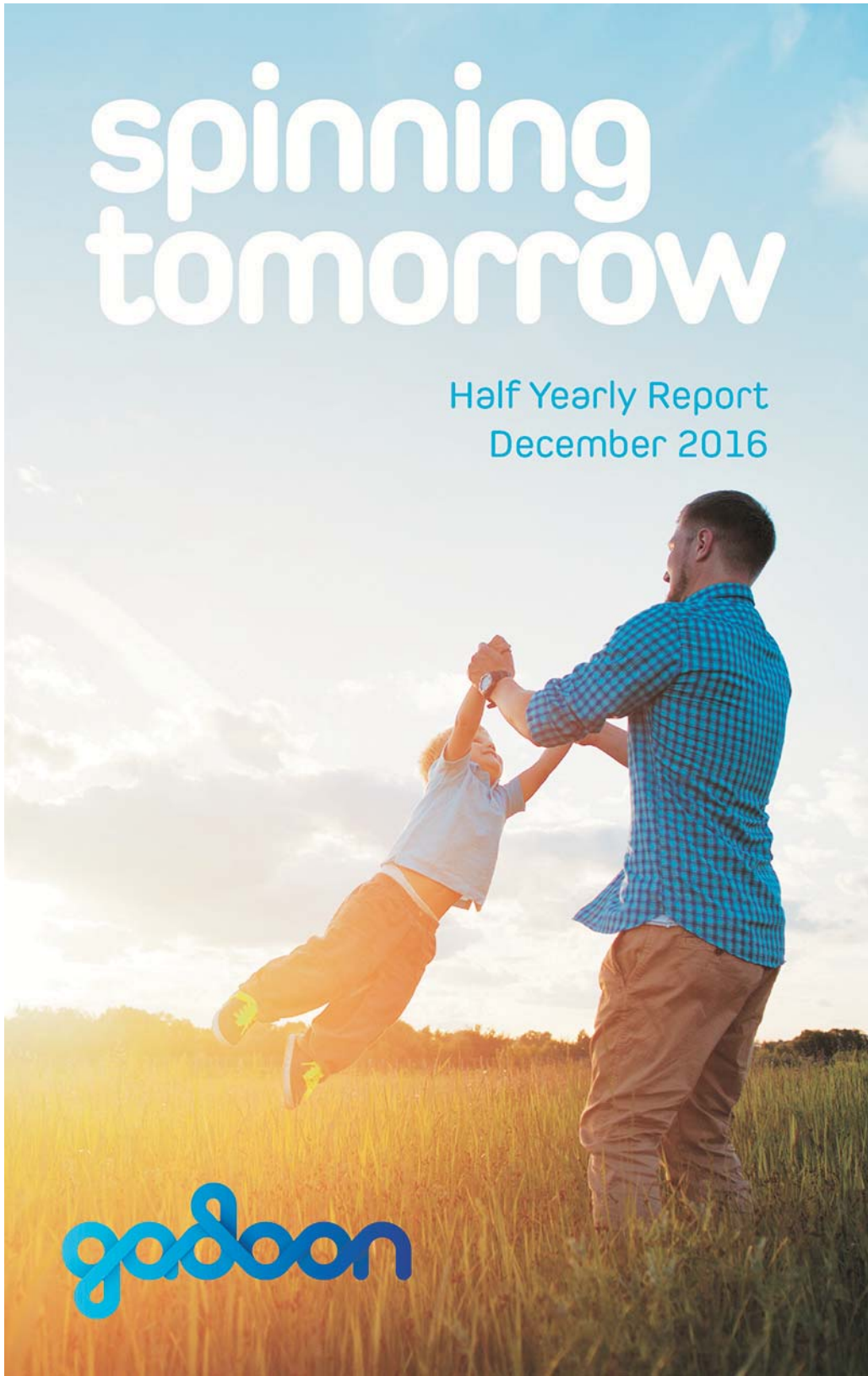


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Half Yearly Report
December 2016



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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	● 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	Soneri 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

On behalf of the Board of Directors of Gadoon Textile Mills limited, we would like to present the un-audited Financial Information of the Company for the six months ended December 31, 2016.

Overview

During the period under review, your Company recorded turnover of Rs. 11.7 billion against Rs. 10.3 billion for the Same Period Last Year (SPLY); an increase of Rs. 1.3 billion. The yarn exports of the Country is still facing challenges from the regional competitors which can be witnessed from a decline of 7.17% in Country's yarn export mainly due to higher energy costs and regional competition. Resultantly, Export sales of the Company has declined by 8% to 31% as against 39% in SPLY.

