

spinning tomorrow

Third Quarterly Report
March 2017



godoon

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company information

Board of Directors	Mr. Muhammad Yunus Tabba (Chairman) Mr. Muhammad Sohail Tabba (Chief Executive) Mr. Muhammad Ali Tabba Mr. Imran Yunus Mr. Jawed Yunus Tabba Mrs. Mariam Tabba Khan Mrs. Zulekha Tabba Maskatiya Mr. Saleem Zamindar (Independent Director)
Audit Committee	Mr. Saleem Zamindar (Chairman) Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba Mrs. Zulekha Tabba Maskatiya
HR and Remuneration Committee	Mr. Jawed Yunus Tabba (Chairman) Mrs. Mariam Tabba Khan Mrs. Zulekha Tabba Maskatiya
Executive Director/CFO and Company Secretary	Mr. Abdul Sattar Abdullah
Auditors	Deloitte Yousuf Adil Chartered Accountants A Member of Deloitte Touche Tohmatsu
Chief Internal Auditor	Mr. Haji Muhammad Mundia
Registered Office	200-201, Gadoon Amazai Industrial Estate, Distt. Swabi, Khyber Pakhtunkhwa Phone: 093-8270212-3 Fax: 093-8270311 Email: secretary@gadoontextile.com
Karachi Office	7-A, Muhammad Ali Housing Society, Abdul Aziz Haji Hashim Tabba Street, Karachi-75350. Phone No. : 021-35205479-80 Fax No. : 021-34382436
Liaison Office	Syed's Tower, Third Floor, Opp. Custom House, Jamrud Road, Peshawar. Phone No. : 091-5701496 Fax No. : 091-5702029 E-mail : secretary@gadoontextile.com
Factory Locations	<ul style="list-style-type: none"> • 200-201, Gadoon Amazai Industrial Estate, Distt. Swabi, Khyber Pakhtunkhwa • 57 K.M. on Super Highway, Karachi.
Share Registrar / Transfer Agent	Central Depository Company of Pakistan Limited CDC House, 99-B, Block B, S.M.C.H.S., Main Shahr-e-Faisal, Karachi. (Toll Free) : 0800 23275
Bankers	
Allied Bank Limited	Habib Metropolitan Bank Limited
Askari Bank Limited	Meezan Bank Limited
Bank Al-Falah Limited	National Bank of Pakistan
Bank Al-Habib Limited	NIB Bank Limited
Bank Islami Pakistan Limited	Sonari Bank Limited
Dubai Islamic Bank Pakistan Limited	Standard Chartered Bank Pakistan Limited
Faysal Bank Limited	The Bank of Punjab
Habib Bank Limited	United Bank Limited

directors' report

Dear Members

The Board of Directors of Gadoon Textile Mills limited would like to present the unaudited Financial Information of the Company for the nine months ended March 31, 2017.

Overview

During the period under review, your Company recorded turnover of Rs. 17.1 billion against Rs. 15.9 billion for the Same Period Last Year (SPLY); an increase of Rs. 1.2 billion. The yarn exports of the Country is still facing challenges from the regional competitors which can be witnessed from a decline of 5.1% in Country's yarn export mainly due to higher labor and power costs.

Capitalizing on its reputation built over the years and by fully utilizing the effect of anti-dumping duty on Fine yarn, the Company shifted its efforts by penetrating in nearly every inch of the local market. Local sales witnessed an increase of Rs. 2 billion to a nine month sales of Rs. 12.1 billion against Rs.10.1 billion in SPLY.

Despite competitive global market conditions, the consistent efforts put in by the management of your Company, positive bottom line results of Rs. 521 million posted in this period compared to negative bottom line of Rs. 112 million SPLY.

Economic Prospects

Overall economic position of the country remained stable during the period with growth accelerating on account of Government's macroeconomic and structural reforms, strong bilateral ties with other countries and comparatively better and increased crop during current season with improved law & order situation resulted in smooth operations of the business compared to a major crop failure due to floods and pest attack earlier during the last period.

Moreover, the application of zero-rated taxation scheme for the export oriented sectors along-with long awaited textile package will help sustain the largest export sector of the country. Raw material prices have increased during the period under review. The fluctuation was mainly because of market sentiments. The increase in yarn prices has not corresponded perfectly with the increase in raw material prices.

Financial Performance

As evident from the financial results stated, the Company has witnessed notable increase of 6 times in its bottom line results. This is particularly due to the local market trends moving in favor of the sector along with efficient procurement of Raw material and certain impact of zero-rated taxation scheme.

