



All for One, One for All.

Third Quarterly Report
March 2019

gadoo

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Company Information

Board of Directors	Mr. Muhammad Yunus Tabba (Chairman) Mr. Muhammad Sohail Tabba (Chief Executive Officer) Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba Ms. Zulekha Tabba Maskatiya Mr. Saleem Zamindar (Independent Director) Mr. Zafar Masud (Independent Director)
Audit Committee	Mr. Saleem Zamindar (Chairman) Mr. Zafar Masud Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba
HR and Remuneration Committee	Mr. Saleem Zamindar (Chairman) Mr. Jawed Yunus Tabba Ms. Zulekha Tabba Maskatiya
Executive Director Finance and Company Secretary	Mr. Abdul Sattar Abdullah
Chief Financial Officer	Mr. Muhammad Imran Moten
Chief Internal Auditor	Mr. Haji Muhammad Mundia
Auditors	Deloitte Yousuf Adil Chartered Accountants A Member of Deloitte Touche Tohmatsu
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 Society, Abdul Aziz Haji Hashim Tabba Street, Karachi 75350. Phone: 021-35205479-80 Fax: 021-34382436
Liaison Office	Syed's Tower, Third Floor, Opposite Custom House, Jamrud Road, Peshawar. Phone: 091-5701496 Fax: 091-5702029 E-mail: secretary@gadoontextile.com
Factory Locations	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 Askari Bank Limited Bank Al-Falah Limited Bank Al-Habib Limited Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan Soneri Bank Limited Standard Chartered Bank Pakistan Limited The Bank of Punjab The Bank of Khyber United Bank Limited

Directors' Report

Dear Members

The Directors of your Company take pleasure in presenting before you the performance review and the un-audited standalone and consolidated financial statements for the nine months ended March 31, 2019.

Overview

During the period under review, your Company recorded consolidated turnover of Rs.22.3 billion against Rs.19.9 billion for the Same Period Last Year (SPLY); there is an increase of 11.3% during this nine month when compared to SPLY. During the period consolidated gross profit margins have been increased from 6.80% to 7.65% from SPLY. The increase in contribution margin is mainly on account of better product mix, generation and utilization of energy mix at its optimum levels and increased sales price.

The abrupt devaluation and hike in interest rate by State Bank of Pakistan, from 7 % to 10.75% has effected the cost of sourcing for the Company. The finance cost has been increased to 3.48% of sales in comparison with 1.98% of SPLY. Despite of the fact, the management maintained efficient portfolio of funds along-with minimum spreads, to keep the cost at the lowest possible rates.

Corporate Restructuring

During the current period, a Scheme of Arrangement (Scheme) was filed by Lucky Holdings Limited (LHL) - an associate of the Company, before the Honourable Sindh High Court (SHC), after getting the required approvals from the Board of Directors and shareholders of LHL. As per the Scheme, the LHL investment in ICI Pakistan Limited (ICI) will be divested and shares of ICI will be transferred to the existing shareholders of LHL in proportion of their shareholding. Accordingly, the number of shares to which the Company is entitled will be transfer to Gadoon Holdings (Private) Limited (GHPL) - a wholly owned subsidiary of the Company. The Company will retain its shareholding in LHL to the extent of remaining net assets excluding the effect of transaction.

The Scheme was approved by the SHC on April 09, 2019 with July 01, 2018 being the effective date. Accordingly, as GHPL now become wholly owned subsidiary of the Company by virtue of this arrangement, therefore in addition to the standalone financial statements, the Company has also prepared its consolidated financial statements for this period.

Economic Prospects

The economy has initiated its way towards stability. During the period, the country witnessed an insignificant growth of 0.11% in exports mainly due to higher cost of raw material. However, reduction of 7.96% in import bills in USD term as compared to SPLY has supported the economy in reducing the current account deficit by 13.02%. Further, inflows from remittance have also increased by 8% in USD term.

There have been uncertainties during the period, mainly due to abrupt devaluation. The discount rates have also increased during the period which resulted in an increase in inflation.

After receipt of financial assistance from friendly countries, recent MOU's being signed for Foreign Direct Investments and the IMF bailout package in its final stages, it is expected that the economy now find its way towards gaining momentum.

Financial Performance

A comparison of the key consolidated financial results of the Company for the nine months ended March 31, 2019 is as under:

Profit and Loss Summary

	March 31, 2019	March 31, 2018	Percentage Favorable / (Unfavorable)
	—— (Rupees in '000) ——		
Export	5,301,128	6,967,996	(23.92)
Local	16,950,196	13,019,507	30.19
Sales (net)	22,251,324	19,987,503	11.33
Gross Profit	1,701,755	1,359,852	25.14
Distribution Cost	(277,749)	(288,869)	3.85
Administrative Expenses	(205,669)	(165,875)	(23.99)
Finance Cost	(774,922)	(396,039)	(95.67)
Other Income	371,726	488,515	(24.22)
Profit Before Taxation	770,384	882,831	(12.74)
Profit After Taxation	565,891	686,808	(17.61)
Earnings Per Share (Rs.)	20.19	24.50	

Export sales have seen a decline of approximately 23.92% from SPLY mainly on account of trade war among world economies resulting fewer orders from China to which Pakistan's export of yarn is at higher percentage. However, during the current quarter, the situation is getting better which resulted in an increase of 34.26% increase in export sales during third quarter, when compared with second quarter of this financial year.

The Company is capitalizing the additional demand in local market of value added sector, which has resulted in an increase of Rs.3.93 billion, 30.19% in local sales to Rs.16.95 billion against Rs.13.02 billion in SPLY.

During the period under review, there were political uncertainties on account of election, trade war between Global Trade Giants, current account deficit and fierce competition with regional competitors, coupled with abrupt devaluation of currency and increase in interest and inflation rate. All these factors have negatively impact Company's performance, despite of the fact that strong efforts were placed by management to minimize the effect.

The management of the Company continues its BMR strategy to replace old machineries with new technological advanced machineries. In this respect significant CAPEX have been incurred during the period. This has caused additional burden on the results of the Company due to increase in finance cost and under absorption of cost due to working at less than optimum capacities.

The weakening economy has not only effected the Company's core operations but has also effected returns from its strategic investment in diversified avenues, resulting in 6.75% decrease in returns as compared to SPLY. Further, the export rebate for spinning segment was not extended to this financial year, which contributed Rs.115.78 million in SPLY. Resultantly, consolidated net profits of the company have decreased by 17.61% in this period as compared to SPLY.

Status of Strategic Investments

During the current period, the Company has obtained extension from the shareholders regarding their previous approval (dated: April 13, 2018), in respect of investment in Tricom Solar Power (Private) Limited, Tricom Wind Power (Private) Limited and Yunus Wind Power Limited as the time frame of 12 months from the passing of special resolution as required under Regulation 6 of the "Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017" was expiring and the Company was unable to invest the entire approved amounts in any of these three Companies, on account of remaining legal formalities.

However, the Company is actively pursuing this matter to ensure that investment is made within the approved time.

Election of Board of Directors

The election of directors of your Company were held on March 20, 2019. The following directors have been elected for the period of three years:

1	Mr. Muḥammad Yunus Ṭabbā	Non-Executive Director / Chairman
2	Mr. Muḥammad Sohail Ṭabbā	Executive Director / Chief Executive Officer
3	Mr. Muḥammad Ali Ṭabbā	Non-Executive Director
4	Mr. Jawed Yunus Ṭabbā	Non-Executive Director
5	Ms. Zulekhā Ṭabbā Maskātiya	Non-Executive Director
6	Mr. Saleem Zāmindār	Independent Director
7	Mr. Zafar Masud*	Independent Director

*Mr. Zafar Masud has been elected for the first time on the Board of Directors of the Company.

The Board of Directors of the Company place their sincere thanks to Mr. Imran Yunus and Ms. Mariam Ṭabbā Khan - the retiring directors for the valuable service which they have delivered during their association with the Company and wish them all the best for their future endeavors.

Corporate Social Responsibility (CSR)

The Company believes in returning back to the community and actively participates in the business practices that produce an overall positive impact on the society. The Company emphasizes on the CSR activities pertaining to philanthropy and environmental sustainability. During the current period, the Company contributed an amount for the wellbeing of visually impaired persons, laptops for the education and development of underprivileged children of the society and also carried out tree plantation activity.

The Company also celebrated women's international day with great zeal and enthusiasm and focus on the core objective of women empowerment.

Further, during the current period, Mr. Muḥammad Yunus Ṭabbā - Chairman of the Board of Directors, got acknowledged for his untiring efforts and determination for the society and was awarded Sitara-e-Imtiaz on Pakistan Day - March 23, 2019.

Future Outlook

On account of concessional loans from friendly countries and better balance of trade in this period mainly on account of reduction in import bills, currency reserves have shown a better position as reserves as at period end were all time high since April 2018 and it is expected that reserves will increase further in the upcoming periods.

Further, the discussion on IMF bailout package at its last stages, it is expected that rupee will contain its stability and if there is no further increase in interest rates, it is expected that last quarter of this financial year will see a smooth way towards stable economy.

Furthermore, keeping in view the latest technologies, Company's management is committed to continue its investment in technologically advanced machineries to increase product efficiencies and effective utilization of power generation. In this respect, the CAPEX made during the period will come into operations during the last quarter and will start reaping positive cash flows from operations. This will not only increase Company's market share and profitability but also add further support in reducing its working capital requirements and ultimately the financial cost.

