ اس پالیسی کو اس طرح سے تیار کیا گیا ہے کہ جو انسانی وسائل اور کاروباری ضروریات دونوں کی حکمت عملی کو ساتھ لے کر چلے۔ بورڈ اس بات پر یقین رکھتا ہے کہ پالیسی اس قدر پر اثر ہونی چاہیے کہ جو ڈائریکٹران کو اپنی جانب راغب کرے اور ان کو اس بات پر آمادہ کرے کہ وہ کمپنی کے معاملات کو اپنی بہترین صلاحیتوں کے مطابق سرانجام دے سکیں۔

آڈیٹران کی تقرری :

میسرز Deloitte یوسف عادل، چارٹرڈ اکاؤنٹینٹ جو کہ ممبر ہیں Deloitte Touche Tohmatsu لمیٹڈ، جو کہ مشہور فرم ہے اس نے کمپنی کے ساتھ نا صرف گزشتہ سال کام کیا بلکہ دوبارہ بھی اسی فرم کو منتخب کیا گیا بورڈ آف ڈائریکٹر نے آڈٹ کمیٹی کی سفارش پر میسرز Deloitte یوسف عادل کو بطور آڈیٹر تقرر کیا۔

آڈٹ کمیٹی :

بورڈ آف ڈائریکٹرز نے ایک فعال آڈٹ کمیٹی بھی بنائی ہے جس میں تین ممبران ہیں ایک آزاد ڈائریکٹر ہے اور دو غیر فعال ڈائریکٹر ہیں اس کمیٹی کا مقصد اندرونی آڈٹ کا جائزہ لینا حساب کتاب کے امور کو درست خطوط پر استوار کرنا، نتائج کو ماہرانہ طریقے سے ظاہر کرنا اور کمپنی کے اثاثہ جات کی حفاظت کرنا ہے۔

اندرونی آڈٹ کے فرائض :

بورڈ نے ایک متحرک اندرونی کنٹرول قائم کیا ہے جو کہ کمپنی کے امور کے ساتھ ساتھ کمپنی کے کاروباری، مالیاتی اور پیداواری امور کے ساتھ چلتا رہتا ہے۔ آڈٹ کمیٹی اندرونی آڈیٹران کی رائے کو اہمیت دیتی ہے اور جہاں ضرورت کے مطابق پیش کردہ سفارشات پر عمل درآمد کیا جاتا ہے۔

ممبران کی ترتیب :

ممبران کی ترتیب کا خاکہ 30 جون 2018 کی رپورٹ کے ساتھ منسلک کیا گیا ہے۔

ویب پر موجودگی :

کمپنی کے سالانہ اور مختلف مدت کے مالیاتی بیانات کو کمپنی کی ویب سائٹ /http://indus-group.com پر موجود ہیں جہاں سے شیئر ہولڈر اور دوسرے لوگ معلومات حاصل کر سکتے ہیں۔

اظہار تشکر :

ہم اپنی کمپنی کے ہر ملازم، صارفین، بینکرز اور شیئر ہولڈرز کے مشکور ہیں جنہوں نے کمپنی کے مقاصد میں اپنا حصہ ڈالا اور بھروسہ کیا۔

کراچی تاریخ : اکتوبر 05، 2018ء

ڈائریکٹر	چیف ایگزیکٹیو آفیسر

بورڈ آف ڈائریکٹرز :

کمپنی کے بورڈ آف ڈائریکٹران آزادانہ طور پر کمپنی کے معاملات کو شفافیت اور بہترین طریقے سے سرانجام دینے کی صلاحیت رکھتے ہیں۔ بورڈ کے تمام ممبران اپنی کارکردگی میں اپنے اپنے میدان میں بڑا وسیع تجربہ رکھتے ہیں اور کاروباری دنیا میں ان کی بڑی شناخت ہے۔ یہ بورڈ ایک چیئرمین، ایک آزاد ڈائریکٹر، ایک نامزد ڈائریکٹر، پانچ غیر فعال ڈائریکٹرز اور تین فعال ڈائریکٹر بشمول چیف ایگزیکٹیو آفیسر کے شامل ہیں۔ غیر فعال ڈائریکٹرز کمپنی کو اپنی کاروباری، قانونی تجربہ اور مہارت کی بدولت قابل قدر مشورے فراہم کرتی ہے جس سے کمپنی کے امور اعلیٰ، قانونی معاملات کارپوریشن کے معیار کے مطابق چلتے ہیں۔