Profit and Loss Summary	March 31, 2017 (Un-audited)	March 31, 2016 (Un-audited)	Favorable / (Unfavorable)
	— (Rupees in '000) —		Percentage
Export	5,063,764	5,795,115	(12.62)
Local	12,085,895	10,116,543	19.47
Sales (net)	17,149,659	15,911,658	7.78
Gross Profit	934,960	685,145	36.46
Finance Cost	(262,495)	(373,606)	29.74
Distribution expenses	(189,758)	(231,147)	17.91
Administrative expenses	(140,611)	(152,439)	7.76
Other Income	373,275	140,379	165.91
Profit / (Loss) before taxation	665,580	(19,030)	3597.53
Profit / (Loss) after taxation	521,187	(111,882)	565.84
Earnings Per Share (Rs.)	18.59	(3.99)	

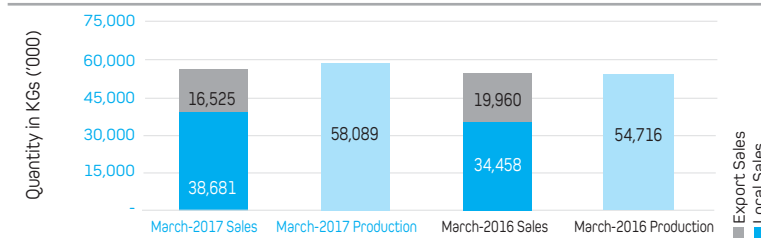
As evident from above, the declining trend of Export sales has been carried forward since last couple of years to this period as well, resulting in 12.6% decline. Whereas, local sales have performed exceptionally, thereby bagging an increase of 19.5% against SPLY which is mainly attributable to upward trend of Yarn prices in First quarter and impact of zero rated scheme.

The Company is constantly engaged in ensuring optimum utilization of all available resources and has managed to contain admin cost at Rs. 141 million as against Rs. 152 million SPLY. The management has managed to maintain efficient portfolio of funds by reaping maximum benefits of lower benchmark rates prevalent in the country along-with minimum spreads due to exercise of greater bargaining power. This resulted in reduction of Finance cost by 30% against SPLY.

Time has proven that company's strategic decision to invest in diversified avenues has started to pay off which is evident from a material increase of Rs. 188 million in other income to Rs. 314 million against Rs. 126 million SPLY.

Operational Performance

The production and sales statistics for the nine months ended March 31, 2017 and its comparison with SPLY is presented below:



Future Outlook

With drastic decline in Pakistan's export including the Textile Sector, Government has announced the most awaited Rs.180 billion relief package of which Textile sector will get the largest share. In addition, in current period, the Government has also imposed anti-dumping duty on Import of yarn count above 55.5. These incentives will help create the demand for local market and support the economy in reducing the import bills, procurement of fine count locally by weavers on account of anti-dumping duty and make the export-oriented sectors competitive with other regional competitors. The Company appreciates such incentive schemes brought up by the Government which will also support in achieving overall growth targets foreseen by the Government.

Your Company has moved a step ahead in reducing its carbon footprint with the installation of waste heat recovery plant. This will also help your Company to enjoy direct and indirect advantages including but not limited to reduction in cost of power through process optimization and reduction in Thermal and air pollution emitted from the plants while adding an approximate 2 MW of electricity.

Company's investment in the wind power project of Yunus Energy Limited (YEL) has started to reap its benefits from mid of September this year after obtaining Commercial Operation Date (COD). We anticipate that significant contribution from YEL's operation will uplift future prospects of the Company.

In order to maximize yield for its stakeholders, management of the Company is consistently striving hard to explore viable opportunities in the value added textile chain and rationalize cost of existing operations in order to post reasonable financial results in future.

Acknowledgements

The Directors record their appreciation of the performance of the Company's workers, staff and executives.

For and on behalf of the Board

Chief Executive

Karachi: April 27, 2017

condensed interim balance sheet

As at March 31, 2017 (Un-audited)

		March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
	Note	— (Rupees in '000) —	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	7,291,448	7,727,013
Long-term advance	6	-	-
Long-term loans		14,854	16,282
Long-term deposits		27,702	25,058
Long-term investments	7	2,306,106	2,194,332
		9,640,110	9,962,685
Current Assets			
Stores, spares and loose tools		558,083	515,910
Stock-in-trade	8	6,904,897	5,148,415
Trade debts		1,504,632	1,547,639
Loans and advances		617,888	579,440
Trade deposits and short-term prepayments		30,052	29,573
Short-term investment		5,157	75,734
Other receivables		675,849	448,425
Income tax refundable		514,535	612,128
Cash and bank balances		245,619	387,454
		11,056,712	9,344,718
Total Assets		20,696,822	19,307,403
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital		575,000	575,000
57,500,000 ordinary shares of Rs.10/- each			
Issued, subscribed and paid-up capital		280,296	280,296
Capital reserves		137,541	137,541
Revenue reserves		6,636,955	6,115,768
		7,054,792	6,533,605
Non-Current Liabilities			
Deferred liabilities		1,078,053	1,089,766
Current Liabilities			
Trade and other payables		2,228,236	1,872,207
Accrued mark-up		74,109	45,605
Short-term borrowings	9	10,085,016	9,553,768
Provision for taxation		176,616	212,452
		12,563,977	11,684,032
Total Equity and Liabilities		20,696,822	19,307,403
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

MUHAMMAD SOHAIL TABBA
Chief Executive

MUHAMMAD YUNUS TABBA
Chairman

condensed interim profit and loss account

For the Nine Months Ended March 31, 2017 (Un-audited)