Capitalizing on its reputation built over the years, the Company shifted its efforts by penetrating in nearly every inch of the local market. Local sales witnessed an increase of Rs.1.7 billion to a six month sales of Rs. 8.1 billion against Rs. 6.4 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. 367 million posted in this period compared to meager positive bottom line of Rs. 8 million SPLY.

Economic Prospects

Overall economic position of the country remained stable during the period with growth accelerating on account of Government's macro economic and structural reforms, strong bilateral ties with other countries, although short but comparatively better and increased crop during current season and 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 47 times in its bottom line results. This is particularly due to the local market trends moving in favor of the sector and certain impact of zero-rated taxation scheme.

Profit and Loss Summary	December 31, 2016	December 31, 2015	Percentage
	(Un-audited)	(Un-audited)	
	--- (Rupees in '000) ---		Favorable / (Unfavorable)
Export	3,585,410	4,005,994	(10.50)
Local	8,094,880	6,371,330	27.05
Sales (net)	11,680,290	10,377,324	12.56
Gross Profit	686,023	591,492	15.98
Distribution Cost	(126,727)	(164,767)	23.09
Administrative Cost	(95,849)	(96,091)	0.25
Finance Cost	(172,389)	(261,246)	34.01
Other Income	206,508	83,243	148.08
Profit before tax	461,310	55,020	738.44
Profit for the year	366,870	7,636	4704.4
Earnings Per Share (Rs.)	13.09	0.27	-

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 10.5% decline. Whereas, local sales have performed exceptionally, thereby bagging 27% increase against SPLY which is mainly attributable to upward trend of Yarn prices in first quarter and impact of zero rated scheme.

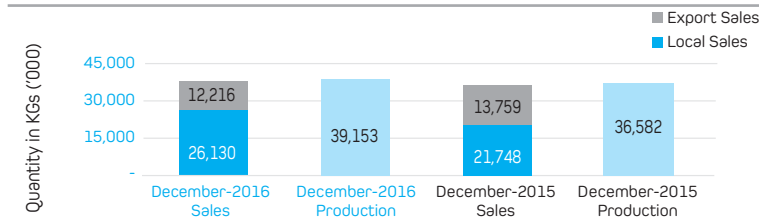
The Company is constantly engaged in ensuring optimum utilization of all available resources and has managed to contain admin cost at Rs. 95 million.

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 exercising of greater bargaining power. This resulted in reduction of finance cost by 34%.

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. 123 million in other income to Rs. 206 Million against Rs. 83 Million SPLY.

Operational Performance

The production and sales statistics for the six months ended December 31, 2016 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. This will help reduce the cost of doing business and make the export-oriented sectors competitive with other regional competitors. The Company welcomes such incentive schemes brought up by the Government which will not only support Pakistan's product to regain competitive strength in International markets but 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 start up 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 flue gases 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 contribute in better 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: January 27, 2017

auditors' report to the members on review of interim financial information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Gadoon Textile Mills Limited (the Company) as at December 31, 2016, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Mushtaq Ali Hirani

Date: January 27, 2017
Place: Karachi

condensed interim balance sheet

As at December 31, 2016 (Un-audited)

	Note	December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
— (Rupees in '000) —			
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	7,415,349	7,727,013
Long-term advance	6	-	-
Long-term loans		9,554	16,282
Long-term deposits		27,702	25,058
Long-term investments	7	2,251,816	2,194,332
		9,704,421	9,962,685
Current Assets			
Stores, spares and loose tools		436,199	515,910
Stock-in-trade	8	4,240,608	5,148,415
Trade debts		1,679,705	1,547,639
Loans and advances		531,423	579,440
Short-term investment		47,707	75,734
Trade deposits and short-term prepayments		6,614	29,573
Other receivables		497,439	448,425
Income tax refundable		514,535	612,128
Cash and bank balances		659,134	387,454
		8,613,364	9,344,718
TOTAL ASSETS		18,317,785	19,307,403
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized 57,500,000 ordinary shares of Rs.10/- each		575,000	575,000
Issued, subscribed and paid-up capital		280,296	280,296
Capital reserves		137,541	137,541
Revenue reserves		6,482,638	6,115,768
TOTAL EQUITY		6,900,475	6,533,605
Non-Current Liabilities			
Deferred liabilities		1,067,002	1,089,766
Current Liabilities			
Trade and other payables		2,223,893	1,872,207
Accrued mark-up		58,262	45,605
Short-term borrowings	9	7,946,126	9,553,768
Provision for taxation		122,027	212,452
		10,350,308	11,684,032
TOTAL LIABILITIES		11,417,310	12,773,798
TOTAL EQUITY AND LIABILITIES		18,317,785	19,307,403
CONTINGENCIES AND COMMITMENTS			
	10		