مندرجہ ذیل میں ان لوگوں کے نام درج کیئے گئے ہیں جو کہ 2017-2018 کے درمیان ڈائریکٹر رہے اس کے ساتھ ساتھ انہوں نے بورڈ آف کمیٹی کی میٹنگز میں بھی حصہ لیا۔

ڈائریکٹر کے نام	منعقدہ میٹنگ	شرکت
میاں محمد احمد (چیئرمین)	5	3
میاں شہزاد احمد (چیف ایگزیکٹیو)	5	5
ریاض احمد	5	3
نوید احمد	5	5
میاں عمران احمد	5	3
کاشف ریاض	5	4
عرفان احمد	5	5
شاہ ویز احمد	5	5
شفقت مسعود	5	5
شیخ نشاط احمد	5	5
فاروق حسن (Nominee NIT)	5	5

انسانی وسائل سے متعلق کمیٹی :

اس کمیٹی میں شامل عصاب :

۱) شیخ نشاط احمد (چیئرمین)

۲) جناب عرفان احمد (ممبر)

۳) جناب شاہ ویز احمد (ممبر)

جولائی 2017 سے جون 2018 تک اس کمیٹی کی ایک میٹنگ منعقد ہوئی جس میں تینوں ممبران نے شرکت کی۔

جگہ بنا سکیں۔ ہماری کمپنی لوگوں کو معلومات کی پیغام رسانی، ٹیکنالوجی اور اس کو حاصل کرنے کے لئے طریقہ کار، صحت، تعلیم اور معیار زندگی کی ترقی کے لئے تیار کرتی ہے۔ اس مقصد کے حصول کے لئے کمپنی کے مالکان اپنا وقت تجربہ اور صلاحیتیں لوگوں کو آگاہی فراہم کرنے میں خرچ کرتے ہیں تا کہ وہ آگے بڑھ سکیں اور ان کی حوصلہ افزائی کی جا سکے۔

بیلنس شیٹ بنانے کے بعد کے معاملات :

بیلنس شیٹ کے اختتامی مراحل میں اور بیلنس شیٹ بنانے کے بعد کوئی ایسا مادی یا معاملاتی معاہدہ نہیں کیا گیا جس سے بیلنس شیٹ کے اعداد و شمار میں کسی طرح کی کوئی تبدیلی واقع ہو اور وہ منفی طور پر متاثر ہو۔

متعلقہ فریقین سے لین دین :

متعلقہ کمپنی کے تمام معاملات اور لین دین آڈٹ کمیٹی اور بورڈ کے سامنے ان کی منظوری کے لئے واضح طور پر پیش کر دیا ان لین دین کو آڈٹ کمیٹی اور بورڈ کے ممبران نے اپنی اپنی میٹنگ میں منظور کر لیا ان معاملات کی تفصیل نوٹ 39 میں منسلک ہے جو کہ کمپنی کے مالیاتی گوشوارے یعنی Financial Statement برائے 30 جون 2018 کے ساتھ منسلک ہیں۔

کمپنی کا کنٹرول مالیتی رپورٹ اور اندرونی کنٹرول کا سسٹم :

کمپنی اس بات پر یقین رکھتی ہے کہ بہتر کارکردگی بہتر تجربے اور بہتر عمل سے حاصل کی جا سکتی ہے پاکستان اسٹاک ایکسچینج نے اپنے اصولوں میں ان قوانین کی وضاحت کر دی ہے جس پر کمپنی پوری طرح سے عمل درآمد کرتی ہے اس سلسلے میں بیان منسلک رپورٹ کے ساتھ شامل ہے۔

ہم اس بات پر بڑی خوشی کا اظہار کرتے ہیں کہ :

☆ کمپنی کے مالیاتی گوشوارے جو کہ کمپنی کی انتظامیہ نے تیار کئے ہیں اس میں تمام لین دین کو شفافیت کے ساتھ درج کیا گیا ہے اس کے ساتھ ساتھ نتائج اور کیش کی آمدورفت کا بھی واضح اظہار ہے۔

☆ کمپنی کے حساب کتاب سے متعلق دستاویزات وضاحت و مہارت کے ساتھ تیار کی گئی ہیں۔

☆ حساب نویسی سے متعلق تمام پالیسیوں کو ملکی اور بین الاقوامی قوانین کے مطابق تیار کیا گیا ہے اور جہاں ضرورت محسوس کی گئی وہاں وضاحتیں بھی پیش کی گئی ہیں۔

