



Quarterly Report

***Condensed Interim Financial Information
For The 3rd Quarter Ended March 31, 2018***

Company Information

BOARD OF DIRECTORS	Mohomed Bashir	- Chairman
	Zain Bashir	- Vice Chairman/ Executive Director
	Mohammed Zaki Bashir	- Chief Executive Officer
	Ziad Bashir	- Non Executive Director
	S.M. Nadim Shafiqullah	- Non Executive Director
	Dr. Amjad Waheed	- Independent Director
	Ehsan A. Malik	- Independent Director
CHIEF FINANCIAL OFFICER	Abdul Aleem	
COMPANY SECRETARY	Salim Ghaffar	
AUDIT COMMITTEE	Dr. Amjad Waheed	- Chairman & Member
	Mohomed Bashir	- Member
	S.M. Nadim Shafiqullah	- Member
	Salim Ghaffar	- Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Ehsan A. Malik	- Chairman & Member
	Mohomed Bashir	- Member
	Zain Bashir	- Member
	Salim Ghaffar	- Secretary
BANKERS	Allied Bank Limited	
	Bank Al Habib Limited	
	Askari Bank Limited	
	Al Baraka Bank (Pakistan) Limited	
	Bank Alfalah Limited (Islamic)	
	Bankislami Pakistan Limited	
	The Bank Of Punjab	
	Dubai Islamic Bank Pakistan Limited	
	Faysal Bank Limited	
	Habib Bank Limited	
	Habib Metropolitan Bank Limited	
	MCB Bank Limited	
	MCB Islamic Bank Limited	
	Meezan Bank Limited	
	National Bank Of Pakistan	
	Samba Bank Limited	
	Silkbank Limited	
	Soneri Bank Limited	
	Standard Chartered Bank (Pakistan) Limited	
	United Bank Limited	
	The Bank of Khyber	
AUDITORS	Kreston Hyder Bhimji & Co. Chartered Accountants	
INTERNAL AUDITORS	Grant Thornton Anjum Rahman Chartered Accountants	
LEGAL ADVISORS	A.K. Brohi & Co Advocates	
REGISTERED OFFICE	Plot No.82, Main National Highway, Landhi, Karachi-75120	
SHARE REGISTRAR	FAMCO Associates (Private) Limited 8-F, Next To Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-E-Faisal, Karachi. Phone No. (+92-021) 34380101-5 Fax No. (+92-021) 34380106	
MILLS	Landhi Industrial Area, Karachi-75120	
E-MAIL	finance@gulahmed.com	
URL	www.gulahmed.com	

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present their review of the affairs of the Company for the nine months ended March 31, 2018.

ECONOMIC OVERVIEW

The pace of growth of our country's economy remained strong during the financial year 2018 and the economy appears to be on a path to achieve growth of between 5.5 to 6.0 percent. This growth is backed by cumulative increase in exports of approximately 12 percent as compared to same period of last year. The turnaround in export has been caused primarily by a healthy growth in textile exports (mainly knitwear, bed wear and readymade garments), as well as by export of food related commodities i.e. rice and sugar. This upturn in exports is likely to continue on the back drop of synchronized recovery in the global economy and world trade. Further, the other inflows such as foreign direct investment and non-resident Pakistani's remittances have also shown an improvement.

Despite a noticeable turnaround in the country's exports since early 2017, the pressure on the balance of payments has continued to mount. Import growth has been fairly firm cumulatively from July 2017 to February 2018, rising by 17 percent over same period of last year. Resultantly, the current account deficit rose by 50 percent for the period from July 2017 to February 2018 over same period in FY17, to US\$ 10.8 billion. Higher import of energy, iron & steel, transport equipment and food has been the primary driver for the larger import bill.

INDUSTRIAL OVERVIEW

The performance of textile sector is heavily dependent on the local cotton crop. The country has produced around 11.57 million bales up to March 31, 2018 versus the annual revised target of 12.6 million bales. Hence, despite being the world's fourth largest cotton producer, Pakistan is currently relying on imported cotton to meet the estimated annual demand of 15 to 16 million bales. Nonetheless, the country's textile exports has risen during the year as stated earlier due to the rupee value adjustment, textile package and the GSP plus scheme of the EU. However, exports of cotton cloth remained flat due to weak demand from China.

The textile sector which absorbs 40% of the total industrial workforce and contributes 62% towards exports still has immense untapped potential. As mentioned above, the textile package and adjustment of PKR versus US\$ parity has provided some respite. However, challenges such as disallowance of adjustment of input tax on packing material, increase in minimum wages, higher production costs as compared to global competitors and long outstanding receivables from the Government continue to halt revival to its full potential. Notably, the industrial gas tariff in Pakistan is 100% higher and electricity tariff is almost 50% higher as compared to other regional competitors which hampers competitiveness of spinning, weaving and processing industries on a global scale. Owing to this Pakistan is not even in the list of the top 10 textile exporters.