Note	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
(Rupees in '000)				
Sales-net	17,149,659	15,911,658	5,469,369	5,534,334
Cost of sales	11 (16,214,699)	(15,226,513)	(5,220,430)	(5,440,681)
Gross profit	934,960	685,145	248,939	93,653
Distribution cost	(189,758)	(231,147)	(63,031)	(66,380)
Administrative expenses	(140,611)	(152,439)	(44,762)	(56,349)
	(330,369)	(383,586)	(107,793)	(122,729)
	604,591	301,559	141,146	(29,076)
Finance cost	(262,495)	(373,606)	(90,105)	(112,359)
Other operating expenses	(49,791)	(87,362)	(13,535)	10,248
	292,305	(159,409)	37,506	(131,187)
Other income	159,825	16,796	64,631	7,435
Share of profit from associates				
- net of tax	213,450	123,583	102,138	49,703
Profit / (loss) before taxation	665,580	(19,030)	204,275	(74,049)
Taxation	12			
Current	(176,612)	(153,874)	(54,585)	(56,316)
Prior	-	26,396	-	-
Deferred	32,219	34,626	4,632	10,846
	(144,393)	(92,852)	(49,953)	(45,470)
Profit / (loss) for the period	521,187	(111,882)	154,322	(119,519)
(Rupees)				
Earnings / (loss) per share				
- basic and diluted	18.59	(3.99)	5.51	(4.26)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

MUHAMMAD SOHAIL TABBA
Chief Executive

MUHAMMAD YUNUS TABBA
Chairman

condensed interim statement of comprehensive income

For the Nine Months Ended March 31, 2017 (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Rupees in '000)			
Profit / (loss) for the period	521,187	(111,882)	154,322	(119,519)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>521,187</u>	<u>(111,882)</u>	<u>154,322</u>	<u>(119,519)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

condensed interim cash flow statement

For the Nine Months Ended March 31, 2017 (Un-audited)

	Nine months ended	
	March 31, 2017	March 31, 2016
	— (Rupees in '000) —	
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	665,580	(19,030)
Adjustments for:		
Depreciation	556,343	604,687
Gain on disposal of operating fixed assets	(1,687)	(3,276)
Gain on short-term investment	(94,289)	-
Profit on deposits	(1,158)	(5,222)
Dividend income	(2,415)	-
Provision for staff retirement gratuity	119,912	138,000
Unrealised gain on short-term investment	(3,733)	(2,062)
Share of Profit from associate - net of tax	(213,450)	(123,583)
Finance cost	262,495	373,603
	622,018	982,147
Operating cash flow before working capital changes	1,287,598	963,117
(Increase) / decrease in current assets		
Stores,spares & loose tools	(42,173)	14,562
Stock in trade	(1,756,482)	38,241
Trade debts	43,007	105,008
Loans and advances	(12,593)	(96,724)
Receivable from an associate	-	962,616
Trade deposits and short term prepayments	(479)	(8,285)
Other receivables	(227,437)	4,153
	(1,996,157)	1,019,572
Decrease / (increase) in current liabilities		
Trade and other payables	356,072	(160,487)
Changes in working capital	(1,640,085)	859,084
Cash (used in) / generated from operations	(352,487)	1,822,201
Gratuity paid	(99,403)	(69,981)
Taxes paid	(133,995)	(154,654)
Finance cost paid	(233,991)	(437,514)
	(467,389)	(662,148)
Net cash (used in) / generated from operating activities	(819,876)	1,160,053

	Nine months ended	
	March 31, 2017	March 31, 2016
	— (Rupees in '000) —	
B) CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(140,627)	(199,408)
Sale proceeds from disposal of operating fixed assets	21,537	8,160
Proceeds from sale of shares	168,598	-
Long -term loans (paid to) / recovered from employees	(5,290)	8,739
Long-term investement in associate	-	(322,000)
Long -term deposits paid	(2,644)	(27)
Dividend Income on short-term investment	2,415	-
Dividend received	101,676	38,876
Profit received from bank deposits	1,171	5,194
Net cash generated / (used in) investing activities	146,836	(460,466)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term finance	-	(8,905)
Dividend paid	(43)	(59)
Net cash used in financing activities	(43)	(8,964)
Net (decrease) / Increase in Cash & Cash Equivalents (A+B+C)	(673,083)	690,623
Cash & cash equivalent at the beginning of the period	(9,166,314)	(9,899,070)
Cash & cash equivalent at the end of the period	(9,839,397)	(9,208,447)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	245,619	319,951
Short term borrowings	(10,085,016)	(9,528,398)
	(9,839,397)	(9,208,447)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

condensed interim statement of changes in equity

For the Nine Months Ended March 31, 2017 (Un-audited)

