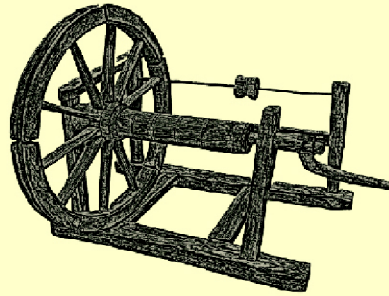


**THIRD
QUARTERLY
REPORT
MARCH 31, 2015**

SPIN:
SUCCESS THROUGH
PRINCIPLES AND
INNOVATIONS TO CREATE
NOVELTY IN THE INDUSTRY



Gadoon Textile Mills Limited





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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. Jawed Yunus Tabba
Mrs. Rahila Aleem
Mrs. Mariam Tabba Khan
Mr. Saleem Zamindar
- Audit Committee** : Mr. Saleem Zamindar (Chairman)
Mr. Muhammad Ali Tabba (Member)
Mr. Jawed Yunus Tabba (Member)
Mrs. Rahila Aleem (Member)
- Human Resources and Remuneration Committee** : Mr. Jawed Yunus Tabba (Chairman)
Mrs. Rahila Aleem (Member)
Mrs. Mariam Tabba Khan (Member)
- Executive Director Finance/CFO and Company Secretary** : Mr. Abdul Sattar Abdullah
- Chief Internal Auditor** : Mr. Haji Muhammad Mundia
- Auditors** : M. Yousuf Adil Saleem & Co.
Chartered Accountants
A Member of Deloitte Touche Tohmatsu
- Registered Office** : 7-A, Muhammad Ali Housing Society,
Abdul Aziz Haji Hashim Tabba Street,
Karachi-75350.
Phone No. : 021-35205479-80
Fax No. : 021-34382436
E-mail Address :secretary@gadoontextile.com
- Liaison Office** : 3rd Floor, Sayed's Tower, Opp. Custom House,
Jamrud Road, Peshawar.
Phone No. : 091-5701496
Fax No. : 091-5702029
E-mail Address :secretary@gadoontextile.com
- Factory Locations** : 200-201, Gadoon Amazai Industrial Estate,
Distt. Swabi, Khyber Pakhtunkhwa
and 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 Shahrah-e-Faisal, Karachi.
(Toll Free) : 0800 23275
- Bankers:**
- | | |
|---|--|
| Al Baraka Bank | Habib Metro Bank Limited |
| Allied Bank Limited | Meezan Bank Limited |
| Bank Al-Falah Limited (Islamic Banking) | National Bank of Pakistan |
| Bank Al-Habib Limited | NIB Bank Limited |
| Bank Islami Pakistan Limited | Standard Chartered Bank Pakistan Limited |
| Dubai Islamic Bank Pakistan Limited | Soneri Bank Limited |
| Faysal Bank Limited | The Bank of Punjab |
| Habib Bank Limited | United Bank Limited |



DIRECTORS' REPORT

The Directors of your Company take pleasure in presenting before you the financial statements and performance review report of the Company for the nine months ended March 31, 2015.

Overview

The challenges faced by the textile industry in general and the spinning sector in particular have adversely affected the Company's financial performance during the 3rd quarter of 2014-2015. The challenging market condition prevailing since last year; namely, availability of subsidized Indian yarn and the global economic condition have dampened the demand; resulting in reduced prices of yarn in both local and international market. In addition, the uncontrollable increase in cost of production has also made its impact in reducing the Gross profit to Rs. 894.4 million by Rs. 898.7 million compared to same period last year. The initiative taken by the Government of Pakistan towards reducing the markup cost and the reduction in fuel prices both in international and local market has provided some relief to the industry in the form of reduced financial and power costs.

Your Company made all possible efforts in diluting the worst impacts of the local and international markets by effectively managing the product and customer mix in international and local markets. The Company also managed to avail the benefits of reduced markup and fuel costs to drive the profit after tax of Rs. 9.775 million for the nine months ended March 31, 2015 compared to Rs. 725.492 million for the same period last year. Due to the change in sales mix and the addition of new production facility at its Karachi Project, the sales quantity of yarn during the nine months ended increased to 44.9 million Kgs (2014: 43.4 million kgs.).