☆ اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے جس پر نا صرف عمل درآمد کیا جاتا ہے بلکہ وقتاً فوقتاً اس کی جانچ پڑتال بھی کی جاتی ہے اور اس بات کو یقینی بنایا جاتا ہے کہ حسابات کی تیاری اور چیکنگ میں کسی طرح کا جھول باقی نہ رہے۔

☆ بورڈ کو اس بات پر اطمینان ہے کہ کاروباری سلسلے کے عمل درآمد پر آڈیٹران نے اپنی رپورٹ میں اطمینان کا اظہار کیا ہے کیونکہ تمام حسابات کو مکمل وضاحت کے ساتھ پیش کیا گیا ہے۔

☆ پچھلے چھ سالوں کے متعلقہ اعداد و شمار بھی منسلک کیئے گئے ہیں۔

☆ ٹیکس ڈیوٹیوں اور ادا طلب ادائیگیوں کو 30 جون 2018 کے لئے نہیں روکا گیا سوائے ان کے جن کا اظہار Financial Statement برائے 30 جون 2018 میں کیا گیا ہے۔

☆ کمپنی کے ڈائریکٹر، اعلی افسران اور ان کے اہل خانہ اور نابالغ بچے کمپنی کے حصص کی لین دین میں شامل نہیں ہیں۔

☆ کمپنی نے اپنے ڈائریکٹران کے لئے اس سال کسی طرح کا کوئی تربیتی پروگرام منعقد نہیں کیا۔

مسئلہ ہے اوراس انڈسٹریز کو یہ سہولت کافی حدتک فراہم کی گئی لیکن اس کی قیمتیں ریجن کے دوسرے ملکوں کے مقابلے میں زائد رہیں ان چیلنجز کے باوجود کمپنی کے ماہرانہ اقدامات خاص طور پر کپاس کی خریداری، فروخت اور مالیاتی انتظامی امور کی مدد سے اختتامی نتائج کمپنی کے حق میں ظاہر ہوئے۔

انڈس ہوم لمیٹڈ جو کہ ہماری ذیلی کمپنی ہے اس کی کارکردگی پچھلے سال کے مقابلے میں 3 فیصد زائد رہی تاہم موجودہ سال کا نفع پچھلے سال کے مقابلے میں 80 ملین روپے کم ہوگیا جس کی اصل وجہ خام مال کی قیمتوں میں اضافہ، اجرت میں اضافہ، فیول کی قیمتوں یعنی RLNG اور کوئلے کی قیمت میں اضافہ، پیکنگ کے بڑھتے ہوئے اخراجات اور input ٹیکس میں اضافہ رہا اس سال کمپنی اس قابل ہوسکی کہ گزشتہ سال جتنی پیداوار کر سکے Capex برائے موجودہ سال 376.73 ملین روپے رہا جس میں 353.58 ملین روپے مشینری پر خرچ کیئے گئے اس سال مشینری میں اضافہ 12 Picanol Looms، Pentek tumbling line اور Texpa hemmer اور کٹنگ مشین، Weft straightner، سلائی اور لوک جیسی جدید مشینوں کو استعمال کیا گیا اور پرانی مشینوں کو بدل دیا گیا جس سے نا صرف کام کی کارکردگی میں اضافہ ہوا بلکہ اس سال گاہکوں کے آرڈرز زیادہ معیار کے ساتھ پورے کرنے کا موقع ملا۔

ہماری کمپنی کی ایک ذیلی کمپنی جس کا نام انڈس ونڈ انرجی لمیٹڈ ہے جس نے بھی قابل تعریف ترقی کی گزشتہ سال جہاں annual رپورٹ میں ذکر کیا تھا کہ ہماری کمپنی ان معاہدوں کے حصول میں جس کا تعلق مشینری، سپلائی، EPC کنٹریکٹر اور مالیاتی اداروں سے تھا اس سے بڑھ کر یہ کہ ہماری کمپنی نے نیپرا سے Cost + Tarif بخوبی حاصل کے آخری مراحل میں ہے جو آخر کار ایک نئی مرکزی حکومت کے تعاون سے ہمارے نئے پروجیکٹ بہت امید افزاء ہیں اور ہم امید کرتے ہیں کہ ہم مالی سال کے مقاصد حاصل کرسکیں گے اس سے بڑھ کر Fossil fuel توانائی کی قیمتیں ہماری قوم اور دنیا کی تمام اقوام کے لئے بڑی اہمیت کی حامل ہیں لہذا ہماری پروجیکٹ میں بڑی قوت موجود ہے کہ ہم آنے والے دونوں میں اپنے ساتھیوں کو بھرپور فوائد مہیا کریں گے۔