FINANCIAL PERFORMANCE

During the period under review, the management continued to focus on profitable avenues, maximizing efficiency in production activities and cost rationalization through various means. These have boosted overall sales and profit as compared to the corresponding period of previous year, driven by the increase in sales which reaped benefits of BMR investment made in the past few years. The Company made net sales of Rs. 32,477 million during the period as against Rs. 28,730 million in the corresponding period of previous year thus showing a healthy increase of around 13%. Further, owing to the effects of cost rationalization measures and BMR activities, the gross profit of the Company improved by 27% over the corresponding period last year, increasing from 18.3% to 20.6%. Accordingly, profit before tax improved by 194 % exhibiting an increase from Rs. 494 million to Rs. 1,433 million, while profit after tax increased from Rs. 294 million to Rs. 1,255 million.

Key financial numbers are presented below:

Description	Units	Nine months ended March 31, 2018	Nine months ended March 31, 2017
Net export sales	Rs. in millions	22,123	19,357
Net local sales	Rs. in millions	10,354	9,373
Net total sales	Rs. in millions	32,477	28,730
Gross profit	Rs. in millions	6,680	5,260
Profit before tax	Rs. in millions	1,433	493
Profit after tax	Rs. in millions	1,255	294
Earnings per share (EPS)	Rupees	3.52	0.99
Break-up-value per share	Rupees	33.06	30.01
Debt to equity ratio	Times	0.65	0.74
Current ratio	Times	1.12	1.01

FUTURE OUTLOOK

We see financial year 2018 to be a positive year for the textile sector especially for export orientated companies due to the textile package announced by the government and the anticipated incentives to export-driven sectors. Accordingly, we are optimistic about the future outlook of the Company as management will continue to drive agenda of attracting customers through innovation and stronger brand equity, both locally and internationally. Measures are also being taken to rationalize costs which would eventually improve results and ensure sustainability.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the nine months ended March 31, 2018 of the Company and its subsidiaries Gul Ahmed International Limited (FZC) - UAE, GTM (Europe) Limited – UK, GTM USA Corp. - USA and Sky Home Corp. – USA are annexed.

ACKNOWLEDGEMENT

We acknowledge and appreciate the efforts and valuable support of all stakeholders.

For and on behalf of the Board

April 28, 2018
Karachi

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

ڈائریکٹرز کی جائزہ رپورٹ برائے حصص داران

آپ کی کمپنی کے ڈائریکٹرز کمپنی کے معاملات کا 9 ماہ کا جائزہ اختتام پذیر 31 مارچ 2018 پیش کرتے ہوئے انتہائی مسرت محسوس کرتے ہیں۔

معاشی جائزہ:

مالی سال 2018 کے دوران ہمارے ملک کی معیشت کی رفتار مستحکم رہی اور معیشت میں 5.5 سے 6.0 فیصد کے درمیان ترقی کی شرح سامنے آئی۔ اس ترقی کی اصل وجہ پچھلے سال کے مقابلہ میں مجموعی برآمدات کی مد میں تقریباً 12 فیصد اضافہ ہے۔ بنیادی طور پر ٹیکسٹائل ایکسپورٹ (خاص طور پر نیٹ ویئر، بیڈ ویئر اور ریڈی میڈ گارمنٹس) میں قابل قدر اضافہ اور غذائی اشیاء جیسا کہ چاول اور شکر وغیرہ کے سبب برآمدات میں تیزی ہوئی۔ عالمی معیشت اور عالمی تجارت میں گہما گہمی کے باعث برآمدات میں اضافہ متوقع ہے۔ مزید، دیگر ذرائع جیسا کہ براہ راست بیرونی سرمایہ کاری اور بیرون ملک پاکستانیوں کے ترسیلات زر بھی بہتری کا سبب بنے۔

سال 2017 کی ابتدا سے ملکی برآمدات میں نمایاں اضافہ کے باوجود، بقایا جات کی ادائیگی کا دباؤ مسلسل بڑھتا رہا۔ جولائی 2017 سے فروری 2018 تک درآمدات میں پچھلے سال کے مقابلہ میں بتدریج 17 فیصد اضافہ ہوا۔ نتیجتاً، مالی سال 2017 کے یکساں دورانیہ کے مقابلہ میں جولائی 2017 سے فروری 2018 تک خسارہ 50 فیصد یعنی 10.8 بلین امریکی ڈالر تک بڑھ گیا۔ انرجی، آئرن واسٹیل، ٹرانسپورٹ اور غذائی اشیاء کی بے انتہا درآمد، بھاری ادائیگیوں کی ذمہ دار ہیں۔