Financial Results

A comparison of the key financial results of the Company for the quarter and nine months ended March 31, 2015 with the same period last year is as under:

	JULY - MARCH		Favourable/ (Unfavourable) %	JANUARY - MARCH		Favourable/ (Unfavourable) %
	2015 (Rupees in '000)	2014 (Rupees in '000)		2015 (Rupees in '000)	2014 (Rupees in '000)	
Export	6,258,699	7,060,150	(11.35)	1,734,871	2,264,620	(23.39)
Local	8,061,544	8,299,052	(2.86)	2,431,728	2,627,105	(7.44)
Sales (net)	14,320,243	15,359,202	(6.76)	4,166,599	4,891,725	(14.82)
Gross Profit	894,402	1,793,173	(50.12)	236,610	463,652	(48.97)
Finance Cost	533,862	552,517	3.38	185,381	226,257	18.07
Profit / (Loss) Before Tax	134,349	839,259	(83.99)	(15,935)	170,656	(109.34)
Profit / (Loss) After Tax	9,775	725,492	(98.65)	(50,285)	133,201	(137.75)
Earnings/(Loss) Per Share (Rs.)	0.42	30.95		(2.15)	5.68	

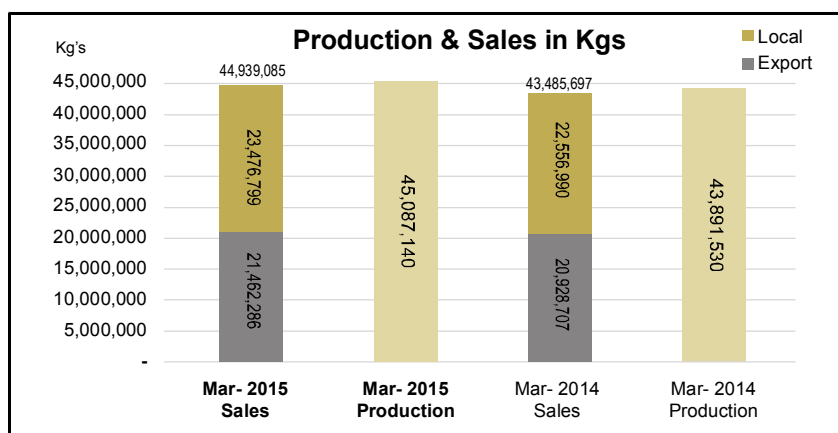
Although the sales quantity of yarn in both domestic as well as international market increased, the Company's net sales for the period declined by 6.76% compared to the same period last year (2014: Rs. 15,359.20 million). As a result, gross profit for the period worked out to be Rs.894.40 million.



The decrease of 3.38% (2014: Rs. 552.52 million) in finance cost is mainly due to decrease in markup rates; lesser amount of working capital requirement due to lower cotton prices. Owing to all the above-mentioned factors, bottom line translated into Rs. 9.775 million, resulting in an EPS of Rs. 0.42 compared to Rs. 30.95 during the corresponding period last year.

Operational Performance

The production and sales statistics for the nine months ended March 31, 2015 with its comparison of last period is presented below:



Future Outlook

With the prevailing market conditions that are expected to remain for a foreseeable future, the Company has developed and implemented measures to maximize its efficiencies and neutralize the adverse effects wherever possible. The installation of WHR is expected to be completed by the end of this financial year will reduce the fuel and power cost further.

Your Company is hopeful that the recent visit of the Chinese President to Pakistan will not only help the country combat the existing energy crisis it is facing, but would also open new avenues for bilateral business, thus enabling the Company to further explore and capitalize new market opportunities.

Also, the merger process of Fazal Textile Mills Limited into your Company has now entered its final stages, which will further enable the Company to strengthen its market position and enhance its operational efficiencies.