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



MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

condensed interim profit and loss account

For the Half Year Ended December 31, 2016 (Un-audited)

	Note	Half year ended		Quarter ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
(Rupees in '000)					
Sales - net		11,680,290	10,377,324	6,071,788	4,996,721
Cost of sales	11	(10,994,267)	(9,785,832)	(5,852,484)	(4,679,701)
Gross profit		686,023	591,492	219,304	317,020
Distribution cost		(126,727)	(164,767)	(64,154)	(83,590)
Administrative expenses		(95,849)	(96,091)	(39,586)	(38,013)
		(222,576)	(260,858)	(103,740)	(121,603)
		463,447	330,634	115,564	195,417
Finance cost		(172,389)	(261,246)	(91,280)	(108,629)
Other operating expenses		(36,256)	(97,611)	(33,664)	(17,432)
		254,802	(28,223)	(9,380)	69,356
Other income		95,196	9,362	37,943	4,654
Share of profit from associates					
- net of tax		111,312	73,881	47,636	29,881
Profit before taxation		461,310	55,020	76,199	103,891
Taxation	12				
Current		(122,027)	(97,561)	(64,896)	(53,753)
Prior		-	26,396	-	26,396
Deferred		27,587	23,781	11,492	(9,320)
		(94,440)	(47,384)	(53,404)	(36,677)
Profit for the period		366,870	7,636	22,795	67,214
Earnings per share					
- basic and diluted (Rupees)		13.09	0.27	0.81	2.40

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



MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

condensed interim statement of comprehensive income

For the Half Year Ended December 31, 2016 (Un-audited)

	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	(Rupees in '000)			
Profit for the period	366,870	7,636	22,795	67,214
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>366,870</u>	<u>7,636</u>	<u>22,795</u>	<u>67,214</u>

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



MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

FINAL PROOF 8.2.17

condensed interim cash flow statement

For the Half Year Ended December 31, 2016 (Un-audited)

	HALF YEAR ENDED	
	December 31, 2016	December 31, 2015
	— (Rupees in '000) —	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	461,310	55,020
Adjustments for:		
Depreciation	369,825	408,016
Loss / (gain) on disposal of property, plant and equipment	300	(1,783)
Finance cost	172,389	261,246
Share of profit from associates - net of tax	(111,312)	(73,881)
(Gain) / loss on short term investment	(87,498)	7,845
Profit on deposits	(913)	(4,126)
Dividend income	(2,415)	-
Provision for staff retirement gratuity	79,900	90,000
	420,276	687,317
Operating cash flows before working capital changes	881,586	742,337
(Increase) / decrease in current assets		
Stores, spares and loose tools	79,711	(33,379)
Stock-in-trade	907,807	166,842
Trade debts	(132,066)	206,807
Loans and advances	(76,644)	(910,264)
Receivable from an associate	-	678,135
Trade deposits and short-term prepayments	22,959	(28,068)
Other receivables	(48,952)	36,260
	752,815	116,333
Increase / (decrease) in current liabilities		
Trade and other payables	351,706	(15,821)
Changes in working capital	1,104,521	100,512
Cash generated from operations	1,986,107	842,849
Finance cost paid	(159,731)	(317,444)
Income tax received /(paid)	17,640	(105,800)
Gratuity paid	(75,077)	(48,608)
	(217,168)	(471,852)
Net cash generated from operating activities	1,768,939	370,997

HALF YEAR ENDED
December 31, December 31,
2016 2015
— (Rupees in '000) —

B. CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(73,271)	(183,039)
Sale proceeds from disposal of property, plant and equipment	14,809	3,270
Long-term loans (paid to) / recovered from employees	(1,109)	8,041
Long-term deposits paid	(2,644)	(23)
Long-term investment in associate	-	(302,000)
Sale proceeds from disposal of short term investment	115,525	-
Profit received from bank deposits	851	4,119
Dividend received	56,242	38,876
Net cash generated from / (used in) investing activities	110,403	(430,757)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long-term finance	-	(8,905)
Dividend paid	(20)	(40)
Net cash used in financing activities	(20)	(8,945)

Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,879,322	(68,705)
Cash and cash equivalents at beginning of the period	(9,166,314)	(9,899,070)
Cash and cash equivalents at end of the period	<u>(7,286,992)</u>	<u>(9,967,775)</u>

CASH AND CASH EQUIVALENTS

Cash and bank balances	659,134	511,928
Short-term borrowings	(7,946,126)	(10,479,703)
	<u>(7,286,992)</u>	<u>(9,967,775)</u>

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



MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

condensed interim statement of changes in equity

For the Half Year Ended December 31, 2016 (Un-audited)

	Issued, subscribed and paid-up share capital	Capital to be issued pursuant to amalgamation	---Capital Reserves---			----- Revenue Reserves -----				Grand total
			Share premium	Amalga- mation Reserve	Sub Total	General reserves	Amalga- mation Reserve	Unappro- priated profit	Sub 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 income for the period										
Profit for the period	-	-	-	-	-	-	-	7,636	7,636	7,636
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	7,636	7,636	7,636
Balance as at December 31, 2015	280,296	-	103,125	34,416	137,541	1,000,000	727,333	4,679,985	6,407,318	6,825,155
Total comprehensive loss for the period										
Loss for the period	-	-	-	-	-	-	-	(281,481)	(281,481)	(281,481)
Other comprehensive loss	-	-	-	-	-	-	-	(10,069)	(10,069)	(10,069)
	-	-	-	-	-	-	-	(291,550)	(291,550)	(291,550)
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	-	-	-	-	-	-	-	366,870	366,870	366,870
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	366,870	366,870	366,870
Balance as at December 31, 2016	280,296	-	103,125	34,416	137,541	1,000,000	727,333	4,755,305	6,482,638	6,900,475

The annexed notes 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 information

For the Half Year Ended December 31, 2016 (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.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the half year ended December 31, 2016 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 information 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 information is presented in Pak Rupees which is also the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee.
- 2.3 This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of clause (xix) of the Code of Corporate Governance. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance 1984.
- 2.4 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 information for the six months period ended December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information 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 information.

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, 2016.

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

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	7,152,714	7,469,897
Capital work-in-progress	5.2	262,635	257,116
		<u>7,415,349</u>	<u>7,727,013</u>

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

	Half year ended December 31, 2016 (Un-audited)		Half year ended December 31, 2015 (Un-audited)	
	Additions/ transfers	Disposals at book value	Additions/ transfers	Disposals at book value
	(Rupees in '000)			
Buildings	6,349	-	28,150	-
Plant and machinery	40,369	14,783	152,557	-
Electric installation	480	-	-	-
Computer equipments	483	23	154	-
Office equipment and installations	1,137	28	203	-
Vehicles	18,934	280	1,975	1,786
	<u>67,752</u>	<u>15,114</u>	<u>183,039</u>	<u>1,786</u>

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

	Half year ended December 31, 2016 (Un-audited)		Half year ended December 31, 2015 (Un-audited)	
	Additions	Transfers	Additions	Transfers
	(Rupees in '000)			
Gadoon Amazai				
Plant and machinery	9,152	9,152	132,789	129,191
Advances to contractors	-	-	1,995	1,975
Others	23,221	16,176	8,216	1,734
Karachi Project				
Plant and machinery	31,217	31,217	10,843	21,556
Civil works	-	-	20,112	28,150
Advances to contractors	3,642	6,349	-	-
Electric installations	480	480	-	-
Others	3,530	2,348	76	76
	<u>71,242</u>	<u>65,722</u>	<u>174,031</u>	<u>182,682</u>

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

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.