It is also believed that the government's initiative to support the textile industry with full commitments, including resolution of GIDC matter, timely release of tax and DLTL refunds will help in boosting country's export and textile sector in particular.

The Company is continuously taking measures to contain its cost by procuring the right mix of raw material at the most economical rates to manage its stock. In addition, sales mix will be altered based on demand / supply basis to enhance its profit margins and to generate positive cash flows.

Acknowledgements

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

For and on behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer / Director

Karachi: April 25, 2019

Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2019

	Note	March 31, 2019 (Un-audited) — (Rupees in '000) —	June 30, 2018 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	9,299,049	7,791,928
Long-term advance	6	-	-
Long-term loans		54,812	35,331
Long-term deposits		27,719	27,719
Long-term investments	7	2,693,525	2,686,920
		<u>12,075,105</u>	<u>10,541,898</u>
Current Assets			
Stores, spares and loose tools		643,093	549,319
Stock-in-trade	8	11,452,349	7,469,561
Trade debts		2,814,606	2,464,181
Loans and advances		388,110	286,996
Trade deposits and short-term prepayments		19,718	32,273
Other receivables		907,536	958,077
Current tax asset		715,353	651,362
Cash and bank balances		130,154	188,863
		<u>17,070,919</u>	<u>12,600,632</u>
Total Assets		<u>29,146,024</u>	<u>23,142,530</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized			
57,500,000 ordinary shares of Rs.10/- each		<u>575,000</u>	<u>575,000</u>
Issued, subscribed and paid-up capital		280,296	280,296
Capital reserves		137,541	137,541
Revenue reserves		8,096,845	7,795,673
Total Equity		<u>8,514,682</u>	<u>8,213,510</u>
Non-Current Liabilities			
Long-term finance	9	2,140,801	594,338
Retirement benefit obligation		574,407	533,769
Deferred tax liabilities		778,785	696,275
		<u>3,493,993</u>	<u>1,824,382</u>
Current Liabilities			
Trade and other payables		3,395,804	3,088,479
Unclaimed dividend		22,490	21,423
Accrued mark-up		260,574	129,830
Short-term borrowings	10	13,420,352	9,864,906
Current portion of long-term finance	9	38,129	-
		<u>17,137,349</u>	<u>13,104,638</u>
Total Liabilities		<u>20,631,342</u>	<u>14,929,020</u>
Total Equity and Liabilities		<u>29,146,024</u>	<u>23,142,530</u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the Nine Months Ended March 31, 2019

	Note	Nine months ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Rupees in '000)					
Sales - net		22,251,324	19,987,503	7,885,038	7,047,435
Cost of sales	12	(20,549,569)	(18,627,651)	(7,476,413)	(6,474,687)
Gross profit		1,701,755	1,359,852	408,625	572,748
Distribution cost		(277,749)	(288,869)	(104,180)	(104,052)
Administrative expenses		(205,655)	(165,875)	(63,136)	(58,780)
		(483,404)	(454,744)	(167,316)	(162,832)
		1,218,351	905,108	241,309	409,916
Finance cost		(774,692)	(396,039)	(334,445)	(145,683)
Other operating expenses		(43,827)	(114,753)	2,068	(41,441)
		399,832	394,316	(91,068)	222,792
Other income		65,028	165,862	18,413	61,157
Share of profit from associates		287,847	322,653	105,375	90,799
Profit before taxation		752,707	882,831	32,720	374,748
Taxation	13				
Current		(99,575)	(186,342)	(10,768)	(73,273)
Prior		(4,011)	(1,682)	-	(23,561)
Deferred		(98,995)	(7,999)	(29,419)	4,548
		(202,581)	(196,023)	(40,187)	(92,286)
Profit / (Loss) for the period		550,126	686,808	(7,467)	282,462
Earnings per share					
- basic and diluted (Rupees)		19.63	24.50	(0.28)	10.08

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.


MUHAMMAD YUNUS TABBA
 Chairman / Director


MUHAMMAD SOHAIL TABBA
 Chief Executive Officer


MUHAMMAD IMRAN MOTEN
 Chief Financial Officer

Unconsolidated Condensed Interim Statement of Other Comprehensive Income

(Un-audited)
For the Nine Months Ended March 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)			
Profit / (Loss) for the period	550,126	686,808	(7,467)	282,462
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>550,126</u>	<u>686,808</u>	<u>(7,467)</u>	<u>282,462</u>

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)
For the Nine Months Ended March 31, 2019

	Note	Nine months ended	
		March 31, 2019	March 31, 2018
———— (Rupees in '000) ————			
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	14	(2,260,250)	(452,495)
Finance cost paid		(643,948)	(375,779)
Income taxes paid		(167,577)	(100,860)
Retirement benefit obligation paid		(96,712)	(76,438)
Rebate received		54,280	63,717
		(853,957)	(489,360)
Net cash used in operating activities		(3,114,207)	(941,855)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,107,504)	(775,498)
Sale proceeds from disposal of property, plant and equipment		41,489	16,369
Loans paid to employees - net		(36,590)	(6,862)
Investment in subsidiary		(100)	-
Dividend received		261,162	245,213
Profit received from bank deposits		1,195	1,217
Net cash used in investing activities		(1,840,348)	(519,561)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained		1,584,592	467,165
Dividend paid		(244,192)	(322,562)
Net cash generated from financing activities		1,340,400	144,603
Net decrease in cash and cash equivalents (A+B+C)		(3,614,155)	(1,316,813)
Cash and cash equivalents at the beginning of the period		(9,676,043)	(8,472,066)
Cash and cash equivalents at the end of the period		(13,290,198)	(9,788,879)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		130,154	176,249
Short-term borrowings		(13,420,352)	(9,965,128)
		(13,290,198)	(9,788,879)

CHANGES ARISING FROM FINANCING ACTIVITIES

	July 01, 2018	Financing cash inflows	Financing cash outflows	Non- cash changes	March 31, 2019
———— (Rupees in '000) ————					
Loan from financial institutions	594,338	1,584,592	-	-	2,178,930
Unclaimed dividend	21,423	-	(244,192)	245,259	22,490

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.


MUHAMMAD YUNUS TABBA
Chairman / Director


MUHAMMAD SOHAIL TABBA
Chief Executive Officer


MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the Nine Months Ended March 31, 2019

	---Capital Reserves---			----- Revenue Reserves -----				Grand total	
	Issued, subscribed and paid-up share capital	Share premium	Amalgamation reserve	Sub total	General reserve	Amalgamation reserve	Unappropriated profit		Sub total
----- (Rupees in '000) -----									
Balance as at July 1, 2017	280,296	103,125	34,416	137,541	1,000,000	727,333	5,221,553	6,948,886	7,366,723
Transaction with owners									
Final dividend @ Rs. 5/- per share for the year ended June 30, 2017	-	-	-	-	-	-	(140,148)	(140,148)	(140,148)
Additional / Interim dividend @ Rs. 6.75/- per share	-	-	-	-	-	-	(189,200)	(189,200)	(189,200)
	-	-	-	-	-	-	(329,348)	(329,348)	(329,348)
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	686,808	686,808	686,808
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	686,808	686,808	686,808
Balance as at March 31, 2018	280,296	103,125	34,416	137,541	1,000,000	727,333	5,579,013	7,306,346	7,724,183
Balance as at July 01, 2018	280,296	103,125	34,416	137,541	1,000,000	727,333	6,068,340	7,795,673	8,213,510
Effect of restructuring of investments (Note 7.1.1)	-	-	-	-	-	-	(3,695)	(3,695)	(3,695)
Transaction with owners									
Final dividend @ Rs. 8.75/- per share for the year ended June 30, 2018	-	-	-	-	-	-	(245,259)	(245,259)	(245,259)
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	550,126	550,126	550,126
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	550,126	550,126	550,126
Balance as at March 31, 2019	280,296	103,125	34,416	137,541	1,000,000	727,333	6,369,512	8,096,845	8,514,682

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended March 31, 2019

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 repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn and knitted fabrics.

Y.B. Holdings (Private) Limited is the Ultimate Holding Company of the Group.

Following are the geographical location and address of all business units of the Company:

Head Office:

7-A, Muhammad Ali Society, Abdul Aziz Haji Hashim Tabba Street, Karachi, Province of Sindh, South, Pakistan.

Manufacturing facility:

a) 200-201, Gadoon Amazai Industrial Estate, District Swabi, Province of Khyber Pakhtunkhwa, North, Pakistan.

b) 57 K.M. on Super Highway (near Karachi), Province of Sindh, South, Pakistan.

Liaison Office:

Syed's Tower, Third Floor, Opposite Custom House, Jamrud Road, Peshawar, Province of Khyber Pakhtunkhwa, North, Pakistan.

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial statements of the Company for the nine months ended March 31, 2019 have 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These unconsolidated condensed interim financial statements do not include all the notes 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, 2018.

2.2 These unconsolidated condensed interim financial statements is presented in Pak Rupees which is also the Company's functional currency and figures presented in these unconsolidated condensed interim financial statements have been rounded off to the nearest thousand rupee.

2.3 These unconsolidated condensed interim financial information is un-audited and all relevant compliance with Companies Act, 2017 has been made accordingly. The comparative unconsolidated condensed interim statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2018; the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed

interim statement of other comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity of the Company have been extracted from the condensed interim financial statements for the nine months ended March 31, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated 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, 2018 except for the change in the policy for revenue recognition and financial assets' recognition and measurement due to adoption of IFRS-15 and IFRS-9 respectively. A significant transaction arising during the period pertains to investment in subsidiary for which the accounting policy is explained below:

Investment in subsidiary

Investment in subsidiary company is initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense. 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. A reversal of impairment loss is recognized in unconsolidated statement of profit or loss.