Acknowledgement

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

For and on behalf of the Board

Muhammad Sohail Tabba
Chief Executive / Director

Karachi: April 22, 2015



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015 (UN-AUDITED)

	Note	March 31, 2015 (Un-audited)	June 30, 2014 (Audited)
ASSETS			
---- (Rupees in '000) ----			
Non- Current Assets			
Property, plant and equipment	5	5,912,651	5,997,051
Long term advance	6	-	-
Long term loans		7,536	10,872
Long term deposits		21,031	20,974
Long term investments	7	1,640,806	1,358,798
		7,582,024	7,387,695
Current Assets			
Stores, spares & loose tools		438,545	420,354
Stock in trade	8	6,057,978	5,699,647
Trade debts		1,447,262	1,079,098
Loans and advances		363,806	458,417
Trade deposits and short term prepayments		6,083	4,076
Short term investment		50,858	49,008
Other receivables		226,367	216,739
Income tax refundable due from the government		614,364	458,509
Cash and bank balances		383,580	331,879
		9,588,843	8,717,727
TOTAL ASSETS		17,170,867	16,105,422
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised 50,000,000 ordinary shares of Rs. 10/- each		500,000	500,000
Issued, subscribed and paid up		234,375	234,375
Capital reserves - share premium		103,125	103,125
Revenue reserves			
General reserve		1,000,000	1,000,000
Un-appropriated profit		5,054,664	5,162,077
		6,054,664	6,162,077
TOTAL EQUITY		6,392,164	6,499,577
Non- Current Liabilities			
Long term financing		-	8,905
Deferred liabilities		703,090	686,456
		703,090	695,361
Current Liabilities			
Trade and other payables		1,247,545	1,133,845
Accrued mark up		169,440	142,271
Short term borrowings	9	8,527,068	7,596,319
Provision for taxation		113,748	20,235
Current portion of long term financing		17,812	17,814
		10,075,613	8,910,484
TOTAL LIABILITIES		10,778,703	9,605,845
TOTAL EQUITY AND LIABILITIES		17,170,867	16,105,422
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Sohail Tabba
Chief Executive



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE THIRD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
----- Rupees in '000 -----					
Sales-net		14,320,243	15,359,202	4,166,599	4,891,725
Cost of sales	11	(13,425,841)	(13,566,029)	(3,929,989)	(4,428,074)
Gross profit		894,402	1,793,173	236,610	463,652
Distribution cost		(211,157)	(237,368)	(66,332)	(79,102)
Administrative expenses		(135,924)	(88,743)	(35,086)	(32,761)
		(347,081)	(326,111)	(101,418)	(111,863)
		547,321	1,467,062	135,191	351,789
Finance cost		(533,862)	(552,517)	(185,381)	(226,257)
Other operating expenses		(10,960)	(178,736)	(8,556)	(6,476)
		2,500	735,809	(58,746)	119,055
Other operating income		9,616	20,601	(304)	17,506
Share of profit from associates - net of tax		122,234	82,849	43,115	34,094
Profit / (Loss) before taxation		134,349	839,259	(15,936)	170,655
Taxation	12				
Current		(113,748)	-	37,180	-
Deferred		(10,827)	(113,767)	(2,830)	(37,455)
		(124,574)	(113,767)	34,351	(37,455)
Profit / (Loss) for the period		9,775	725,492	(50,286)	133,200
Earning / (Loss) per share - basic and diluted (Rupees)		0.42	30.95	(2.15)	5.68

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Sohail Tabba
Chief Executive



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	Nine Months Ended		Quarter Ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	----- Rupees in '000 -----			
Profit / (Loss) for the period	9,775	725,492	(50,286)	133,200
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>9,775</u>	<u>725,492</u>	<u>(50,286)</u>	<u>133,200</u>

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Sohail Tabba
Chief Executive



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	Nine Months Ended	
	March 31, 2015	March 31, 2014
---- (Rupees in '000) ----		
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	134,349	839,259
Adjustments for:		
Depreciation	433,208	415,986
Gain on disposal of fixed assets	(1,517)	(3,478)
Profit on deposits	(2,103)	-
Provision for gratuity	85,430	74,669
Unrealised gain on short term investment	(1,850)	(14,692)
Share of Profit from associate-net of tax	(122,234)	-
Finance cost	510,345	535,353
	<u>901,279</u>	<u>1,007,838</u>
Operating cash flow before working capital changes	1,035,629	1,847,097
(Increase) / decrease in current assets		
Stores, spares & loose tools	(18,191)	(38,604)
Stock in trade	(358,332)	(3,940,435)
Trade debts	(368,163)	146,516
Loans and advances	(13,678)	(180,198)
Trade deposits and short term prepayments	(2,007)	(4,878)
Other receivables	(9,566)	33,878
	<u>(769,938)</u>	<u>(3,983,721)</u>
Increase in current liabilities		
Trade and other payables	112,811	6,296
	<u>112,811</u>	<u>6,296</u>
Changes in working capital	(657,128)	(3,977,425)
Cash generated from / (used in) operations	378,501	(2,130,328)
Gratuity paid	(79,623)	(44,143)
Taxes paid (including tax deducted at source)	(83,568)	(140,103)
Finance cost paid	(509,119)	(408,192)
	<u>(672,310)</u>	<u>(592,438)</u>
Net Cash used in operating activities A	(293,809)	(2,722,766)