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

7. LONG - TERM INVESTMENTS

Investments in associated undertakings

ICI Pakistan Limited	1,506,500	1,463,896
Lucky Holdings Limited	144,830	137,575
Yunus Energy Limited	600,486	592,861
	2,251,816	2,194,332

8. STOCK-IN-TRADE

Raw material in

- hand	3,170,131	3,381,252
- transit	51,492	875,157
	3,221,623	4,256,409

Work-in-process	212,182	250,971
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Finished goods

- yarn	727,599	571,786
- knitted fabric	34,378	35,069
- waste at net realisable value	44,826	34,180
	806,803	641,035
	4,240,608	5,148,415

	Note	December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
--- (Rupees in '000) ---			
9. SHORT-TERM BORROWINGS - SECURED			
Banking companies - secured			
Running finance	9.1	3,805,925	1,311,646
Short term finance		2,100,000	2,000,000
Foreign currency loan against			
Import finance		1,897,331	5,586,441
Export finance		142,870	655,681
		2,040,201	6,242,122
		<u>7,946,126</u>	<u>9,553,768</u>

9.1 Facilities for running finance, import finance, export finance and short term finance are available from various banks upto Rs. 23.09 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 As at period end, bank guarantees given in favour of the Company by banks in normal course of business amounting to Rs. 898.439 million (June 30, 2016: Rs. 842.78 million).

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.

	December 31, 2016 (Un-audited)	June 30, 2016 (Audited)
--- (Rupees in '000) ---		
10.1.2 Others		
Export bills discounted with recourse	1,595,562	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	860,658	850,400

**December 31,
2016
(Un-audited)** **June 30,
2016
(Audited)**
— (Rupees in '000) —

10.2 Commitments

Letters of credit opened by banks for:

Plant and machinery	158,745	-
Raw material	3,163,400	96,658
Stores and spares	47,619	28,326
Foreign currency forward contracts	-	17,367

Furthermore on behalf of Yunus Energy Limited, the Company has signed sponsors support agreement amounting to Rs. 960 million and contractual commitments 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.

Note	Half year ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	— (Rupees in '000) —			

11. COST OF SALES

Opening stock				
- finished goods	641,035	1,020,840	1,080,985	957,786
Cost of goods manufactured 11.1	11,160,035	9,886,894	5,578,302	4,843,817
	<u>11,801,070</u>	<u>10,907,734</u>	<u>6,659,287</u>	<u>5,801,603</u>
Closing stock				
- finished goods	(806,803)	(1,121,902)	(806,803)	(1,121,902)
	<u>10,994,267</u>	<u>9,785,832</u>	<u>5,852,484</u>	<u>4,679,701</u>

11.1 Cost of goods manufactured

Opening stock				
- work in process	250,971	197,618	216,100	192,460
Raw and packing material consumed	7,683,736	6,521,029	3,891,044	3,149,305
Other manufacturing expenses	3,437,510	3,390,816	1,683,340	1,724,621
	<u>11,121,246</u>	<u>9,911,845</u>	<u>5,574,384</u>	<u>4,873,926</u>
	<u>11,372,217</u>	<u>10,109,463</u>	<u>5,790,484</u>	<u>5,066,386</u>
Closing stock				
- work in process	(212,182)	(222,569)	(212,182)	(222,569)
	<u>11,160,035</u>	<u>9,886,894</u>	<u>5,578,302</u>	<u>4,843,817</u>

12. TAXATION

There have been no change in the tax contingencies as disclosed in note number 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:

Name of Related Parties	Nature of Transaction	Half year ended	
		December 31, 2016 (Un-audited)	December 31, 2015 (Un-audited)
		----- (Rupees in '000) -----	
a. Associated companies (Common Directorship)			
Lucky Cement Limited	Purchase of cement	801	1,686
	Re-imbursment of expenses	319	-
Yunus Textile Mills Limited	Sale of yarn	148,670	258,932
	Doubling charges	-	25
Lucky Knits (Private) Limited	Sale of yarn	315,492	294,108
	Purchase of goods & services	13,934	20,966
	Purchase of vehicle	410	-
Feroze 1888 Mills Limited*	Sale of yarn	-	37,573
Lucky Textile Mills Limited	Sale of yarn	1,265,920	819,725
	Sale of fabric	175,337	1,941
	Doubling charges	1,232	36
Lucky Energy (Private) Limited	Purchase of electricity	559,096	536,317
Yunus Energy Limited	Investment in shares	-	302,000
	Share of profit on investment	7,623	12,248
ICI Pakistan Limited	Purchase of fiber	730,939	669,147
	Sale of fiber	22,379	-
	Share of profit on investment	96,433	75,491
	Dividend received	53,828	38,876
Lucky Holdings Limited	Share of profit on investment	7,256	10,638
Lucky Landmark (Private) Limited	Amount received	-	732,251
	Markup charged	-	28,491
b. Benefits to key management personnel		32,931	19,446

* 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:

2016			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

Financial assets - at fair value

Available for sale	-	-	-	-
Fair value through profit or loss - Held for trading	47,707	-	-	47,707
	<u>47,707</u>	<u>-</u>	<u>-</u>	<u>47,707</u>

2015			
Level 1	Level 2	Level 3	Total
(Rupees in '000)			

Financial assets - at fair value

Available for sale	-	-	-	-
Fair value through profit or loss - Held for trading	51,899	-	-	51,899
	<u>51,899</u>	<u>-</u>	<u>-</u>	<u>51,899</u>

There were no transfers between levels during the year/period.