- 3.2 **Standards, interpretations and amendments to published approved accounting standards that are effective and relevant:**

a) IFRS 15 - Revenue from contracts with customers replaced IAS 18 - Revenue, IAS 11 - Construction contracts, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenue - Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers and focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations in a contract are satisfied. The changes laid down by this standard do not have any significant impact on these unconsolidated condensed interim financial statements of the Company.

b) IFRS 9 - Financial Instruments replaced the majority of IAS 39 - Financial Instruments: Recognition and Measurement and covers the classification, measurement and de-recognition of financial assets and financial liabilities and requires all fair value movements on equity investments to be recognized either in the profit or loss or in other comprehensive income, on a case-by-case basis, and also introduced a new impairment model for financial assets based on expected credit losses rather than incurred losses and provides a new hedge accounting model. The changes laid down by this standard do not have any significant impact on these unconsolidated condensed interim financial statements of the Company.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2018.

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
Note	— (Rupees in '000) —	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	7,055,244	7,344,400
Capital work-in-progress	5.2	2,243,805	447,528
		<u>9,299,049</u>	<u>7,791,928</u>

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

	Nine months ended March 31, 2019		Nine months ended March 31, 2018	
	Additions/ transfers	Disposals at book value	Additions/ transfers	Disposals at book value
	----- (Rupees in '000) -----			
Buildings	30,735	-	14,042	-
Plant and machinery	201,300	26,920	710,049	15,975
Power plant	6,823	-	-	-
Electric installations	958	-	4,960	-
Computer equipment	5,178	17	2,688	101
Office equipment and installations	4,293	10	705	-
Vehicles	61,940	11,702	69,668	5,874
	<u>311,227</u>	<u>38,649</u>	<u>802,112</u>	<u>21,950</u>

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

	Nine months ended March 31, 2019		Nine months ended March 31, 2018	
	Additions	Transfers	Additions	Transfers
	----- (Rupees in '000) -----			
Gadoon Amzai				
Plant and machinery	681,830	74,735	519,450	324,778
Civil works	45,605	10,926	5,253	5,253
Electric installations	958	958	1,134	1,134
Advance to supplier	40,032	45,326	57,715	62,324
Mark up capitalized	11,333	1,011	7,461	1,267
Karachi Project				
Plant and machinery	1,067,269	128,836	99,478	380,369
Civil works	211,006	19,593	64,670	8,789
Electric installations	-	-	3,826	3,826
Advance to supplier	15,205	16,614	10,711	7,344
Mark up capitalized	24,795	3,757	2,407	3,635
	<u>2,098,033</u>	<u>301,756</u>	<u>772,105</u>	<u>798,719</u>

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
Note	— (Rupees in '000) —	

6. LONG - TERM ADVANCE

- Considered doubtful

Investment in a joint venture - Advance	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 was acquisition and development of a real estate project 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, 2019 (Un-audited)	June 30, 2018 (Audited)
Note	— (Rupees in '000) —	

7. LONG - TERM INVESTMENTS

Investment in subsidiary	7.1	164,316	-
Investment in associates	7.2	2,529,209	2,686,920
		<u>2,693,525</u>	<u>2,686,920</u>

7.1 Investment in subsidiary

7.1.1 This represents the investment in Gadoon Holdings (Private) Limited (GHPL) – a wholly owned subsidiary.

During the current period, a Scheme of Arrangement (Scheme) was filed by the management of Lucky Holdings Limited (LHL) - an associate, before the Honourable Sindh High Court (SHC), after the required approvals from the Board of Director and shareholders of LHL.

Subsequent to the Balance Sheet date, the SHC vide its order dated April 11, 2019 sanctioned the Scheme effective from start of business on July 01, 2018. A certified copy of the Court order has been filed by LHL with Securities and Exchange Commission of Pakistan.

The Scheme, amongst other arrangements, determines LHL Demerged Undertakings as primarily comprising the assets, liabilities and obligations of LHL relating to its underlying investment in ICI Pakistan Limited. Under the Scheme, the share of LHL Shareholders in LHL Demerged Undertakings proportionate to their respective shareholding in LHL has been amalgamated with and into their respective wholly owned subsidiary companies and their proportionate shares in LHL to that extent have been cancelled. Consequently, out of Company's total investments in LHL, an amount of Rs. 164.22 millions have been transferred to GHPL.

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	— (Rupees in '000) —	
7.2 Investment in associates			
ICI Pakistan Limited		1,698,168	1,661,022
Lucky Holdings Limited	7.2.1	3,548	185,341
Yunus Energy Limited		827,493	840,557
		<u>2,529,209</u>	<u>2,686,920</u>

7.2.1 Investment in Lucky Holdings Limited have been calculated after incorporating the effect of transaction as appearing in note 7.1.1 to these unconsolidated condensed interim financial statements.

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		— (Rupees in '000) —	
8. STOCK-IN-TRADE			
Raw material in			
- hand		8,798,144	5,838,903
- transit		1,086,710	477,945
		9,884,854	6,316,848
Work-in-process		336,266	286,033
Finished goods			
- Yarn		1,120,721	707,074
- Knitted fabric		76,146	44,712
- Waste		34,362	114,894
		1,231,229	866,680
		<u>11,452,349</u>	<u>7,469,561</u>

9. LONG-TERM FINANCE			
Long-term finance		2,178,930	594,338
Less: Current portion of long-term finance		(38,129)	-
		<u>2,140,801</u>	<u>594,338</u>

9.1 The Company has entered into long term finance agreement with Commercial Banks, with an approved limit of Rs. 3.09 billion (June 30, 2018: Rs. 605 million). The facility carries a mark-up ranging from SBP Base Rate + 0.1% to 0.6% payable on a quarterly basis (June 30, 2018: SBP Base Rate + 0.1% to 0.3% payable on a quarterly basis). The tenure of this facility is 10 years including grace period of 2 years, starting from July 10, 2017. The Company has drawn Rs. 2.18 billion upto March 31, 2019.

The above financing agreement is secured by pari passu charge over plant and machinery of the Company.

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	— (Rupees in '000) —	
10. SHORT-TERM BORROWINGS		
Banking companies - secured		
Running finance under mark-up arrangements	10,451,605	6,819,999
Short term finance	2,195,999	2,889,750
Export refinance	772,748	155,157
	<u>13,420,352</u>	<u>9,864,906</u>

10.1 Facilities for running finance, short term finance, import finance, export finance and export refinance are available from various banks upto Rs. 28.11 billion (June 30, 2018: Rs. 27.78 billion). The terms and conditions of the short-term borrowings including markup rates and securities have not materially changed from June 30, 2018.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 As at period end, bank guarantees given in favour of the Company by banks in normal course of business amounting to Rs. 1.09 billion (June 30, 2018: Rs. 990.04 million).

Other contingencies are same as disclosed in notes 20.1.2 to 20.1.8 to the annual financial statements for the year ended June 30, 2018.

	March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	— (Rupees in '000) —	
11.1.2 Others		
Export bills discounted	1,208,299	2,562,265
Local bills discounted	191,565	126,873
Indemnity bond in favour of Collector of Customs against imports	4,779	4,105
Post-dated cheques in favour of Collector of Customs against imports	1,009,760	456,182
11.2 Commitments		
Letters of credit opened by banks for:		
Plant and machinery	804,785	254,806
Raw materials	433,440	267,771
Stores and spares	33,396	63,280

Further, the Company has outstanding contractual commitment under sponsors' support agreement, for debt servicing of two loan installments upto Rs. 338 million (June 30, 2018: Rs. 338 million) on behalf of Yunus Energy Limited, an associate.

Note	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018

(Rupees in '000)

12. COST OF SALES

Opening stock				
- finished goods	866,680	1,280,468	1,731,707	977,987
Cost of goods manufactured 12.1	20,914,118	18,190,197	6,975,935	6,339,714
	21,780,798	19,470,665	8,707,642	7,317,701
Closing stock				
- finished goods	(1,231,229)	(843,014)	(1,231,229)	(843,014)
	<u>20,549,569</u>	<u>18,627,651</u>	<u>7,476,413</u>	<u>6,474,687</u>

12.1 Cost of goods manufactured

Opening stock				
- work in process	286,033	262,525	323,010	283,117
Raw and packing material consumed	15,654,033	13,041,253	5,243,407	4,661,259
Other manufacturing expenses	5,310,318	5,186,923	1,745,784	1,695,842
	20,964,351	18,228,176	6,989,191	6,357,101
	21,250,384	18,490,701	7,312,201	6,640,218
Closing stock				
- work in process	(336,266)	(300,504)	(336,266)	(300,504)
	<u>20,914,118</u>	<u>18,190,197</u>	<u>6,975,935</u>	<u>6,339,714</u>

13. TAXATION

There have been no change in the tax contingencies as disclosed in note number 20.1.5 to 20.1.8 to the annual audited financial statements for the year ended June 30, 2018.