Nine Months Ended
March 31, March 31,
2015 2014
----- (Rupees in '000) -----

B) CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(350,917)	(882,618)
Long term loans paid	(1,179)	(5,386)
Deposits against share	44,101	(18,101)
Investment in associates	(183,697)	(82,849)
Long term deposits	(57)	-
Dividend received on investment	26,050	-
Profit received from bank deposits	2,041	-
Sale proceeds of fixed assets	3,625	20,196
Net cash used in investing activities B	(460,034)	(968,758)

C) CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(116,298)	(290,560)
Repayment of long term financing	(8,907)	(8,907)
Net cash used in financing activities C	(125,205)	(299,467)
Net Decrease in Cash & Cash Equivalents (A+B+C)	(879,048)	(3,990,991)
Cash & cash equivalent at the beginning of the period	(7,264,440)	(5,352,498)
Cash & cash equivalent at the end of the period	<u>(8,143,488)</u>	<u>(9,343,489)</u>
Cash & cash equivalent		
Cash and bank balances	383,580	412,453
Short term borrowings	(8,527,068)	(9,755,942)
	<u>(8,143,488)</u>	<u>(9,343,489)</u>

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Sohail Tabba
Chief Executive



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED MARCH 31, 2015 (UN-AUDITED)

	Issued, subscribed and paid-up share capital	-- Capital Reserve --		----- Revenue Reserves -----			Grand Total
		Share premium	Sub Total	General reserves	Unappropriated profit	Sub Total	
----- (Rupees in '000) -----							
Balance as at June 30, 2013	234,375	103,125	103,125	1,000,000	4,847,337	5,847,337	6,184,837
Total comprehensive income							
Profit for the period	-	-	-	-	725,492	725,492	725,492
Other comprehensive income	-	-	-	-	-	-	-
Transaction with owners recorded directly in equity							
Final dividend for the year ended June 30, 2013 @ Rs. 12.50 per share	-	-	-	-	(292,969)	(292,969)	(292,969)
Balance as at March 31, 2014	<u>234,375</u>	<u>103,125</u>	<u>103,125</u>	<u>1,000,000</u>	<u>5,279,861</u>	<u>6,279,861</u>	<u>6,617,361</u>
Total comprehensive Income							
Loss for the period	-	-	-	-	(144,693)	(144,693)	(144,693)
Other comprehensive income	-	-	-	-	26,909	26,909	26,909
	-	-	-	-	(117,784)	(117,784)	(117,784)
Balance as at June 30, 2014	<u>234,375</u>	<u>103,125</u>	<u>103,125</u>	<u>1,000,000</u>	<u>5,162,077</u>	<u>6,162,077</u>	<u>6,499,577</u>
Total Comprehensive Income for the period							
Profit for the period	-	-	-	-	9,775	9,775	9,775
Other comprehensive income	-	-	-	-	-	-	-
Transaction with owners recorded directly in equity							
Final dividend for the year ended June 30, 2014 @ Rs. 5/= per share	-	-	-	-	(117,188)	(117,188)	(117,188)
Balance as at March 31, 2015	<u>234,375</u>	<u>103,125</u>	<u>103,125</u>	<u>1,000,000</u>	<u>5,054,664</u>	<u>6,054,664</u>	<u>6,392,164</u>

The annexed notes from 1 to 14 form an integral part of the condensed interim financial information.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Sohail Tabba
Chief Executive