There were no changes in valuation techniques during the year/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 information have been approved and authorized for issue on January 27, 2017 by the Board of Directors of the Company.



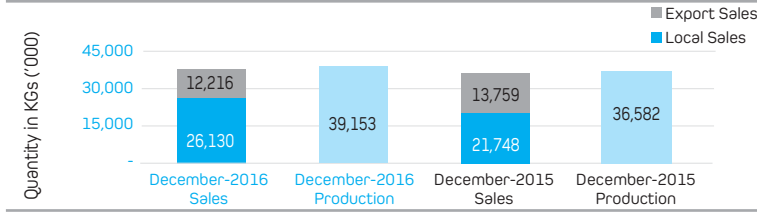
MUHAMMAD SOHAIL TABBA
Chief Executive



MUHAMMAD YUNUS TABBA
Chairman

کاروباری افعال کی کارکردگی

ششماہی بائت 31 دسمبر 2016 کے دوران پیداوار اور فروختگی سے متعلق اعداد و شمار کا گزشتہ سال اسی عرصے کے دوران ان سرگرمیوں سے تقابلی جائزہ ذیل میں پیش کیا جا رہا ہے:



مستقبل پر نظر

پاکستان کی برآمدات بشمول نیگٹائل سلکٹر میں زبردستی کی باعث حکومت کی جانب سے ایک مدت سے منظور 180 ارب روپے کی ریلیف چیک کا اعلان کیا گیا ہے جس کا سب سے بڑا حصہ نیگٹائل سلکٹر کیلئے مختص کیا گیا ہے، اس چیک کی وجہ سے کاروباری امور چلانے کی لاگت میں کمی لانے میں مدد ملے گی، نیز اس اقدام کی وجہ سے پاکستان کی 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 نمو کے مجموعی اہداف کے حصول میں بھی مدد ملے گی۔

آپ کی کمپنی نے کاربن فٹ پرنٹ میں کمی لانے کیلئے ایک قدم آگے بڑھ کر اقدامات کئے ہیں اور اس مقصد کے حصول کیلئے ویسٹ ریسیکوری پلانٹ کا 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 فلوگیسو میں کمی آئی ہے اور اس کے علاوہ بجلی کی پیداوار میں 2 میگا واٹ تک کا اضافہ بھی شامل ہیں، تاہم یہ فوائد ای حد تک محدود نہیں ہوں گے۔

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

اپنے حصص داران کو زیادہ سے زیادہ نفع پہنچانے کی غرض سے کمپنی کی انتظامیہ مسلسل اس ضمن میں کوشاں ہے کہ ویلیو ایڈڈ نیگٹائل 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

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

منجانب بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو ایڈیٹر

بہمقام کراچی: 27 جنوری 2017

مالیاتی کارکردگی

جیسا کہ درج ذیل مالیاتی نتائج سے ظاہر ہے، کمپنی نے جتنی مالیاتی نتائج میں 47 گناہ کا زبردست اضافہ حاصل کیا ہے۔ اس اضافے کا سہرا کسی حد تک صفر شرح ٹیکس اسکیم اور بنیادی طور پر مقامی مارکیٹ میں پائے جانے والے رجحان کو جاتا ہے جو کہ اسپیننگ سیکٹر کے حق میں رہا۔

شرح فیصد	31 دسمبر 2015	31 دسمبر 2016	خلاصہ نفع و نقصان
مثبت/(منفی)	غیر آڈٹ شدہ	غیر آڈٹ شدہ	
	روپے ہزاروں میں	روپے ہزاروں میں	
(10.50)	4,005,994	3,585,410	برآمدات
27.05	6,371,330	8,094,880	مقامی فروختگی
12.56	10,377,324	11,680,290	کل فروختگی
15.98	591,492	686,023	خام منافع
34.01	(261,246)	(172,389)	تمویلی لاگت
23.09	(164,767)	(126,727)	لاگت برائے تقسیم مال
0.25	(96,091)	(95,849)	لاگت برائے انتظامی امور
148.08	83,243	206,508	دیگر آمدن
738.44	55,020	461,310	منافع قبل از ٹیکس
4,704.48	7,636	366,870	منافع برائے سال رواں
-	0.27	13.09	آمدن فی حصص (روپے میں)