Note	Nine months ended	
	March 31, 2019	March 31, 2018
	— (Rupees in '000) —	

14. CASH USED IN OPERATIONS

Profit before taxation	752,707	882,831
Adjustments for:		
Depreciation	561,734	540,119
(Gain)/Loss on disposal of property, plant and equipment	(2,840)	5,581
Finance cost	774,692	396,039
Share of profit from associates	(287,847)	(322,653)
Rebate on export sales	(31,834)	(139,672)
Profit on deposits	(1,182)	(1,234)
Provision for retirement benefit obligation	137,350	135,040
Working capital changes 14.1	(4,163,030)	(1,948,546)
	<u>(3,012,957)</u>	<u>(1,335,326)</u>
Cash used in operations	<u><u>(2,260,250)</u></u>	<u><u>(452,495)</u></u>

14.1 Working capital changes

(Increase) / decrease in current assets		
Stores, spares and loose tools	(93,774)	(795)
Stock-in-trade	(3,982,788)	(1,570,710)
Trade debts	(350,425)	(701,360)
Loans and advances	(84,005)	(37,194)
Trade deposits and short-term prepayments	12,555	(24,076)
Other receivables	28,082	236,641
	<u>(4,470,355)</u>	<u>(2,097,494)</u>
Increase in current liability		
Trade and other payables	307,325	148,948
Working capital changes	<u><u>(4,163,030)</u></u>	<u><u>(1,948,546)</u></u>

15. TRANSACTIONS WITH RELATED PARTIES

Details of significant transactions with related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

a. Related Companies

Name of Related Party	Basis of relationship	% of Share holding	Nature of Transaction	Nine months ended	
				March 31, 2019	March 31, 2018
				----- (Rupees in '000) -----	
Y.B.Holdings (Private) Limited	Ultimate Holding Company	69.57%	Reimbursement of expenses	1,044	1,011
Gadoon Holdings (Private) Limited	Subsidiary	-	Investment made	100	-
ICI Pakistan Limited	Associate	-	Purchase of fibre	1,277,657	1,327,116
			Share of profit on investment	114,898	177,881
			Dividend received	77,752	107,656
Yunus Energy Limited	Associate	-	Reimbursement of expenses	2,384	4,733
			Share of profit on investment	170,346	126,502
			Dividend received	183,410	137,557
Lucky Holdings Limited	Associate	-	Share of profit on investment	2,603	18,270
Lucky Cement Limited	Associated Company	-	Purchase of cement	52,769	15,545
			Reimbursement of expenses	666	677
Lucky Knits (Private) Limited	Associated Company	-	Yarn sold	939,237	675,627
			Purchase of goods & services	20,378	25,764
			Reimbursement of expenses	3,652	550
Yunus Textile Mills Limited	Associated Company	-	Yarn sold	113,868	269,174
			Waste sold	8,324	133
Lucky Textile Mills Limited	Associated Company	-	Yarn sold	1,071,581	1,706,711
			Sale of fabric	108,166	319,623
			Processing charges	267	2,284
			Reimbursement of expenses	2,290	1,476
Lucky Energy (Private) Limited	Associated Company	-	Purchase of electricity	825,825	819,654
			Reimbursement of expenses	1,616	200
Lucky Landmark (Private) Limited	Associated Company	-	Reimbursement of expenses	3,000	-
			Sale of vehicle	-	1,491
Tricom Wind Power (Private) Limited	Associated Company	-	Subordinated loan	9,996	-
Tricom Solar Power (Private) Limited	Associated Company	-	Subordinated loan	5,955	-
Yunus Wind Power Limited	Associated Company	-	Subordinated loan	4,735	-
b. Benefits to key management personnel				78,323	47,765

16. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

The carrying values of all financial assets and liabilities reflected in these unconsolidated condensed interim financial statements approximate their fair values.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2019, the company has no financial instruments that fall into any of the above category.

17. CORRESPONDING FIGURES

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

18. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements have been approved and authorized for issue on April 25, 2019 by the Board of Directors of the Company.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2019

	Note	March 31, 2019 (Un-audited) — (Rupees in '000) —	June 30, 2018 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	9,299,049	7,791,928
Long-term advance	7	-	-
Long-term loans		54,812	35,331
Long-term deposits		27,719	27,719
Long-term investments	8	2,709,385	2,686,920
		<u>12,090,965</u>	<u>10,541,898</u>
Current Assets			
Stores, spares and loose tools		643,093	549,319
Stock-in-trade	9	11,452,349	7,469,561
Trade debts		2,814,606	2,464,181
Loans and advances		390,322	286,996
Trade deposits and short-term prepayments		19,718	32,273
Other receivables		907,536	958,077
Current tax asset		714,461	651,362
Cash and bank balances		130,252	188,863
		<u>17,072,337</u>	<u>12,600,632</u>
Total Assets		<u>29,163,302</u>	<u>23,142,530</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized			
57,500,000 ordinary shares of Rs.10/- each		<u>575,000</u>	<u>575,000</u>
Issued, subscribed and paid-up capital		280,296	280,296
Capital reserves		137,541	137,541
Revenue reserves		8,112,610	7,795,673
Total Equity		<u>8,530,447</u>	<u>8,213,510</u>
Non-Current Liabilities			
Long-term finance	10	2,140,801	594,338
Retirement benefit obligation		574,407	533,769
Deferred tax liabilities		779,368	696,275
		<u>3,494,576</u>	<u>1,824,382</u>
Current Liabilities			
Trade and other payables		3,396,734	3,088,479
Unclaimed dividend		22,490	21,423
Accrued mark-up		260,574	129,830
Short-term borrowings	11	13,420,352	9,864,906
Current portion of long-term finance	10	38,129	-
		<u>17,138,279</u>	<u>13,104,638</u>
Total Liabilities		<u>20,632,855</u>	<u>14,929,020</u>
Total Equity and Liabilities		<u>29,163,302</u>	<u>23,142,530</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)

For the Nine Months Ended March 31, 2019

	Note	Nine months ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(Rupees in '000)					
Sales - net		22,251,324	19,987,503	7,885,038	7,047,435
Cost of sales	13	(20,549,569)	(18,627,651)	(7,476,413)	(6,474,687)
Gross profit		1,701,755	1,359,852	408,625	572,748
Distribution cost		(277,749)	(288,869)	(104,180)	(104,052)
Administrative expenses		(205,669)	(165,875)	(63,142)	(58,780)
		(483,418)	(454,744)	(167,322)	(162,832)
		1,218,337	905,108	241,303	409,916
Finance cost		(774,922)	(396,039)	(334,521)	(145,683)
Other operating expenses		(43,757)	(114,753)	1,727	(41,441)
		398,658	394,316	(91,491)	222,792
Other income		70,855	165,862	18,413	61,157
Share of profit from associates		300,871	322,653	112,293	90,799
Profit before taxation		770,384	882,831	39,215	374,748
Taxation	14				
Current		(100,904)	(186,342)	(11,224)	(73,273)
Prior		(4,011)	(1,682)	-	(23,561)
Deferred		(99,578)	(7,999)	(30,892)	4,548
		(204,493)	(196,023)	(42,116)	(92,286)
Profit / (Loss) for the period		565,891	686,808	(2,901)	282,462
Earnings per share					
- basic and diluted (Rupees)		20.19	24.50	(0.11)	10.08

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Consolidated Condensed Interim Statement of Other Comprehensive Income (Un-audited)

For the Nine Months Ended March 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rupees in '000)			
Profit / (Loss) for the period	565,891	686,808	(2,901)	282,462
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>565,891</u>	<u>686,808</u>	<u>(2,901)</u>	<u>282,462</u>

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Months Ended March 31, 2019

	Note	Nine months ended	
		March 31, 2019	March 31, 2018
(Rupees in '000)			
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	15	(2,266,388)	(452,495)
Finance cost paid		(644,384)	(375,779)
Income taxes paid		(168,014)	(100,860)
Retirement benefit obligation paid		(96,712)	(76,438)
Rebate received		54,280	63,717
		(854,830)	(489,360)
Net cash used in operating activities		(3,121,218)	(941,855)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,107,504)	(775,498)
Sale proceeds from disposal of property, plant and equipment		41,489	16,369
Loans paid to employees - net		(36,590)	(6,862)
Disposal of Shares in ICI		7,998	-
Dividend received		270,017	245,213
Profit received from bank deposits		1,195	1,217
Net cash used in investing activities		(1,823,395)	(519,561)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained		1,584,592	467,165
Repayment of long-term finance of GHPL		(9,844)	-
Dividend paid		(244,192)	(322,562)
Net cash generated from financing activities		1,330,556	144,603
Net decrease in cash and cash equivalents (A+B+C)		(3,614,057)	(1,316,813)
Cash and cash equivalents at the beginning of the period		(9,676,043)	(8,472,066)
Cash and cash equivalents at the end of the period		(13,290,100)	(9,788,879)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		130,252	176,249
Short-term borrowings		(13,420,352)	(9,965,128)
		(13,290,100)	(9,788,879)

CHANGES ARISING FROM FINANCING ACTIVITIES

	July 01, 2018	Financing cash inflows	Financing cash outflows	Non- cash changes	March 31, 2019
(Rupees in '000)					
Loan from financial institutions	594,338	1,584,592	-	-	2,178,930
Unclaimed dividend	21,423	-	(244,192)	245,259	22,490

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.