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THIRD QUARTER ENDED MARCH 31, 2015 (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 Karachi and Islamabad stock exchanges. The registered office of the Company is located at 7-A Muhammad Ali Society, Abdul Aziz Hashim Tabba Street, Karachi. Its manufacturing facilities are located at Gadoon Amazai Industrial Estate, Gadoon, District Swabi, Khyber Pakhtunkhwa and Nooriabad near Karachi. The principal activity of the Company is manufacturing and sale of yarn.
- 1.2 On December 15, 2014, the Board of Directors of the Company has passed a resolution for the potential merger of Fazal Textile Mills Limited with and into the Company. Furthermore the merger has also been approved by the shareholders and creditors in their meeting held on February 18, 2015 and February 20, 2015 respectively. The Company is in process of carrying out other legal requirements with respect to merger.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the third quarter ended March 31, 2015 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, 2014.
- 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. This financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2014, whereas comparative condensed profit and loss account, condensed interim statement of other comprehensive income, condensed cash flow statement and condensed statement of changes in equity are stated from the unaudited condensed interim financial information for the third quarter ended March 31, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, estimates, judgments and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended June 30, 2014.

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, 2014.



	Note	March 31, 2015 (Un-Audited)	June 30, 2014 (Audited)
———— (Rupees in '000) ————			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,517,360	5,366,017
Capital work-in-progress	5.2	395,291	631,034
		5,912,651	5,997,051

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

	Nine Months Ended March 31, 2015 (Un-Audited)		Nine Months Ended March 31, 2014 (Un-Audited)	
	Additions/ transfers	Disposals at Book value	Additions/ transfers	Disposals at Book value
----- (Rupees in '000) -----				
Building	108,888	-	7,126	-
Plant and machinery	387,438	1,930	261,600	14,978
Electric installation	56,277	-	2,575	-
Computer equipment	1,068	-	543	-
Office equipment and installations	613	63	-	-
Furniture and fittings	3,504	-	-	-
Tools and equipment	60	-	-	-
Vehicles	28,812	114	17,256	1,740
	586,660	2,107	289,100	16,718

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

	Nine Months Ended March 31, 2015 (Un-Audited)		Nine Months Ended March 31, 2014 (Un-Audited)	
	Additions	Transfers	Additions	Transfers
----- (Rupees in '000) -----				
Gadoon amazai project				
Civil works	5,767	39,292	37,864	6,986
Plant and machinery	142,604	120,888	466,269	226,176
Advance to contractors	98,000	3,858	14,611	14,476
Electric Installations	1,049	-	2,575	2,575
Others	46,540	32,316	543	543
Karachi project				
Plant and machinery	11,548	266,550	256,509	35,424
Civil works	24,047	69,596	88,824	140
Advance to contractors	-	-	2,779	2,779
Electric installations	-	52,417	12,642	-
Others	19,678	59	-	-
	349,233	584,976	882,616	289,099



	March 31, 2015 (Un-Audited)	June 30, 2014 (Audited)
Note	---- (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)
	<u><u>-</u></u>	<u><u>-</u></u>

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

7. LONG - TERM INVESTMENTS

Investments in associated undertakings		
ICI Pakistan Limited	1,349,563	1,264,360
Lucky Holdings Limited	106,796	93,688
Yunus Energy Limited	7.1 184,447	750
	<u><u>1,640,806</u></u>	<u><u>1,358,798</u></u>

7.1 During the period the company received 18,361,500 shares at the par value of Rs. 10 of Yunus Energy Limited. The Company has entered into share pledge agreement in favour of security trustee (UBL) to the extent of 51% of its shareholding.

8. STOCK-IN-TRADE

Raw material in		
- hand	5,144,931	4,741,678
- transit	74,402	69,658
Work-in-process	157,102	163,724
Finished goods		
- yarn	626,843	632,816
- waste at net realisable	54,702	91,771
	<u><u>6,057,978</u></u>	<u><u>5,699,647</u></u>



March 31,
2015
(Un-Audited)
---(Rupees in '000)---

June 30,
 2014
 (Audited)

9. SHORT TERM BORROWINGS - SECURED

From banking companies

Running finance	2,066,725	3,978,270
Short term finance	5,355,491	1,786,319
Foreign currency loan against		
Import finance	1,104,852	1,782,355
Export finance	-	49,375
	1,104,852	1,831,730
	8,527,068	7,596,319

9.1 Facilities for running finance, import finance, export finance and short term finance are available from various banks upto Rs. 15.69 billion (June 30, 2014: Rs. 15.04 billion). The terms and conditions of the short-term borrowings including markup rates and securities have not materially changed from June 30, 2014.