	---Capital Reserves---					----- Revenue Reserves -----				
	Issued, subscribed and paid-up share capital	Capital to be issued pursuant to amalgamation	Share premium	Amalga- mation Reserve	Sub Total	General reserves	Amalga- mation Reserve	Unappro- priated profit	Sub Total	Grand total
	(Rupees in '000)									
Balance as at July 01, 2015	234,375	45,921	103,125	34,416	137,541	1,000,000	727,333	4,672,349	6,399,682	6,817,519
Shares to be issued pursuant to amalgamation	45,921	(45,921)	-	-	-	-	-	-	-	-
Total comprehensive loss for the period										
Loss for the period	-	-	-	-	-	-	-	(111,882)	(111,882)	(111,882)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	(111,882)	(111,882)	(111,882)
Balance as at March 31, 2016	280,296	-	103,125	34,416	137,541	1,000,000	727,333	4,560,467	6,287,800	6,705,637
Total comprehensive loss for the period										
Loss for the period	-	-	-	-	-	-	-	(161,963)	(161,963)	(161,963)
Other comprehensive loss	-	-	-	-	-	-	-	(10,069)	(10,069)	(10,069)
	-	-	-	-	-	-	-	(172,032)	(172,032)	(172,032)
Balance as at June 30, 2016	280,296	-	103,125	34,416	137,541	1,000,000	727,333	4,388,435	6,115,768	6,533,605
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	521,187	521,187	521,187
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	521,187	521,187	521,187
Balance as at March 31, 2017	280,296	-	103,125	34,416	137,541	1,000,000	727,333	4,909,622	6,636,955	7,054,792

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

MUHAMMAD SOHAIL TABBA
Chief Executive

MUHAMMAD YUNUS TABBA
Chairman

notes to the condensed interim financial statements

For the Nine Months Ended March 31, 2017 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Gadoon Textile Mills Limited (the Company) was incorporated in Pakistan on February 23, 1988 as a public limited company under the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange. The manufacturing facilities of the Company are located at Gadoon Amazai Industrial Estate Khyber Pakhtunkhwa and 57 km on Super Highway (near Karachi). The principal activity of the Company is manufacturing and sale of yarn and knitted fabrics. Y.B. Holdings (Private) Limited is the holding company. The registered office of the Company is located at 200-201, Gadoon Amazai Industrial Estate, District Swabi, Khyber Pakhtunkhwa.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial statements of the Company for the nine months ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial statements does not include all the information required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2016.
- 2.2 This condensed interim financial statements is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial statements has been rounded off to the nearest rupee.
- 2.3 This condensed interim financial statements is un-audited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2016; the comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity of the Company have been extracted from the unaudited condensed interim financial statements for the nine months period ended March 31, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2016. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2016, which do not have any impact on this condensed interim financial statements.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2016.

Note	March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
	— (Rupees in '000) —	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	7,026,333	7,469,897
Capital work-in-progress	5.2	265,115	257,116
		<u>7,291,448</u>	<u>7,727,013</u>

5.1 Details of additions and disposals to operating fixed assets are as under:

	Nine months ended March 31, 2017 (Un-audited)		Nine months ended March 31, 2016 (Un-audited)	
	Additions/ transfers	Disposals at book value	Additions/ transfers	Disposals at book value
	----- (Rupees in '000) -----			
Buildings	7,485	-	28,150	-
Plant and machinery	99,285	14,654	164,479	1,239
Power plant	-	1,794	-	-
Electric installations	480	-	-	-
Computer equipments	945	23	447	83
Office equipment and installations	1,398	180	382	37
Vehicles	23,035	3,199	5,464	3,565
	<u>132,628</u>	<u>19,850</u>	<u>198,921</u>	<u>4,925</u>

5.2 Details of additions and transfers to / from Capital work-in-progress are as under:

	Nine months ended March 31, 2017 (Un-audited)		Nine months ended March 31, 2016 (Un-audited)	
	Additions	Transfers	Additions	Transfers
	----- (Rupees in '000) -----			
Gadoon Amazai				
Plant and machinery	53,817	50,399	131,578	138,693
Advances to contractors	-	-	7,788	5,464
Others	22,937	20,277	11,788	1,734
Karachi Project				
Plant and machinery	48,886	48,886	23,976	23,976
Civil works	3,401	1,136	23,374	28,150
Advances to contractors	3,642	6,349	-	-
Electric installations	480	480	-	-
Others	5,121	2,758	76	76
	<u>138,284</u>	<u>130,285</u>	<u>198,580</u>	<u>198,093</u>

	Note	March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
6. LONG - TERM ADVANCE			
- Considered doubtful			
Advance for investment in a joint venture	6.1	66,667	66,667
Less: Provision against advance		(66,667)	(66,667)
		<u>-</u>	<u>-</u>

6.1 This represents first and second tranche of advance for a Joint Venture project amounting to Rs. 4,250 million. The principal activity of the Joint Venture Project is acquisition and development of certain land in Karachi through a Joint Venture Company. The Company's share in this Joint Venture project is ten percent. Currently, the future of this project is not certain and the recovery of this amount is considered doubtful.