MUHAMMAD YUNUS TABBA
 Chairman / Director


MUHAMMAD SOHAIL TABBA
 Chief Executive Officer


MUHAMMAD IMRAN MOTEN
 Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the Nine Months Ended March 31, 2019

	---Capital Reserves---			----- Revenue Reserves -----				Grand total	
	Issued, subscribed and paid-up share capital	Share premium	Amalgamation reserve	Sub total	General reserve	Amalgamation reserve	Unappropriated profit		Sub total
----- (Rupees in '000) -----									
Balance as at July 1, 2017	280,296	103,125	34,416	137,541	1,000,000	727,333	5,221,553	6,948,886	7,366,723
Transaction with owners									
Final dividend @ Rs. 5/- per share for the year ended June 30, 2017	-	-	-	-	-	-	(140,148)	(140,148)	(140,148)
Additional / Interim dividend @ Rs. 6.75/- per share	-	-	-	-	-	-	(189,200)	(189,200)	(189,200)
	-	-	-	-	-	-	(329,348)	(329,348)	(329,348)
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	686,808	686,808	686,808
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	686,808	686,808	686,808
Balance as at March 31, 2018	280,296	103,125	34,416	137,541	1,000,000	727,333	5,579,013	7,306,346	7,724,183
Balance as at July 01, 2018	280,296	103,125	34,416	137,541	1,000,000	727,333	6,068,340	7,795,673	8,213,510
Effect of restructuring of investments (Note 2)	-	-	-	-	-	-	(3,695)	(3,695)	(3,695)
Transaction with owners									
Final dividend @ Rs. 8.75/- per share for the year ended June 30, 2018	-	-	-	-	-	-	(245,259)	(245,259)	(245,259)
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	565,891	565,891	565,891
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	565,891	565,891	565,891
Balance as at March 31, 2019	280,296	103,125	34,416	137,541	1,000,000	727,333	6,385,277	8,112,610	8,530,447

The annexed notes from 1 to 19 form an integral part of these consolidated condensed interim financial statements.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For the Nine Months Ended March 31, 2019

1. THE GROUP AND ITS OPERATIONS

The Group consists of Gadoon Textile Mills Limited ("the Holding Company") and its subsidiary company Gadoon Holdings (Private) Limited (GHPL). Brief profiles of the Holding Company and its subsidiary company is as follows:

1.1 Gadoon Textile Mills Limited

The Holding Company was incorporated in Pakistan on February 23, 1988 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on Pakistan Stock Exchange. The principal activity of the Holding Company is manufacturing and sale of yarn and knitted fabrics.

Following are the geographical location and address of all business units of the Holding Company:

Head Office:

7-A, Muhammadiyah Ali Society, Abdul Aziz Haji Hashim Tabba Street, Karachi, Province of Sindh, South, Pakistan.

Manufacturing facility:

- a) 200-201, Gadoon Amazai Industrial Estate, District Swabi, Province of Khyber Pakhtunkhwa, North, Pakistan.
- b) 57 K.M. on Super Highway (near Karachi), Province of Sindh, South, Pakistan.

Liaison Office:

Syed's Tower, Third Floor, Opposite Custom House, Jamrud Road, Peshawar, Province of Khyber Pakhtunkhwa, North, Pakistan.

1.2 Gadoon Holdings (Private) Limited

Gadoon Holdings (Private) Limited is a private limited company incorporated in Pakistan on July 16, 2018 under the Companies Act, 2017. GHPL is a wholly owned subsidiary of the Holding Company. The Company has been incorporated to affect restructuring of Lucky Holdings Limited (LHL) as appearing in note 2 to these consolidated condensed interim financial statements.

- 1.3 These are the first consolidated condensed interim financial statements of the Company.

2. SCHEME OF ARRANGEMENT

During the current period, a Scheme of Arrangement (Scheme) was filed by the management of Lucky Holdings Limited (LHL) - an associate, before the Honourable Sindh High Court (SHC), after the required approvals from the Board of Directors and shareholders of LHL.

Subsequent to the Balance Sheet date, the SHC vide its order dated April 11, 2019 sanctioned the Scheme effective from start of business on July 01, 2018. A certified copy of the Court order has been filed by LHL with Securities and Exchange Commission of Pakistan.

The Scheme, amongst other arrangements, determines LHL Demerged Undertakings as primarily comprising the assets, liabilities and obligations of

LHL relating to its underlying investment in ICI Pakistan Limited. Under the Scheme, the share of LHL Shareholders in LHL Demerged Undertakings proportionate to their respective shareholding in LHL has been amalgamated with and into their respective wholly owned subsidiary companies and their proportionate shares in LHL to that extent have been cancelled. Consequently, out of Company's total investments in LHL, an amount of Rs. 164.22 millions have been transferred to GHPL.

3. BASIS OF PREPARATION

- 3.1 These consolidated condensed interim financial statements of the Group for the nine months ended March 31, 2019 have 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 Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These consolidated condensed interim financial statements do not include all the notes required for the full financial statements and therefore should be read in conjunction with the annual financial statements of the Holding Company for the year ended June 30, 2018.
- 3.2 These consolidated condensed interim financial statements is presented in Pak Rupees which is also the Group's functional currency and figures presented in these consolidated condensed interim financial statements have been rounded off to the nearest thousand rupee.
- 3.3 These consolidated condensed interim financial information is un-audited and all relevant compliance with Companies Act, 2017 has been made accordingly. The comparative consolidated condensed interim statement of financial position presented has been extracted from annual financial statements for the year ended June 30, 2018; the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of other comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity of the Group have been extracted from the condensed interim financial statements for the nine months ended March 31, 2018.

4. SIGNIFICANT ACCOUNTING POLICIES

- 4.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated 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, 2018 except for the change in the policy for revenue recognition and financial assets' recognition and measurement due to adoption of IFRS-15 and IFRS-9 respectively. The policy for consolidation is explained below:

Consolidation

- i) Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:
 - it has power to direct the relevant activities of the subsidiaries;
 - is exposed to variable returns from the subsidiaries; and
 - decision making power allows the Group to affects its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognized from the date the control ceases.

The financial statements of the subsidiaries are consolidated on a line by line basis. Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealized) are also eliminated. Accounting policies of subsidiary is consistent with the policies adopted by the Group.

- ii) Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The Group treats transactions with NCI that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

4.2 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant:

a) IFRS 15 - Revenue from contracts with customers replaced IAS 18 - Revenue, IAS 11 - Construction contracts, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenue - Barter Transactions Involving Advertising Services. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers and focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations in a contract are satisfied. The changes laid down by this standard do not have any significant impact on these consolidated condensed interim financial statements of the Group.

b) IFRS 9 - Financial Instruments replaced the majority of IAS 39 - Financial Instruments: Recognition and Measurement (IAS 39) and covers the classification, measurement and de-recognition of financial assets and financial liabilities and requires all fair value movements on equity investments to be recognized either in the profit or loss or in other comprehensive income, on a case-by-case basis, and also introduced a new impairment model for financial assets based on expected credit losses rather than incurred losses and provides a new hedge accounting model. The changes laid down by this standard do not have any significant impact on these consolidated condensed interim financial statements of the Group.

5. FINANCIAL RISK MANAGEMENT

The Group's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2018.

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
	Note	--- (Rupees in '000) ---	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	7,055,244	7,344,400
Capital work-in-progress	6.2	2,243,805	447,528
		9,299,049	7,791,928

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

	Nine months ended March 31, 2019		Nine months ended March 31, 2018	
	Additions/ transfers	Disposals at book value	Additions/ transfers	Disposals at book value
----- (Rupees in '000) -----				
Buildings	30,735	-	14,042	-
Plant and machinery	201,300	26,920	710,049	15,975
Power plant	6,823	-	-	-
Electric installations	958	-	4,960	-
Computer equipment	5,178	17	2,688	101
Office equipment and installations	4,293	10	705	-
Vehicles	61,940	11,702	69,668	5,874
	<u>311,227</u>	<u>38,649</u>	<u>802,112</u>	<u>21,950</u>

6.2 Details of additions to and transfers from capital work-in-progress are as under:

	Nine months ended March 31, 2019		Nine months ended March 31, 2018	
	Additions	Transfers	Additions	Transfers
----- (Rupees in '000) -----				
Gadoon Amzai				
Plant and machinery	681,830	74,735	519,450	324,778
Civil works	45,605	10,926	5,253	5,253
Electric installations	958	958	1,134	1,134
Advance to supplier	40,032	45,326	57,715	62,324
Mark up capitalized	11,333	1,011	7,461	1,267
Karachi Project				
Plant and machinery	1,067,269	128,836	99,478	380,369
Civil works	211,006	19,593	64,670	8,789
Electric installations	-	-	3,826	3,826
Advance to supplier	15,205	16,614	10,711	7,344
Mark up capitalized	24,795	3,757	2,407	3,635
	<u>2,098,033</u>	<u>301,756</u>	<u>772,105</u>	<u>798,719</u>

March 31,
2019
(Un-audited)

June 30,
2018
(Audited)

Note — (Rupees in '000) —

7. LONG - TERM ADVANCE**- Considered doubtful**

Investment in a joint venture - Advance	7.1	66,667	66,667
Less: Provision against advance		(66,667)	(66,667)
		<u>-</u>	<u>-</u>

7.1 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 was acquisition and development of a real estate project in Karachi through a Joint Venture Company. The Holding 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, 2019 (Un-audited)	June 30, 2018 (Audited)
		— (Rupees in '000) —	

8. LONG - TERM INVESTMENTS

Investment in associates	8.1	2,709,385	2,686,920
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8.1 Investment in associates

ICI Pakistan Limited		1,878,344	1,661,022
Lucky Holdings Limited	8.1.1	3,548	185,341
Yunus Energy Limited		827,493	840,557
		2,709,385	2,686,920

8.1.1 Investment in Lucky Holdings Limited have been calculated after incorporating the effect of transaction as appearing in note 2 to these consolidated condensed interim financial statements.