مستقبل کا ارتقاء :

جہاں تک آنے والے سال کا تعلق ہے بظاہر صورتحال بہت سخت نظر آتی ہے مال کی تیاری کی قیمتوں میں تیزی سے اضافہ ہو رہا ہے اور دھاگہ اور کپڑے کی تیاری میں ٹیکسٹائل ملوں کی ایک بہت بڑی تعداد شامل ہو رہی ہے اسپننگ اور ویونگ سیکٹر میں بڑھتی ہوئی قیمتیں منفی اثرات پیدا کر رہی ہیں یہ صورت حال ملک کے طول وعرض میں یکساں طور پر پھیلی ہوئی ہے۔

حالانکہ کپاس کی فراہمی سہولت کے ساتھ پچھلے سال کے مقابلے میں مستقبل میں بہتری کی جانب گامزن نظر آتی ہے اس سال کپاس کی قیمتیں کم ہوتی ہوئی نظر آتی ہیں کیونکہ چائنہ اپنے پاس موجود ذخائر کو منڈی میں لانے کا اظہار کر رہا ہے اس کی مدد سے مال کی تیاری میں کچھ نہ کچھ مدد ملے گی اور اس کے مثبت نتائج سامنے آئیں گے جہاں تک دوسرے ممالک سے ایکسپورٹ کی منڈی میں مقابلے کا تعلق ہے اس سلسلے میں بھارتی روپے کی ڈالر کے مقابلے میں کمی مستقبل میں ہمارے نفع پر اثرانداز ہوسکتی ہے۔ دوسری جانب بجلی اور افرادی قوت کی بڑھتی ہوئی قیمتیں منفی رجحانات پیدا کر رہی ہیں۔

ملکی ٹیکسٹائل صنعت میں موجودہ مارکیٹ میں سخت مقابلہ ہے خاص طور پر پیداوار کے میدان میں بین الاقوامی ماہرین معاشیات اس بات کا اندازہ پیش کر رہے ہیں کہ ترکی پر امریکی پابندیوں کی بناء پر زیادہ خوشگوار اثرات مرتب نہیں ہوں گے دوسری جانب چائنا کی اشیاء پر امریکہ کی جانب سے ٹیرف لگانا ہماری معیشت پر بھی منفی اثر ڈالے گا جس کی بناء پر چائنا کے لئے ہماری ایکسپورٹ کم ہوجائیں گی ہماری کمپنی کی انتظامیہ اس بات کی بھرپور کوشش کر رہی ہے کہ ہم اپنے پلانٹس کو ان کی بھرپور اور زیادہ سے زیادہ صلاحیت کے مطابق جاری وساری رکھیں تاکہ نفع کا حصول ممکن ہوسکے۔

سب سے زیادہ انحصار اس بات پر ہے کہ نئی حکومت ایکسپورٹ کے بارے میں کیسا رویہ اور پالیسیاں پیش کرتی ہے اگر انہوں نے ایکسپورٹ کی سپورٹ کے لئے پالیسی پیش کی تو صورتحال میں مثبت اثر آسکتا ہے تاہم اگر صورتحال موجودہ حالات کی طرح جوں کی توں رہی تو معاملات مشکل کی طرف جاسکتے ہیں۔

کمپنی کی سماجی ذمہ داریاں :

کمپنی کی انتظامیہ لوگوں کی اس بات میں مدد کرتی ہے کہ وہ اپنے اندر کام کی مہارت پیدا کریں تاکہ نہ صرف ذاتی زندگی میں بلکہ بین الاقوامی مارکیٹ میں بھی اپنی

ڈائریکٹران کی رپورٹ برائے ممبران

برائے اختتام سال 30 جون 2018 انڈس ڈائنگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ڈائریکٹران، کمپنی کے اکسٹھویں سالانہ اجلاس میں 30 جون 2018 کی سالانہ رپورٹ بشمول آڈٹ شدہ مالیتی بیانات یعنی Financial Statement پیش کرتے ہوئے بڑی خوشی محسوس کرتے ہیں۔