	March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
7. LONG - TERM INVESTMENTS		
Investments in associated undertakings		
ICI Pakistan Limited	1,516,054	1,463,896
Lucky Holdings Limited	159,566	137,575
Yunus Energy Limited	630,486	592,861
	<u>2,306,106</u>	<u>2,194,332</u>

8. STOCK-IN-TRADE

Raw material in

- hand	4,254,629	3,381,252
- transit	1,222,796	875,157
	<u>5,477,425</u>	<u>4,256,409</u>

Work-in-process

222,676	250,971
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Finished goods

- yarn	1,123,339	571,786
- knitted fabric	16,826	35,069
- waste at net realisable value	64,631	34,180
	<u>1,204,796</u>	<u>641,035</u>
	<u>6,904,897</u>	<u>5,148,415</u>

	Note	March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
		— (Rupees in '000) —	
9. SHORT-TERM BORROWINGS - SECURED			
Banking companies			
Running finance under mark-up arrangements	9.1	561,307	1,311,646
Short-term finance		3,800,000	2,000,000
Foreign currency loan against			
Import finance		5,315,384	5,586,441
Export finance		408,325	655,681
		5,723,709	6,242,122
		10,085,016	9,553,768

- 9.1 Facilities for running finance, short-term finances, import finance and export finance are available from various banks upto Rs. 24.782 billion (June 30, 2016: Rs. 23.09 billion). The terms and conditions of the short-term borrowings including markup rates and securities have not materially changed from June 30, 2016.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

- 10.1.1 Outstanding bank guarantees given on behalf of the Company by banks in normal course of business amounting to Rs. 948.439 million (June 30, 2016 : Rs. 842.78 million). Further, the Company has signed sponsors support agreement amounting to Rs. 960 million and contractual commitment for debt servicing of two loan installments amount up to the cap of Rs. 338 million on behalf of Yunus Energy Limited an associated undertaking.

- 10.1.2 The honorable supreme court vide its order dated November 10, 2016 has declared amendments of Workers' Welfare Fund through finance act 2006 and 2008 as unconstitutional, except this, all other contingencies are same as disclosed in notes 21.1.2 to 21.1.9 to the annual financial statements for the year ended June 30, 2016.

	March 31, 2017 (Un-audited)	June 30, 2016 (Audited)
	— (Rupees in '000) —	
10.1.3 Others		
Export bills discounted with recourse	1,209,617	1,453,334
Indemnity bond in favor of Collector of Customs against imports	4,105	4,105
Post dated cheques in favor of Collector of Customs against imports	843,913	850,400

March 31,
2017
(Un-audited)
— (Rupees in '000) —

June 30,
2016
(Audited)
— (Rupees in '000) —

10.2 Commitments

Letters of credit opened by banks for:

Plant and machinery	161,931	-
Raw material	816,469	96,658
Stores and spares	75,898	28,326
Foreign currency forward contracts	-	17,367

	Nine months ended		Quarter ended	
	March 31, 2017 (Un-audited)	March 31, 2016	March 31, 2017 (Un-audited)	March 31, 2016 (Un-audited)
	(Rupees in '000)			

Note

11. COST OF SALES

Opening stock				
- finished goods	641,035	1,020,840	806,803	1,121,903
Cost of goods				
manufactured 11.1	16,778,460	14,875,757	5,618,423	4,988,862
	17,419,495	15,896,597	6,425,226	6,110,765
Closing stock				
- finished goods	(1,204,796)	(670,084)	(1,204,796)	(670,084)
	16,214,699	15,226,513	5,220,430	5,440,681

11.1 Cost of goods manufactured

Opening stock				
- work in process	250,971	197,618	212,182	222,569
Raw and packing				
material consumed	11,653,849	9,864,132	4,086,788	3,318,839
Other manufacturing				
expenses	5,096,316	5,036,249	1,542,129	1,669,696
	16,750,165	14,900,381	5,628,917	4,988,535
	17,001,136	15,097,999	5,841,099	5,211,104
Closing stock				
- work in process	(222,676)	(222,242)	(222,676)	(222,242)
	16,778,460	14,875,757	5,618,423	4,988,862

12. TAXATION

There have been no change in the tax contingencies as disclosed in note 21.1.4, 21.1.5, 21.1.7 and 21.1.8 to the annual audited financial statements for the year ended June 30, 2016.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies, other associated undertakings, directors and key management personnel. Transactions between the Company and the related parties are:

		Nine months ended	
		March 31, 2017 (Un-audited)	March 31, 2016 (Un-audited)
		----- (Rupees in '000) -----	
Name of Related Parties	Nature of Transaction		
a. Associated companies (Common Directorship)			
Lucky Cement Limited	Purchase of cement	1,483	1,942
	Re-imbursement of expenses	502	135
	Re-imbursement for expenses	-	197
Yunus Textile Mills Limited	Sale of yarn	295,577	313,419
	Doubling charges	-	25
	Sale of raw material	-	170
Lucky Knits (Private) Limited	Sale of yarn	525,907	488,727
	Purchase of goods & services	26,891	29,037
	Sale of vehicle	-	1,291
	Sale of laptop	-	49
	Purchase of vehicle	410	-
Feroze1888 Mills Limited	Sale of yarn (Note 13.1)	-	42,132
	Sale of raw material	-	744
Lucky Textile Mills Limited	Sale of yarn	1,672,340	1,254,278
	Sale of fabric	180,067	3,101
	Doubling charges	2,967	48
Lucky Energy (Private) Limited	Purchase of electricity	739,228	810,554
Yunus Energy Limited	Investment in shares	-	322,000
	Share of profit / (loss) on investment	37,625	(15,656)
ICI Pakistan Limited	Purchase of fiber	1,033,355	1,027,753
	Sale of fiber	22,379	-
	Share of profit on investment	153,834	109,513
	Dividend received	101,676	38,876
Lucky Holdings Limited	Share of profit on investment	21,991	13,904
Lucky Landmark (Private) Limited	Amount received	-	1,019,834
	Markup charged	-	31,592
Lucky One (Private) Limited	Sale of Vehicle	1,800	-
b. Benefits to key management personnel		49,732	37,493