		March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
		— (Rupees in '000) —	

9. STOCK-IN-TRADE

Raw material in			
- hand		8,798,144	5,838,903
- transit		1,086,710	477,945
		9,884,854	6,316,848
Work-in-process		336,266	286,033
Finished goods			
- Yarn		1,120,721	707,074
- Knitted fabric		76,146	44,712
- Waste		34,362	114,894
		1,231,229	866,680
		11,452,349	7,469,561

10. LONG-TERM FINANCE

Long-term finance		2,178,930	594,338
Less: Current portion of long-term finance		(38,129)	-
		2,140,801	594,338

10.1 The Holding Company has entered into long term finance agreement with Commercial Banks, with an approved limit of Rs. 3.09 billion (June 30, 2018: Rs. 605 million). The facility carries a mark-up ranging from SBP Base Rate + 0.1% to 0.6% payable on a quarterly basis (June 30, 2018: SBP Base Rate + 0.1% to 0.3% payable on a quarterly basis). The tenure of this facility is 10 years including grace period of 2 years, starting from July 10, 2017. The Holding Company has drawn Rs. 2.18 billion upto March 31, 2019.

The above financing agreement is secured by pari passu charge over plant and machinery of the Holding Company.

March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
— (Rupees in '000) —	

11. SHORT-TERM BORROWINGS**Banking companies - secured**

Running finance under mark-up arrangements	10,451,605	6,819,999
Short term finance	2,195,999	2,889,750
Export refinance	772,748	155,157
	13,420,352	9,864,906

11.1 Facilities for running finance, short term finance, import finance, export finance and export refinance are available from various banks upto Rs. 28.11 billion (June 30, 2018: Rs. 27.78 billion). The terms and conditions of the short-term borrowings including markup rates and securities have not materially changed from June 30, 2018.

12. CONTINGENCIES AND COMMITMENTS**12.1 Contingencies**

12.1.1 As at period end, bank guarantees given in favour of the Holding Company by banks in normal course of business amounting to Rs. 1.09 billion (June 30, 2018: Rs. 990.04 million).

Other contingencies are same as disclosed in notes 20.1.2 to 20.1.8 to the annual financial statements for the year ended June 30, 2018.

March 31, 2019 (Un-audited)	June 30, 2018 (Audited)
— (Rupees in '000) —	

12.1.2 Others

Export bills discounted	1,208,299	2,562,265
Local bills discounted	191,565	126,873
Indemnity bond in favour of Collector of Customs against imports	4,779	4,105
Post-dated cheques in favour of Collector of Customs against imports	1,009,760	456,182

12.2 Commitments

Letters of credit opened by banks for:		
Plant and machinery	804,785	254,806
Raw materials	433,440	267,771
Stores and spares	33,396	63,280

Further, the Holding Company has outstanding contractual commitment under sponsors' support agreement, for debt servicing of two loan installments upto Rs. 338 million (June 30, 2018: Rs. 338 million) on behalf of Yunus Energy Limited, an associate.

	Note	Nine months ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
13. COST OF SALES					
Opening stock					
- finished goods		866,680	1,280,468	1,731,707	977,987
Cost of goods manufactured	13.1	20,914,118	18,190,197	6,975,935	6,339,714
		21,780,798	19,470,665	8,707,642	7,317,701
Closing stock					
- finished goods		(1,231,229)	(843,014)	(1,231,229)	(843,014)
		20,549,569	18,627,651	7,476,413	6,474,687
13.1 Cost of goods manufactured					
Opening stock					
- work in process		286,033	262,525	323,010	283,117
Raw and packing material consumed		15,654,033	13,041,253	5,243,407	4,661,259
Other manufacturing expenses		5,310,318	5,186,923	1,745,784	1,695,842
		20,964,351	18,228,176	6,989,191	6,357,101
		21,250,384	18,490,701	7,312,201	6,640,218
Closing stock					
- work in process		(336,266)	(300,504)	(336,266)	(300,504)
		20,914,118	18,190,197	6,975,935	6,339,714

14. TAXATION

There have been no change in the tax contingencies as disclosed in note number 20.1.5 to 20.1.8 to the annual audited financial statements for the year ended June 30, 2018.

	Note	Nine months ended	
		March 31, 2019	March 31, 2018
15. CASH USED IN OPERATIONS			
Profit before taxation		770,384	882,831
Adjustments for:			
Depreciation		561,734	540,119
(Gain)/Loss on disposal of property, plant and equipment		(2,840)	5,581
Finance cost		774,922	396,039
Share of profit from associates		(300,871)	(322,653)
Rebate on export sales		(31,834)	(139,672)
Profit on deposits		(1,182)	(1,234)
Provision for retirement benefit obligation		137,350	135,040
Gain on disposal of shares of ICI		(5,827)	-
Working capital changes	15.1	(4,168,224)	(1,948,546)
		(3,036,772)	(1,335,326)
Cash used in operations		(2,266,388)	(452,495)

Nine months ended	
March 31, 2019	March 31, 2018
— (Rupees in '000) —	

15.1 Working capital changes

(Increase) / decrease in current assets

Stores, spares and loose tools	(93,774)	(795)
Stock-in-trade	(3,982,788)	(1,570,710)
Trade debts	(350,425)	(701,360)
Loans and advances	(86,217)	(37,194)
Trade deposits and short-term prepayments	12,555	(24,076)
Other receivables	28,082	236,641
	(4,472,567)	(2,097,494)
Increase in current liability		
Trade and other payables	304,343	148,948
Working capital changes	(4,168,224)	(1,948,546)

16. TRANSACTIONS WITH RELATED PARTIES

Details of significant transactions with related parties, other than those which have been disclosed elsewhere in these consolidated condensed interim financial statements, are as follows:

Name of Related Party	Basis of relationship	% of Share holding	Nature of Transaction	Nine months ended	
				March 31, 2019	March 31, 2018
				----- (Rupees in '000) -----	
Y.B.Holdings (Private) Limited	Ultimate Holding Company	69.57%	Reimbursement of expenses	1,044	1,011
ICI Pakistan Limited	Associate	-	Purchase of fibre	1,277,657	1,327,116
			Share of profit on investment	127,922	177,881
			Dividend received	86,607	107,656
Yunus Energy Limited	Associate	-	Reimbursement of expenses	2,384	4,733
			Share of profit on investment	170,346	126,502
			Dividend received	183,410	137,557
Lucky Holdings Limited	Associate	-	Share of profit on investment	2,603	18,270
Lucky Cement Limited	Associated Company	-	Purchase of cement	52,769	15,545
			Reimbursement of expenses	666	677

a. Related Companies

Name of Related Party	Basis of relationship	% of Share holding	Nature of Transaction	Nine months ended	
				March 31, 2019	March 31, 2018
				----- (Rupees in '000) -----	
Lucky Knits (Private) Limited	Associated Company	-	Yarn sold	939,237	675,627
			Purchase of goods & services	20,378	25,764
			Reimbursement of expenses	3,652	550
Yunus Textile Mills Limited	Associated Company	-	Yarn sold	113,868	269,174
			Waste Sold	8,324	133
Lucky Textile Mills Limited	Associated Company	-	Yarn sold	1,071,581	1,706,711
			Sale of fabric	108,166	319,623
			Processing charges	267	2,284
			Reimbursement of expenses	2,290	1,476
Lucky Energy (Private) Limited	Associated Company	-	Purchase of electricity	825,825	819,654
			Reimbursement of expenses	1,616	200
Lucky Landmark (Private) Limited	Associated Company	-	Reimbursement of expenses	3,000	-
			Sale of vehicle	-	1,491
Tricom Wind Power (Private) Limited	Associated Company	-	Subordinated loan	9,996	-
Tricom Solar Power (Private) Limited	Associated Company	-	Subordinated loan	5,955	-
Yunus Wind Power Limited	Associated Company	-	Subordinated loan	4,735	-
b. Benefits to key management personnel				78,323	47,765

17. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2019, the Group has no financial instruments that fall into any of the above category.

18. CORRESPONDING FIGURES

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

19. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements have been approved and authorized for issue on April 25, 2019 by the Board of Directors of the Holding Company.