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 593.5 million (June 30, 2014 : 579.5 million). Furthermore on behalf of Yunus Energy Limited, the Company has signed sponsors support agreement amounting to Rs 960 million and contractual commitment for debt servicing of two loan installments amount up to the cap of Rs 338 million.

Other contingencies are same as disclosed in notes 20.1.1 to 20.1.4 to the annual financial statements for the year ended June 30, 2014.

10.1.2 Others

Export bills discounted with recourse arrangement	1,030,197	1,343,141
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	96,356	133,696



	March 31, 2015 (Un-Audited)	June 30, 2014 (Audited)
	----(Rupees in '000)----	
10.2 Commitments		
Letters of credit opened by banks for:		
Plant and machinery	-	6,063
Raw material	156,081	103,489
Stores and spares	24,490	32,811
Foreign currency forward contracts	31,354	621,612

	Nine Months Ended		Quarter Ended	
	March 31, 2015 (Un-audited)	March 31, 2014 (Un-audited)	March 31, 2015 (Un-audited)	March 31, 2014 (Un-audited)
Note	----- (Rupees in '000) -----			

11. COST OF SALES

Opening stock - finished goods	724,586	524,451	592,223	694,443
Cost of goods manufactured 11.1	13,382,799	13,671,348	4,019,310	4,363,400
	14,107,385	14,195,799	4,611,533	5,057,843
Closing stock - finished goods	(681,544)	(629,770)	(681,544)	(629,770)
	13,425,841	13,566,029	3,929,989	4,428,073

11.1 Cost of goods manufactured

Opening stock- work in process	163,724	130,569	154,774	157,956
Raw and packing material consumed	9,584,514	10,409,405	2,809,524	3,273,729
Other manufacturing expenses	3,791,663	3,301,129	1,212,114	1,101,470
	13,376,177	13,710,534	4,021,638	4,375,199
	13,539,901	13,841,103	4,176,412	4,533,155
Closing stock - work in process	(157,102)	(169,755)	(157,102)	(169,755)
	13,382,799	13,671,348	4,019,310	4,363,400

12. TAXATION

12.1 There have been no change in the tax contingencies as disclosed in note number 17.2.1 and 28.1 to the annual audited financial statements for the year ended June 30, 2014.



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	Nine Months Ended	
		March 31, 2015 (Un-audited)	March 31, 2014 (Un-audited)
		----- (Rupees in '000) -----	
a. Associated companies			
Lucky Cement Limited (Common Directorship)	Purchase of cement	2,634	14,840
Fazal Textile Mills Limited (Common Directorship)	Sale of yarn	110,864	135,339
	Services charges	2,110	14,539
	Purchase of machinery	-	2,800
Yunus Textile Mills Limited (Common Directorship)	Sale of yarn	24,790	186,965
Lucky Knits (Private) Limited (Common Directorship)	Sale of yarn	310,059	287,802
	Purchase of machinery		
Feroze 1888 Mills Limited (Common Directorship)	Sale of yarn	21,589	239,422
Lucky Textile Mills Limited (Common Directorship)	Sale of yarn	846,133	790,723
	Grey cotton cloth purchased	-	214
Lucky Energy (Private) Limited (Common Directorship)	Purchase of electricity	318,563	249,222
Yunus Energy Limited (Common Directorship)	Markup credited	6,936	-
	Advance against shares	124,515	18,101
	Issuance of shares	183,615	-
ICI Pakistan Limited (Common Directorship & Shareholding)	Purchase of fiber	592,799	855,081
	Share of profit on investment	109,126	74,395
	Dividend received	23,924	-
Lucky Holdings Limited (Common Directorship)	Share of profit on investment	13,108	8,454
Y.B.Holdings (Private) Limited	Dividend Paid	65,927	-
Y.B.(Pakistan) Limited	Dividend Paid	23,902	-
b. Benefits to key management personnel		12,445	10,732

14. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved and authorized for issue on April 22, 2015 by the Board of Directors of the Company.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Sohail Tabba
Chief Executive



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