13.1 Feroze 1888 Mills Limited was classified as related party in prior periods due to common directorship. However during the period, the said director has resigned from the board of directors of Feroze 1888 Mills Limited. Hence it is no more classified as a related party.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The following table presents the Company's financial asset which is carried at fair value:

value.

March 31, 2017			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			
Financial assets - at fair value			
Fair value through profit or loss			
- Held for trading	5,157	-	-
	5,157	-	-

March 31, 2016				
Level 1	Level 2	Level 3	Total	
(Rupees in '000)				
Financial assets - at fair value				
Fair value through profit or loss				
- Held for trading	75,734	-	-	75,734
	75,734	-	-	75,734

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

There were no changes in valuation techniques during the period.

15. CORRESPONDING FIGURES

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period.

16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements have been approved and authorized for issue on April 27, 2017 by the Board of Directors of the Company.



MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

مستقبل پر نظر

پاکستان کی برآمدات بشمول ٹیکسٹائل سیکٹر میں زبردستی کی کے باعث حکومت کی جانب سے ایک مدت سے منتظر 180 بلین روپے کی ریلیف فیکٹری کا اعلان کیا گیا ہے جس کا سب سے بڑا حصہ ٹیکسٹائل سیکٹر کیلئے مختص کیا گیا ہے۔ مزید برآں، رواں دورائے میں حکومت نے 55.5 یا اس سے زیادہ کاؤنٹ کے درآمدی سوت پرائیمنی۔ ڈیمپنگ محصولات عائد کر دیئے ہیں۔ ان حکومتی اقدامات کی وجہ سے نہ صرف مقامی منڈیوں میں طلب بڑھے گی بلکہ درآمدات میں خاطر خواہ کمی سے معیشت کو استحکام بھی ملے گا۔ مزید یہ کہ پارچہ بانی کی صنعت میں فائن کاؤنٹ کی کھپت بھی بڑھے گی اور ملکی برآمدی نوعیت کی مصنوعات کو علاقے میں موجود دیگر مسابقت کاروں کے مد مقابل لانے میں بھی مدد ملے گی۔ کمپنی حکومت کی جانب سے اس قسم کے اقدامات کا خیر مقدم کرتی ہے جس کی وجہ سے ایک جانب تو عالمی منڈیوں میں پاکستان کی برآمدی مصنوعات اپنی مسابقتی قوت واپس حاصل کرنے میں کامیاب ہو جائیں گی اور دوسری جانب ان اقدامات کی وجہ سے حکومت کی جانب سے متعین کردہ شرح جمو کے مجموعی اہداف کے حصول میں بھی مدد ملے گی۔

آج کی کمپنی نے اپنے کاربن فٹ پرنٹ میں کمی لانے کیلئے ایک قدم آگے بڑھ کر اقدامات کئے ہیں اور اس مقصد کے حصول کے تحت آج کی کمپنی نے توانائی کے ریویو پالیسی ذرائع کے ساتھ ساتھ ویسٹ ریسیکوری پلانٹ کا بھی آغاز کیا ہے۔ اس اقدام سے آپ کی کمپنی کو بالواسطہ اور بلاواسطہ فوائد حاصل ہوں گے جن میں توانائی کے اخراجات میں بذریعہ پروسس اوپٹیمائزیشن اور پلانٹ سے اخراج ہونے والی فلو گیسوں میں کمی آئی ہے اور ساتھ ہی بجلی کی پیداوار میں 2 میگا واٹ تک کا اضافہ بھی شامل ہیں، تاہم یہ فوائد اسی حد تک محدود نہیں ہونگے۔

کمپنی کی جانب سے بادیانی توانائی کے پروجیکٹ یوٹس انرجی لمیٹڈ میں کی جانے والی سرمایہ کاری کے مثبت نتائج بھی ماہِ مئی کے وسط سے برآمد ہونا شروع ہو چکے ہیں جب اس پروجیکٹ نے مقررہ تاریخ کے بعد اپنی مکمل سرگرمیوں کا آغاز کر دیا تھا۔ ہم امید کرتے ہیں کہ یوٹس انرجی لمیٹڈ کی کاروباری سرگرمیاں کمپنی کیلئے بہتر مستقبل میں اپنا کردار ادا کرتی رہیں گی۔