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD SOHAIL TABBA
Chief Executive Officer



MUHAMMAD IMRAN MOTEN
Chief Financial Officer

بورڈ آف ڈائریکٹرز کا انتخاب

آج کی کئی کے ڈائریکٹروں کا انتخاب 20 مارچ 2019 کو عمل میں لایا گیا۔ درج ذیل ڈائریکٹروں کو تین سال کے عرصے کیلئے منتخب کیا گیا ہے:

1	جناب محمد یونس ٹیہ	چیئر مین / غیر انتظامی ڈائریکٹر
2	جناب محمد کبیل ٹیہ	چیف ایگزیکٹو آفیسر / انتظامی ڈائریکٹر
3	جناب محمد علی ٹیہ	غیر انتظامی ڈائریکٹر
4	جناب جاوید یونس ٹیہ	غیر انتظامی ڈائریکٹر
5	محترمہ ڈیلینہ ٹیہ مسکا تپہ	غیر انتظامی ڈائریکٹر
6	جناب سلیم زمیندار	آزاد ڈائریکٹر
7	جناب ظفر مسعود*	آزاد ڈائریکٹر

* جناب ظفر مسعود کچھنی کے بورڈ آف ڈائریکٹرز میں پہلی بار منتخب کیا گیا ہے۔

بورڈ آف ڈائریکٹرز بنا زبونے والے ڈائریکٹرز جناب عمران یونس اور محترمہ سلیمہ خان کی جانب سے کچھنی سے منسلک رہنے کے دوران ان کی قیمتی خدمات کیلئے تہدول سے مشکور ہیں اور مستقبل میں ان کیلئے نیک خواہشات کے متغنی ہیں۔

کارپوریٹ معاشرتی ذمہ داری

کچھنی اس معاشرے کو واپس لوٹانے پر یقین رکھتی ہے جس میں کچھنی اپنے کاروباری افعال سرانجام دے رہی ہے اور ایسی کاروباری سرگرمیوں میں مشغول ہے جن کے مجموعی طور پر مثبت اثرات اس معاشرے پر مرتب ہوں۔ کچھنی انسان اور ماحول دوست کارپوریٹ معاشرتی ذمہ داری پر یقین رکھتی ہے۔ زیر نظر عرصے کے دوران کچھنی کی جانب سے ناپنا افرادی فلاح و بہبود کیلئے عطیات فراہم کئے گئے، تعلیمی سرگرمیوں کے فروغ کیلئے ایپ ٹاپس فراہم کئے گئے، معاشرے میں غیر مراعات یافتہ طبقے سے تعلق رکھنے والے بچوں کی ترقی کیلئے کوششیں کی اور شجر کاری کی ہم میں بھی حصہ لیا۔

کچھنی جانب سے خواتین کا عالمی دن جوش و خروش کے ساتھ منایا گیا اور خواتین کی خود مختاری کیلئے بنیادی وادی وادی سرگرمیوں پر زور دیا گیا۔

مزید برآں، زیر نظر عرصے کے دوران جناب محمد یونس ٹیہ - چیئر مین بورڈ آف ڈائریکٹرز - کی معاشرے کیلئے پیش کردہ انتھک خدمات کو سراہتے ہوئے انہیں 23 مارچ 2019 کو ایوم پاکستان کے موقع پر ستارہ امتیاز سے نوازا گیا۔

مستقبل پر نظر

دوست ممالک سے آسان شرائط پر ملنے والے قرضوں اور رواں عرصے کے دوران بہتر تجارتی توازن اور درآمدی بلوں میں کمی کی بناء پر زرمبادلہ کے ذخائر میں بہتری پیدا ہوئی ہے جیسا کہ اپریل 2018 سے اب تک یہ ذخائر اپنی بلند ترین سطح پر دیکھے گئے ہیں اور اس بات کی امید کی جاتی ہے کہ آئندہ ان ذخائر میں مزید بہتری پیدا ہوگی۔

مزید برآں، جیسا کہ آئی ایم ایف کے ساتھ ہمدادی پیکج کے معاملات بھی تہی مراحل میں ہیں اس بات کی امید کی جاسکتی ہے کہ پاکستانی روپے کی قدر میں استحکام پیدا ہوگا اور اگر شرح سود میں مزید اضافہ نہ کیا گیا تو اس بات کے قوی امکانات پائے جاتے ہیں کہ رواں مالی سال کی آخری سہ ماہی میں قومی معیشت توازن کی جانب کا مزن ہوگی۔

مزید برآں، جدید ترین ٹیکنالوجی کو مد نظر رکھتے ہوئے کچھنی کی انتظامیہ کی جانب سے اس بات کا فیصلہ کیا گیا ہے کہ پرانی ٹیکنالوجی پر مبنی مشینری کی جگہ نئی ٹیکنالوجی کو لایا جائے تاکہ کچھنی کی کارکردگی پیکلے سے زیادہ موثر ہو اور توانائی کی پیداوار کو بھی موثر انداز سے بروئے کار لایا جاسکے۔ اس سلسلے میں کپیل ٹوٹیت کے اخراجات رواں مالی سال کی آخری سہ ماہی کے دوران آپریشنز کی صورت میں سامنے آکر کچھنی کیلئے نقد قومی کی ترسیل کا باعث بنیں گے۔ اس سے نہ صرف کچھنی کا مارکیٹ میں حصہ بڑھے گا اور منفعیت پر مثبت اثرات مرتب ہوئے بلکہ کچھنی کے ورکنگ کپیل کی ضروریات میں کمی آئے گی جس کے نتیجے میں اثرات تجویلی لاگت میں کمی کی صورت میں سامنے آئیں گے۔

ہم اس بات پر بھی یقین رکھتے ہیں کہ ٹیکنالوجی کی صنعت کو ہمارا دینے کیلئے حکومت کی جانب سے کی جانے والی تمام تر کوششیں اور وعدے بشمول جی آئی ڈی سی کے معاملے کو حل کرنا، ٹیکس اور ڈی ایبل ٹی ایل کی بروقت واپسی وغیرہ وطن عزیز، میں برآمداتی صنعت اور بالخصوص ٹیکنالوجی کی صنعت کو سہارا دینے کیلئے مفید ثابت ہوگی۔

کچھنی اپنی جانب سے ہر ممکن کوشش کر رہی ہے کہ خام مال کے بہتر استخراج اور مناسب قیمت پر اس کے حصول کے ذریعے پیداواری لاگت میں کمی لائی جائے۔ علاوہ ازیں، طلب و رسد کو مد نظر رکھتے ہوئے فروخت کی جانے والی مصنوعات کا بہترین استخراج بھی کیا جائے گا تاکہ کچھنی کے منافع اور نقد قومی کی ترسیل کو بہتر بنایا جاسکے۔

اظہار تشکر

ڈائریکٹروں کی جانب سے کچھنی کے تمام ورکروں، اسٹاف اور منتظمین کی کارکردگی کو خراج تحسین پیش کرتے ہوئے اسے ریکارڈ کا حصہ بنایا جاتا ہے۔

محمد کبیل ٹیہ
چیف ایگزیکٹو آفیسر

برائے وٹھانجانب بورڈ

محمد یونس ٹیہ
چیئر مین

بمقام کراچی، مؤرخہ 25 اپریل 2019

فیصد ثبت/(منفی)	31 مارچ 2018	31 مارچ 2019	خلاصہ برائے نفع و نقصان
(23.92)	6,967,996	5,301,128	فروختگی - برآمدات
30.19	13,019,507	16,950,196	فروختگی - منامی
11.33	19,987,503	22,251,324	فروختگی (صافی)
25.14	1,359,852	1,701,755	نام منافع
3.85	(288,869)	(277,749)	لاگت برائے ترتیل مال
(23.99)	(165,875)	(205,669)	لاگت برائے انتظامی امور
(95.67)	(396,039)	(774,922)	تمولی لاگت
(24.22)	488,515	371,726	دیگر آمدن
(12.74)	882,831	770,384	منافع قبل از ٹیکس
(17.61)	686,808	565,891	منافع بعد از ٹیکس
	24.50	20.19	آمدن فی حصص (روپے)

گزشتہ مالی سال کے اسی عرصے کے مقابلے میں زیر نظر عرصے کے دوران برآمدات میں 23.92% کی کمی واقع ہوئی ہے جس کی وجہ مختلف عالمی معیشتوں میں تجارتی جنگ تھی اور اس دورانیے میں پاکستان کو چین کی جانب سے سوت کے کم آرڈر ملے جس میں پاکستان کی برآمداتی شرح کافی بلند ہوتی ہے۔ تاہم رواں سرمایہ کے دوران حالات بہتری کی جانب گامزن ہیں جس کی وجہ سے رواں مالی سال کی دوسری سرمایہ کے مقابلے میں تیسری سرمایہ کے دوران برآمدات پر پنی فروخت میں 34.26% کا اضافہ ہوا ہے۔

کپٹی کی جانب سے اضافی طلب کو مقامی ویلیو ایڈڈ سیکٹر میں کھپایا جا رہا ہے جس کی وجہ سے مقامی سطح پر فروخت میں 3.93 بلین روپے کا اضافہ درج کیا گیا ہے اور 30.19% اضافے کے ساتھ فروخت کا حجم زیر نظر عرصے میں 16.95 بلین روپے ریکارڈ کیا گیا ہے جو کہ گزشتہ مالی سال اسی عرصے کے دوران 13.02 بلین روپے ریکارڈ کیا گیا تھا۔ زیر نظر عرصے کے دوران انتخابات کی وجہ سے سیاسی غیر یقینی کی صورتحال بھی پائی جاتی تھی اور اس کے علاوہ بڑے عالمی تجارتی گروپوں کے مابین تجارتی جنگ، کرنٹ اکاؤنٹ کا خسارہ، مقامی مسابقت کاروں کے مابین سخت مقابلے کی فضا اور اس کے ساتھ ساتھ روپے کی قدر میں اچانک کمی، افراط زر اور شرح سود میں اضافہ بھی اس دورانیے کے اہم ترین واقعات میں شامل تھے۔ ان تمام عوامل کی وجہ سے کپٹی کی کارکردگی پر منفی اثرات مرتب ہوئے ہیں، تاہم ان تمام وجوہات کے باوجود کپٹی کی انتظامیہ کی جانب سے بھرپور کوشش کی گئیں ہیں کہ ان منفی رجحانات کے اثرات کو کم از کم کیا جائے۔