کمپنی کے مجموعی سالانہ Financial Statement کے اہم حقائق مندرجہ ذیل ہیں:۔

	برائے اختتامی سال 30 جون 2018	برائے اختتامی سال 30 جون 2017
	رقم = 000	رقم = 000
فروخت	30,630,286	27,573,192
خام نفع	3,013,451	2,641,910
دیگر آمدنیاں	654,869	124,080
مالیاتی اخراجات	(372,135)	(254,998)
ٹیکس	(226,823)	(317,382)
ٹیکس کے بعد نفع	1,781,697	1,035,345
گزشتہ نفع جو لایا گیا	4,786,250	5,913,069
گزشتہ نفع جو بھیجا گیا	6,328,375	4,786,250
فی حصہ آمدنی	Rs. 98.58	Rs. 57.28

ڈیویڈنڈ:

ڈائریکٹران نے 160 فیصد نقد حتمی منافع تجویز کیا ہے جو کہ سال 30 جون 2018 کے لیے فی حصص -/16 روپے ہے۔

کاروبار کا عمومی جائزہ:

آپ کے گروپ نے ٹیکس ادا کرنے کے بعد 1,782 ملین روپے کا نفع کمایا جب کہ گزشتہ سال یہ رقم صرف 1,035 ملین روپے تھی اس سال فروخت میں اضافے سے فروخت 30,630 ملین تک ہوئی جبکہ پچھلے سال فروخت 27,573 ملین تھی جس کی بنیادی وجہ دھاگہ کی قیمت میں اضافہ ہے۔ ٹیکس سے پہلے حاصل ہونے والی آمدنی میں گزشتہ سال کے مقابلے میں 656 روپے ملین کا اضافہ ہوا۔

فی حصص نفع کی شرح گزشتہ سال کے 37.95 فی حصص سے بڑھ کر موجودہ سال 76.28 فی حصص پہنچ گئی۔ مشترکہ جائزہ اس بات کا اظہار کرتا ہے کہ فی حصص نفع کی شرح گزشتہ سال کے 57.28 فی شیئرز سے بڑھ کر موجودہ سال 98.58 فی شیئر پہنچ گئی۔

کاروباری جائزہ:

موجودہ سال اسپننگ انڈسٹریز کو بڑے چیلنجز کا سامنا کرنا پڑا کیونکہ روپے کی شرح میں کمی کے باعث کپاس کی قیمتیں بہت تیزی کے ساتھ اوپر چلی گئیں۔

جیسا کہ ہم آگاہ ہیں کہ ٹیکسٹائل انڈسٹری پاکستان کے ایکسپورٹ کا سب سے بڑا ذریعہ ہے اور اس سال اس کو شدید خسارے کا سامنا تھا جس کے لئے حکومت پاکستان نے نا صرف Rebate دیا بلکہ ایسی سہولیات بھی فراہم کیں جس سے ایکسپورٹرز کو مدد ملی اور ٹارگٹ کے حصول میں معاون ثابت ہوا مگر جولائی 2018 سے Rebate کی سہولت میں اسپننگ انڈسٹریز کے لئے توسیع نہیں کی گئی جس سے کمپنی کے عمور پر منفی اثرات مرتب ہوں گے گیس اور RLNG کی فراہمی ٹیکسٹائل انڈسٹریز کے لئے بنیادی

چیئرمین کا جائزہ

برائے سال اختتام 30 جون 2018

یہ میرے لئے بڑے اعزاز اور خوشی کی بات ہے کہ میں انڈس ڈائنگ اینڈ مینوفیکچرنگ کمپنی لمیٹڈ کے ممبران کے سامنے کمپنی کی مالیتی سال، جو کہ 30 جون 2018 کو اختتام پزیر ہوا ہے، کے بارے میں کمپنی کی کارکردگی کا جائزہ پیش کروں اس سلسلے میں مجھے یہ موقع ملا ہے کہ میں آپکو کمپنی کے اکسٹھویں سالانہ عام اجلاس میں شرکت کی دعوت دوں۔

بورڈ کی کارکردگی کا جائزہ :

کمپنی کا بورڈ اس بات کا ذمہ دار ہے کہ وہ کمپنی کے معاملات کی دیکھ بھال کریں اور اس کے ساتھ ساتھ اس بات کا تعین بھی کریں کہ کمپنی کا درجہ برداشت برائے خطرات کس حدتک ہے اور اس کے لئے پولیسیوں اور حکمت عملی تیار کریں بورڈ اس بات کا پابند ہے کہ وہ متعلقہ اصول وقوانین کی پاسداری کرتے ہوئے اپنی ذمہ داریاں اور حقوق پہلے سے طے شدہ اصولوں کے مطابق ادا کرے۔