جیسا کہ مزکورہ 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 10.5% 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 27% 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۔

کمپنی مستقل بنیادوں پر اس مقصد کیلئے کوشاں ہے کہ اپنے موجودہ تمام وسائل کو پوری استعداد کے ساتھ استعمال میں لایا جائے اور اسی مقصد کے تحت کمپنی اپنی لاگت برائے انتظامی امور کو 95 ملین کی حد کے اندر اندر رکھنے میں بھی کمپنی کامیاب رہی ہے۔

انتظامیہ نے فنڈز کا ایک بہترین امتزاج مرتب کیا تاکہ ملک میں کم سطح پر بیچ مارک ریٹس کا فائدہ اٹھایا جاسکے اور اس کے ساتھ ساتھ لین دین میں کمپنی کی مضبوط حیثیت کا فائدہ رسک کے پھیلاؤ میں کمی کی صورت میں سامنے آیا۔ اس صورتحال کے پیش نظر لاگت برائے تمویل میں 34% کی کمی واقع ہوئی۔

وقت نے ثابت کیا ہے کہ کمپنی 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 206 ملین منافع میں 123 ملین روپے کا خاطر خواہ اضافہ ہے، جبکہ گزشتہ سال اسی عرصے کے دوران یہ آمدن 83 ملین روپے تھی۔

ڈائریکٹرز رپورٹ

معزز ممبران گرامی

گلدون ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم کمپنی کے غیر آڈٹ شدہ ششماہی مالیاتی معلومات بابت 31 دسمبر 2016 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

زیر نظر دورانے کے دوران آپ کی کمپنی کا کل کاروباری حجم 11.7 ارب روپے ریکارڈ کیا گیا ہے، جبکہ گزشتہ سال اسی عرصے کے دوران یہ کاروباری حجم 10.3 ارب روپے ریکارڈ کیا گیا تھا۔ اس طرح اس دورانے میں اس ضمن میں 1.3 ارب روپے کا اضافہ ریکارڈ کیا گیا ہے۔ وطن عزیز 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 %7.17 کی کمی ریکارڈ کی گئی ہے، اس کمی کی بنیادی وجہ تو انائی کی مد میں آنے والے بھاری اخراجات اور علاقے میں سخت مسابقتی صورتحال ہے۔ نتیجتاً، آپ کی کمپنی کی جانب سے کی جانے والی فروخت کی پڑنی برآمدات %8 کی کمی کے ساتھ %31 کی سطح پر آچکی ہے جو کہ گزشتہ سال اسی عرصے کے دوران %39 ریکارڈ کی گئی تھی۔

سال با سال کی محنت سے بنائی گئی اپنی ساکھ سے فائدہ اٹھاتے ہوئے کمپنی نے اس صورتحال میں اپنی تمام تر توانائیاں مقامی مارکیٹ کی جانب صرف کر دیں۔ ان کوششوں کے نتیجے میں مقامی سطح پر اس ششماہی کے دوران 8.1 ارب روپے کی مقامی فروختگی میں کمپنی کی جانب سے 1.7 ارب روپے کا اضافہ کیا گیا جو کہ گزشتہ سال اسی عرصے کے دوران 16.4 ارب روپے تھی۔

عالمی سطح پر سخت مسابقتی صورتحال کے باوجود آپ کی کمپنی کی انتظامیہ کی جانب سے مستقل اور انتھک محنت کے نتیجے کے بطور کمپنی کے حتمی مالیاتی نتائج مثبت رہے اور کمپنی کی جانب سے 367 ملین روپے کا منافع ریکارڈ کیا گیا جبکہ گزشتہ سال اسی عرصے کے دوران 8 ملین روپے کے منافع کے ساتھ یہ مثبت نتائج انتہائی کم سطح پر رہے تھے۔