کپٹی کی انتظامیہ کی جانب سے بی ایم آر کی حکمت عملی پر عمل جاری ہے جس کے تحت تمام مقدم ٹیکنالوجی کو جدید ٹیکنالوجی سے تبدیل کیا جا رہا ہے۔ اس سلسلے میں زیر نظر دورانیے میں اہم ترین کیپٹل اخراجات کئے گئے ہیں۔ ان اخراجات کی وجہ سے کپٹی کی کارکردگی پر تمولی اخراجات کی صورت میں اضافی بوجھ وارد ہوا ہے اور اس کے علاوہ پیداواری صلاحیت کو پوری طرح بروئے کار نہ لائے جانے کی وجہ سے پیداواری لاگت کے اخراجات بھی کپٹی کھتے پڑے ہیں۔

کمزور ہوتی ہوئی معیشت کی وجہ سے ناصرف کپٹی کے بنیادی کاروباری افعال متاثر ہوئے ہیں بلکہ کپٹی کی جانب سے مختلف النوع ذرائع میں کمی سرمایہ کاری سے حاصل ہونے والے منافع پر بھی منفی اثرات مرتب ہوئے ہیں جس کا نتیجہ یہ نکلا ہے کہ گزشتہ مالی سال کے اسی عرصے کے مقابلے میں زیر نظر عرصے کے دوران منافع میں 6.75% کمی واقع ہوئی ہے۔ مزید برآں، اسپینگ کے سلسلے میں ملنے والی برآمدی چھوٹ میں رواں مالی سال کیلئے توسیع نہیں کی گئی جس کی وجہ سے گزشتہ مالی سال کے اسی عرصے کے دوران 115.78 بلین روپے حاصل ہوئے تھے۔ اس کا نتیجہ یہ نکلا ہے کہ گزشتہ مالی سال کے اسی عرصے کے مقابلے میں زیر نظر عرصے کے دوران کپٹی کے کجاصافی منافع میں 17.61% کی کمی واقع ہوئی۔

اہم ترین سرمایہ کاری کی نوعیت

رواں مالی سال کے دوران کپٹی کی جانب سے ٹرائی کوم پاور (پرائیویٹ) لمیٹڈ ٹرائی کوم پاور (پرائیویٹ) لمیٹڈ اور پوس وولڈ پاور لمیٹڈ میں سرمایہ کاری کے سلسلے میں حصص داران سے (مؤرخہ 13 اپریل 2018) منظوری حاصل کر لی گئی تھی کیونکہ ریگولیشن 6 "کمپنیز (انویسٹمنٹ بائیںٹسٹیکل کمپنیاں یا منسلک ذمہ داریاں) ریگولیشنز 2017" کے تحت خصوصی قرارداد پاس ہونے کے 12 ماہ کے اندر منظور شدہ رقم ان کمپنیاں میں سرمایہ کاری کرنے کی شرط پر کپٹی عمل نہ کر سکی اور یہ وقت ختم ہو رہا تھا جس کی وجہ ان امور پر عمل پیرا ہونے کے سلسلے میں باقی رہ جانے والے قانونی تقاضے تھے۔

تاہم کپٹی مستعدی کے ساتھ ان امور کی پیروی کر رہی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ منظور شدہ مدت کے اندر اندر کپٹی سرمایہ کاری کر سکے۔

ڈائریکٹرز کی رپورٹ

عزیز ممبران

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ 31 مارچ 2019 کو منظر ہونے والی نو ماہی سے متعلق جائزہ بابت کارکردگی وغیر آڈٹ شدہ مفروضہ سیکھا مالیاتی دستاویزات آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

زیر نظر عرصے کے دوران آپ کی کمپنی کی جانب سے 22.3 بلین روپے کا سیکھا کاروباری حجم ریکارڈ کیا گیا ہے، جبکہ گزشتہ سال اسی عرصے کے دوران 19.9 بلین روپے کا کاروباری حجم ریکارڈ کیا گیا تھا یعنی گزشتہ سال کی نو ماہی کے مقابلے میں زیر نظر نو ماہی کے دوران 11.3% کا اضافی کاروباری حجم ریکارڈ کیا گیا ہے۔ زیر نظر عرصے کے دوران خام مبالغے کی شرح بڑھ کر 7.65% ہو چکی ہے جو کہ گزشتہ مالی سال کے اس عرصے کے دوران 6.80% ریکارڈ کی گئی تھی۔ منفعت میں ہونے والے اس اضافے کا سہرا مصنوعات کے بہتر امتزاج، توانائی کے خرچ اور پیداوار میں بہترین امتزاج اور قیمت فروخت میں اضافے کو جاتا ہے۔

روپے کی قدر میں اچانک کمی اور بینک دولت پاکستان کی جانب سے شرح سود میں، جو کہ 7% تھی، سے 10.75% کے اضافے کی وجہ سے کمپنی کے ذرائع بندوبست کی لاگت میں اضافہ ہوا ہے۔ جو پمپ لاگت فروخت 3.48% درج کی گئی ہے جو کہ گزشتہ مالی سال اسی عرصے کے دوران 1.98% ریکارڈ کی گئی تھی۔ ان تمام حقائق کے باوجود انتظامیہ کی جانب سے فنڈز کا مؤثر امتزاج ترتیب دیا گیا جس کا پھیلاؤ کم از کم سطح پر رکھا گیا تاکہ لاگت برائے قبولی کو کم از کم سطح پر رکھا جاسکے۔

کارپوریٹ تنظیم نو

زیر نظر عرصے کے دوران لگی ہوئے ہولڈنگز کے بورڈ آف ڈائریکٹرز اور حصص داران سے منظوری کے بعد لگی ہوئے ہولڈنگز (ایل ایچ ایل) - ایک منسلک کمپنی - کی جانب سے اسکیم بابت بندوبست (اسکیم) کی درخواست محض عدالت عالیہ سندھ کے روبرو دائر کی گئی ہے۔

اس اسکیم کے مطابق آئی سی آئی پاکستان لمیٹڈ میں ایل ایچ ایل کی سرمایہ کاری کو نکالا جائے گا اور آئی سی آئی کے حصص ایل ایچ ایل کے موجودہ حصص داران کو ان حصص کے تناسب سے منتقل کر دیئے جائیں گے۔ اسی طرح کمپنی جتنی تعداد میں حصص کی مالک ہے اتنی ہی تعداد میں حصص گروپ ہولڈنگز (پرائیویٹ) لمیٹڈ (جی ایچ پی ایل) - جو مکمل طور پر کمپنی کی ذیلی کمپنی ہے - کو منتقل کر دیئے جائیں گے۔ کمپنی ایل ایچ ایل میں بقیہ صافی اثاثوں کے ہندسہ حصص کی مالک رہے گی جس میں سے لین دین کے اثرات کو منہا کر دیا جائے گا۔

اس اسکیم کو سندھ ہائی کورٹ کی جانب سے مؤرخہ 09 اپریل 2019 کو منظور کر لیا گیا ہے اور اس کے نفاذ کیلئے یکم جولائی 2018 سے ہی اجازت بھی دے دی گئی ہے۔ اس طرح اب جیسا کہ اس اسکیم کے تحت جی ایچ پی ایل مکمل طور پر کمپنی کی ذیلی کمپنی بن چکی ہے ہندسہ مفروضہ مالیاتی دستاویزات تیار کرنے کے ساتھ ساتھ کمپنی کی جانب سے زیر نظر دورا کیلئے سیکھا مالیاتی دستاویزات بھی تیار کی گئی ہیں۔

معاشی منظر نامہ

مجموعی طور پر ملک کی معاشی صورتحال میں استحکام کی جانب گامزن ہے۔ زیر نظر عرصے کے دوران ملک کے اندر برآمدات میں 0.11% کی معمولی شرح نمو دیکھی گئی ہے جس کی وجہ نام مالیاتی قیوتوں میں اضافہ تھا۔ تاہم ڈالر کی صورت میں درآمدی بل کے اندر 7.96% کی کوئی کمی کے بعد گزشتہ سال اسی عرصے کے مقابلے میں زیر نظر عرصے کے دوران رواں مالی کھاتے کے خسارے میں 13.02% کمی واقع ہوئی ہے۔ مزید برآں، امریکی ڈالر میں ملک کے اندر آنے والی ترسیلات زر میں بھی 8% کے حساب سے اضافہ ہوا ہے۔

زیر نظر عرصے کے دوران غیر یقینی صورتحال بھی موجود رہی جس کی بنیادی وجہ روپے کی قدر میں تیزی سے آنے والی کمی تھی۔ اس کے علاوہ زیر نظر عرصے کے دوران ڈی-کاونٹ ریش میں بھی اضافہ ہوا جو کہ افراط زر میں اضافے کا باعث بنا۔

دوست ممالک کی جانب سے ملنے والی مالی امداد، حال ہی میں بیرونی سرمایہ کاری کیلئے مفاد بہتی یادداشتوں پر دستخط اور آئی ایم ایف کی جانب سے ملنے والے امدادی پیکیج کے حتمی مراحل میں پختگی کی وجہ سے اب اس بات کی قوی امید ہے کہ معیشت کا پھیلنا تیزی کے ساتھ گھومنے لگے گا۔

مالیاتی کارکردگی

زیر نظر نو ماہی سے متعلق کمپنی کے اہم سیکھا مالیاتی نتائج کا موازنہ ذیل میں پیش خدمت ہے:

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- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

 Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

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*Mobile apps are also available for download for android and ios devices

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