اپنے حصہ داران کو زیادہ سے زیادہ نفع پہنچانے کی غرض سے کمپنی کی انتظامیہ مسلسل اس ضمن میں کوشاں ہے کہ ویلیو ایڈڈ ٹیکسٹائل چین میں مناسب مواقع کو تلاش کیا جائے اور کمپنی کے موجودہ کاروباری افعال کی لاگت کو معقول حد تک کم سے کم سطح پر لایا جائے تاکہ مستقبل میں معقول مالیاتی نتائج برآمد کئے جاسکیں۔

اظہار تشکر

ڈائریکٹر کمپنی کارکنان، اسٹاف اور انتظامی افسران کی حسن کارکردگی کیلئے ان کے بے حد مشکور ہیں۔

منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو ڈائریکٹر

بہمقام کراچی: 27 اپریل 2017

خلاصہ نفع و نقصان	31 مارچ 2017	31 مارچ 2016	مثبت/(منفی)
برآمدات	5,063,764	5,795,115	(12.62)
مقامی فروختگی	12,085,895	10,116,543	19.47
کل فروختگی	17,149,659	15,911,658	7.78
خام منافع	934,960	685,145	36.46
تموہیلی لاگت	(262,495)	(373,606)	29.74
لاگت برائے تقسیم مال	(189,758)	(231,147)	17.91
لاگت برائے انتظامی امور	(140,611)	(152,439)	7.76
دیگر آمدن	373,275	140,379	165.91
نفع/نقصان قبل از ٹیکس	665,580	(19,030)	3597.53
نفع/نقصان برائے مدت رواں	521,187	(111,882)	565.84
آمدن فی حصص (روپے میں)	18.59	(3.99)	

جیسا کہ مذکورہ بالا نتائج سے ظاہر ہے کہ گزشتہ چند سالوں سے برآمدات کے منفی اثرات کو اگلے سالوں تک منتقل کئے جانے کے بعد اب رواں سال میں 12.6% تک پہنچ چکا ہے۔ جب کہ دوسری جانب مقامی سطح پر ہونے والی فروختگی میں خاطر خواہ مثبت رجحان دیکھنے کو ملا ہے جس کی وجہ سے رواں سال کے دوران گزشتہ سال اسی عرصے کے مقابلے میں 19.5% بہتر نتائج حاصل کئے گئے ہیں جس کی بنیادی وجہ سوت کے نرخوں میں پہلی سہ ماہی کے دوران چڑھاؤ کا رجحان تھا اور اس کے علاوہ صفر شرح ٹیکس کی پالیسی نے بھی اس سلسلے میں مثبت اثرات مرتب کئے ہیں۔

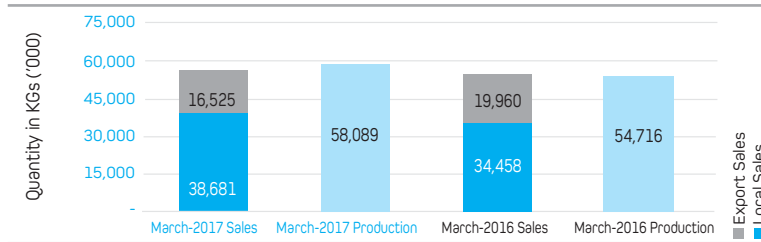
کپہنی مستقل بنیادوں پر اس مقصد کیلئے کوٹاشاں ہے کہ اپنے موجودہ تمام وسائل کو پوری استعداد کے ساتھ استعمال میں لایا جائے اور اسی مقصد کے تحت کپہنی اپنی لاگت برائے انتظامی امور کو 141 ملین کی حد کے اندر رکھنے میں کامیاب رہی جو کہ گزشتہ سال اسی مدت کے دوران 152 ملین روپے رہی۔

انتظامیہ نے فنڈز کا ایک بہترین استخراج مرتب کیا تاکہ ملک میں کم سطح پر بیچ مارک ریش کا فائدہ اٹھایا جاسکے اور اس کے ساتھ ساتھ لیمن دین میں کپہنی کی مضبوط حیثیت کا فائدہ رسک کے پھیلاؤ میں کمی کی صورت میں سامنے آیا۔ اس صورتحال کے پیش نظر لاگت برائے تمویل میں 30% کمی کی توقع ہوئی۔

وقت نے ثابت کیا ہے کہ کپہنی کی جانب سے مختلف النوع انداز سے سرمایہ کاری کئے جانے کے فیصلے کے مثبت نتائج اب برآمد ہونا شروع ہو چکے ہیں جس کا ثبوت دیگر آمدن کی مد میں حاصل ہونے والے 314 ملین روپے کے منافع میں 188 ملین روپے کا خاطر خواہ اضافہ ہے، جبکہ گزشتہ سال اسی عرصے کے دوران یہ آمدن 126 ملین روپے تھی۔

کاروباری افعال کی کارکردگی

نوماد مدت بابت 31 مارچ 2017 کے دوران پیداوار اور فروختگی سے متعلق اعداد و شمار کا گزشتہ سال اسی عرصے کے دوران سرگرمیوں سے تقابلی جائزہ ذیل میں پیش کیا جا رہا ہے:



ڈائریکٹران کی رپورٹ

معزز ممبران گرامی

گدون نیگسائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم کپنی کے غیر آڈٹ شدہ نو ماہ مدت اور تیسری سہ ماہی مالیاتی معلومات بابت 31 مارچ 2017 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

زیر نظر دورانے کے دوران آپ کی کپنی کا گھٹی کاروباری حجم 17.1 بلین روپے ریکارڈ کیا گیا ہے، جبکہ گزشتہ سال اسی عرصے کے دوران یہ کاروباری حجم 15.9 بلین روپے ریکارڈ کیا گیا تھا۔ اس طرح اس دورانے میں اس ضمن میں 1.2 بلین روپے کا اضافہ ریکارڈ کیا گیا ہے۔ ملک سے سوت کی برآمدات کے سلسلے میں ابھی تک اس کے علاقائی مسابقت کاروں کی وجہ سے مسائل کا سامنا کرنا پڑ رہا ہے اور اس ضمن میں 5.1% کی کمی ریکارڈ کی گئی ہے، اس کی بنیادی وجہ توانائی کی مد میں آنے والے ہماری اخراجات اور افرادی قوت کی لاگت میں اضافہ ہے۔

سال ہا سال کی محنت سے بنائی گئی اپنی ساکھ اور فائز سوت پر لگائی جانے والی اینٹی۔ڈمپنگ محصولات سے فائدہ اٹھاتے ہوئے کپنی نے اپنی تمام توانائیاں مقامی مارکیٹ کی جانب صرف کر دیں۔ ان کوششوں کے نتیجے میں مقامی سطح پر نو ماہ کی مدت کے دوران مقامی فروختی، 2 بلین روپے کے اضافہ کیساتھ 12.1 بلین روپے ہو گئی جو کہ گزشتہ سال اسی عرصے کے دوران 10.1 بلین روپے تھی۔

عالمی سطح پر سخت مسابقتی صورتحال کے باوجود آپ کی کپنی کی انتظامیہ کی جانب سے مستقل اور انتھک محنت کے نتیجے کے بطور کپنی کے حتمی مالیاتی نتائج مثبت رہے اور کپنی کی جانب سے 521 ملین روپے کا منافع ریکارڈ کیا گیا جبکہ گزشتہ سال اسی عرصے کے دوران 112 ملین روپے کا نقصان ریکارڈ کیا گیا۔

معاشی مستقبل

مجموعی طور پر زیر نظر دورانے میں ملکی سطح پر معاشی صورتحال قدرے مستحکم رہی اور حکومت کی جانب سے کئی معاشیات کے میدان میں اصلاحات، بنیادی ڈھانچے کی تعمیر اور دیگر ممالک کے ساتھ قریبی تعلقات قائم کرنے کی کوششوں جیسے اقدامات کی وجہ سے شرح نمو میں تیزی کے ساتھ اضافہ ہوا۔ نیز رواں دورانے میں گزشتہ سیزن کے مقابلے میں قدرے بہتر فصل، پہلے سے زیادہ بہتر امن و عامہ کی صورتحال اور کپنی کی جانب سے زیادہ مستعدی کے ساتھ کاروباری افعال سرانجام دیے جانے کی وجہ سے بھی رواں دورانے میں نتائج بہتر رہے، جبکہ گزشتہ سال سیلاب کی تباہ کاریوں اور فصلوں پر کیڑوں کے حملوں کی وجہ سے بڑے پیمانے پر فصلیں تباہی کا شکار ہوئیں تھیں۔

مزید برآں، برآمدات پر مبنی سیکٹر کے سلسلے میں نیگس کی صفر شرح پالیسی اور بالخصوص نیگسائل سیکٹر کو مکمل طور پر فراہم کئے جانے والے نیگسائل ٹیکس سے اس سیکٹر کو انتظار تھا، برآمدات کرنے والے ملک کے سب سے بڑے سیکٹر کو بڑی مدد ملے گی۔

زیر غائی دورانے کے دوران عام مال کے نرخوں میں اضافہ ہوا ہے۔ نرخوں میں اتار چڑھاؤ کی بنیادی وجہ مارکیٹ میں پائی جانے والی حساسیت تھی۔ دوسری جانب سوت کی قیمتوں میں اضافہ اس شرح سے نہیں ہوا جس شرح سے عام مال کی قیمت میں اضافہ ہوا ہے۔

مالیاتی کارکردگی

جبکہ درج ذیل مالیاتی نتائج سے ظاہر ہے، کپنی نے حتمی مالیاتی نتائج میں 6 گنا کا اضافہ حاصل کیا ہے۔ اس اضافے کا سہرا عام مال کے مؤثر حصول، صفر شرح نیگس، اسکیم اور بنیادی طور پر مقامی مارکیٹ میں پائے جانے والے رجحان کو جاتا ہے جو کہ ایپینٹنگ سیکٹر کے حق میں رہا۔

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