معاشی مستقبل

مجموعی طور پر زیر نظر دورانے میں ملکی سطح پر معاشی صورتحال قدرے مستحکم رہی اور حکومت کی جانب سے کلی 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 کمپنی کی جانب سے زیادہ مستعدی کے ساتھ کاروباری افعال سرانجام دیئے 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 پڑنی سیکٹر کے سلسلے میں ٹیکس کی صفر شرح پالیسی اور بالخصوص ٹیکسٹائل سیکٹر کو مکمل طور پر فراہم کئے جانے والے ٹیکسٹائل پیکیج سے جس کا بڑی مدت سے اس سیکٹر کو انتظار تھا، برآمدات کرنے والے اس سب سے بڑے سیکٹر کو بڑی مدد ملے گی۔

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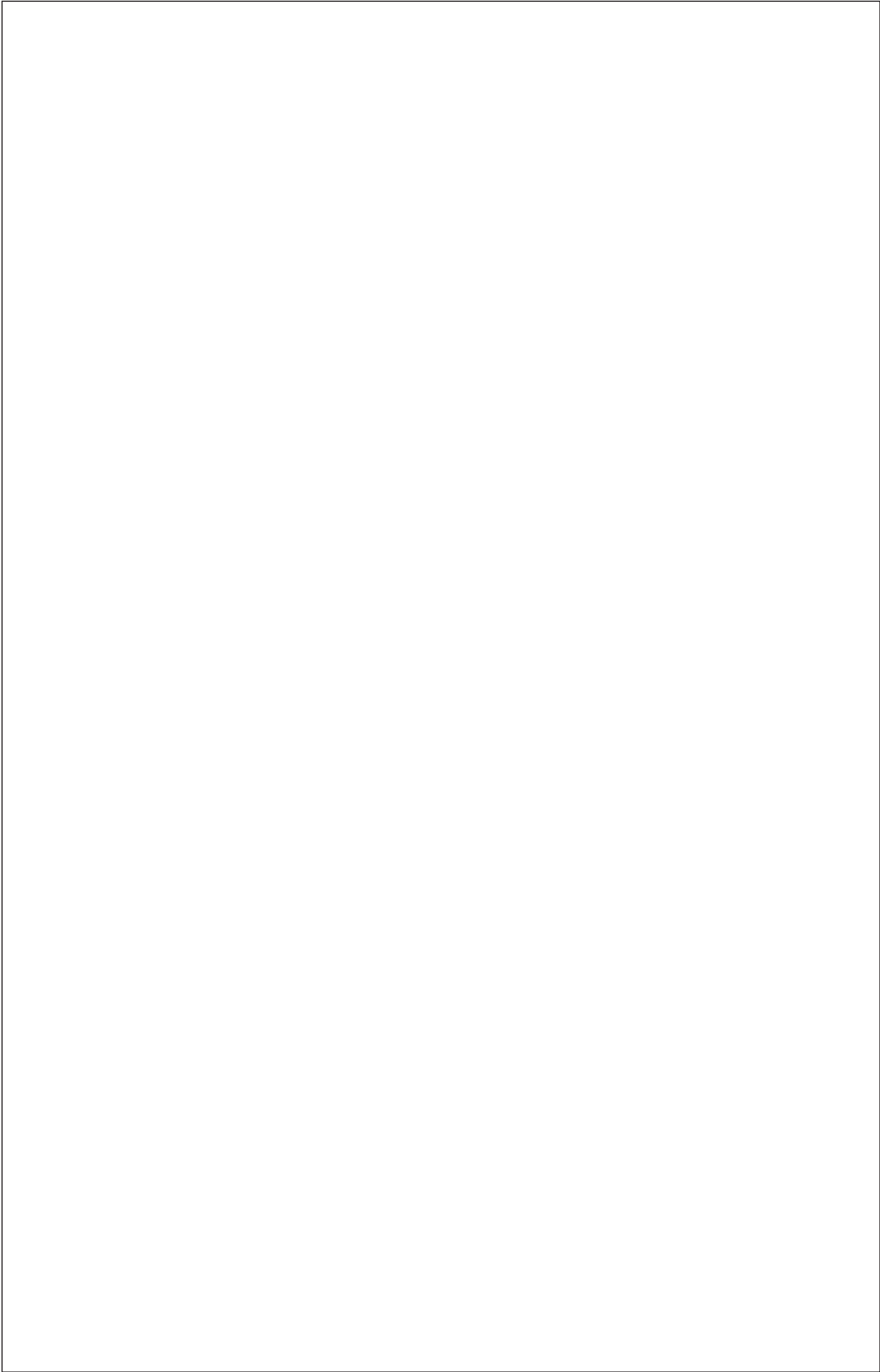
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