بورڈ کے ممبران کے پاس ضروری معلومات، وسیع تجربہ اور ایک بڑا مشاہدہ موجود ہے جو کہ کاروبار کو کامیابی سے چلانے میں معاون ثابت ہوتا ہے بورڈ کے تمام ممبران انفرادی طور پر اس بات کے لئے کوشاں رہتے ہیں کہ اپنے فرائض کو کمپنی کی بہتری کے لئے بہترین طریقے سے سرانجام دیں۔

سال 2018-2017 کے دوران بورڈ کی 05 میٹنگز منعقد ہوئیں اور اس بات کا جائزہ لیا گیا کہ آیا تمام امور طے شدہ اصول وضوابط کے تحت سرانجام دیئے جارہے ہیں۔

بورڈ سختی سے اس بات کا جائزہ لیتا ہے کہ ذیلی کمیٹیاں اپنے فرائض سرانجام دے رہی ہیں یا نہیں بورڈ کے ممبران کی جامع ومئوثر میٹنگز اس بات کی ضمانت دیتی ہیں کہ کمپنی مئوثر اور جامع فیصلہ سازی کرسکیں۔

اس کے ساتھ ساتھ کمپنی کے مشن، وسعت نظر اور اس سے متعلق تمام پالیسیوں پر جامع عمل درآمد بورڈ کی کوششوں سے سامنے آتا ہے اس کے ساتھ ساتھ بورڈ اس بات کو بھی یقینی بناتا ہے کہ تمام اصول وضوابط کو ان کی اصل روح کے ساتھ استعمال میں لایا جائے۔

بورڈ کے تمام ممبران اس امر کے لئے کوشاں رہتے ہیں کہ کمپنی تیزی کے ساتھ ترقی کے درجات طے کرے اور بورڈ اس بات کو بھی یقینی بناتا ہے کہ وقتاً فوقتاً ذیلی کمیٹیوں کی کارکردگی کا جائزہ لیا جائے اور اس سلسلے میں ان کو مناسب سہولیات فراہم کی جائیں تاکہ وہ بھی کمپنی کے اصل مقاصد کے حصول کے لئے سرگرمیاں سرانجام دے سکیں۔

کاروباری جائزہ :

کمپنی کے منافع پیدا کرنے کی صلاحیت اور کارکردگی کے اعتبار سے کمپنی نے واضح ترقی کی ہے جس کے نتیجے میں سال کے دوران نفع میں 72.09 فیصد کا اضافہ ہوا ہے۔

سست معاشی صورتحال اور سخت مقابلے کے باوجود منیجمنٹ اس بات میں کامیاب رہی ہے کہ اپنے نتائج کو بہتر کرے اور یہ بات قابل تعریف بھی ہے۔ کمپنی اس بات کے لئے اپنی بھرپور صلاحیتیں استعمال کرے گی تاکہ مارکیٹ میں اپنے آپ کو لیڈر منوا سکے۔

بورڈ کی طرف سے میں حصص یافتگان کا شکر گزار ہوں کہ انہوں نے کمپنی کے اوپر اپنا اعتبار جاری رکھا اور کمپنی کے کام کرنے کے طریقہ کار اور انتھک محنت کو ہمیشہ سراہا۔

اکتوبر 05، 2018

چیئرمین

میاں محمد احمد

FORM OF PROXY

61st 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 61St Annual General Meeting of the company to be held on the 27th day of October 2018 and at my adjournment thereof.

Signed by the said Member

Signed this ______________day of _____________ 2018.

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.			

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, Jwaffs Registrar Services (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.*

AFFIX
CORRECT
POSTAGE

The Company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Qtrs Karachi

DIVIDEND MANDATE FORM

The Company Secretary,

Subject Bank account details for payment of Dividend through electronic mode

Dear Sir,

I/we/Messrs.,____ being the shareholder(s) of Indus Dyeing & Manufacturing Company Limited [the "Company"], hereby, authorize the Company, to directly credit cash dividend declared by it, my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. / CDC IAS	
CNIC/NICOP/Passport/NTN No. (Please attach copy)	
Contact Number (landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN (see Note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company, informed in case of any changes in the said particulars in future.

Yours Sincerely

____
Signature Of Shareholder
(Please affix Company stamp in case of corporate entity)

Notes:
- (i) Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
- (ii) This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of banks account details for credit of cash dividend declared by the Company from time to time.

AFFIX
CORRECT
POSTAGE

The company Secretary
INDUS DYEING & MANUFACTURING CO. LTD.
5th Floor 508 Beaumont Plaza Beaumont Road
Civil Lines Qtrs Karachi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