صنعتی جائزہ:

ٹیکسٹائل کی کارکردگی بڑی حد تک مقامی کاٹن کی فصل پر منحصر ہے۔ ملک میں 12.6 ملین بیلز کے سالانہ ہدف کے مقابلہ میں 31 مارچ 2018 تک 11.57 ملین بیلز کی پیداوار ہوئی ہے۔ لہذا، دنیا کے چوتھے بڑے کاٹن کی

پیداوار کرنے والے ملک کے باوجود، پاکستان اس وقت تخمینہ کی گئی سالانہ 15 سے 16 ملین بیلز کی طلب کو پورا کرنے کیلئے درآمدی کاٹن پر انحصار کر رہا ہے۔ بلاشبہ، روپے کی قدر میں کمی، ٹیکسٹائل پیکیج اور یورپی یونین کی GSP پلس اسکیم، کے سبب ملکی ٹیکسٹائل برآمدات میں زیر غور سال کے دوران اضافہ ہوا ہے۔ تاہم، چائنا سے طلب میں کمی کے سبب، سوئی کپڑوں کی برآمدات میں کوئی تبدیلی نہیں ہوئی۔

ٹیکسٹائل کا شعبہ جو کہ کل صنعتی افرادی قوت کا 40 فیصد ہے اور برآمدات کی مد میں 62 فیصد حصہ دیتا ہے، ابھی تک قابل قدر درجہ پر فائز ہے۔ جیسا کہ اوپر بیان کیا گیا ہے، ٹیکسٹائل پیکیج اور PKR بمقابلہ US\$ کے قدر مساوات نے کچھ تسکین فراہم کی ہے۔ تاہم، پیکنگ میٹریل پر ان پٹ ٹیکس کی مطابقت کی عدم منظوری، کم از کم تنخواہ جات میں اضافہ، عالمی حریف کے مقابلہ میں بھاری پیداواری لاگت اور حکومت کی جانب سے طویل مدتی واجب الادا وصولیابی جیسے چینلجز از سر نو درپیش ہیں۔ دیگر مقامی حریفوں کے مقابلے میں پاکستان میں گیس کے نرخ 100 فیصد زیادہ جبکہ بجلی کے نرخ تقریباً 50 فیصد زیادہ ہیں جو کہ عالمی سطح پر اسپینگ، ویونگ اور صنعتی عملیات کے مقابلے کی فضا میں رکاوٹ پیدا کرتے ہیں۔ ان وجوہات کے سبب پاکستان ٹیکسٹائل برآمد کرنے والے دس ممالک میں شامل تک نہیں ہے۔

مالیاتی کارکردگی

کمپنی نے اپنی توجہ منافع بخش راہوں، پیداواری سرگرمیوں کی استعداد بڑھانے اور لاگتی تنظیم بذریعہ موثر نظم و نسق، کی جانب مبذول کر رکھی ہے۔ اس طرح، کمپنی گزشتہ سال کے مماثل دورانیہ کے مقابلہ میں مجموعی فروخت اور نفع کو بڑھانے کے قابل ہوئی۔ گزشتہ چند سالوں کے دوران کی گئی BMR سرمایہ کاری کے ذریعے ترقی وقوع پذیر ہوئی۔ کمپنی نے خالص فروخت مبلغ 32,477 ملین روپے حاصل کی جبکہ اس کے مقابلہ میں مماثل دورانیہ میں پچھلے سال 28,730 ملین روپے تھی جو کہ تقریباً 13 فیصد بتدریج اضافہ کو ظاہر کرتا ہے۔ لاگتی تنظیمی اقدامات موثر ہونے اور گزشتہ سال کے دوران کی گئیں BMR سرگرمیوں کے سبب، مجموعی منافع میں بھی 27 فیصد اضافہ ہوا جبکہ گزشتہ سال مماثل دورانیہ میں یہ منافع 18.3 فیصد سے 20.6 فیصد ہوا۔ اس طرح، قبل از ٹیکس منافع میں 194 فیصد بہتری آئی جس نے مبلغ 494 ملین روپے سے 1,433 ملین روپے کا منافع قائم کیا، جبکہ مابعد ٹیکس منافع مبلغ 295 ملین روپے سے بڑھ کر 1,255 ملین روپے ہو گیا۔

عددی احوال ذیل پیش خدمت ہے:

نوماہ اختتام پذیر 31 مارچ 2017	نوماہ اختتام پذیر 31 مارچ، 2018	اکائیاں	تفصیل
19,357	22,123	روپے ملین میں	خالص برآمدی فروخت
9,373	10,354	روپے ملین میں	خالص مقامی فروخت
28,730	32,477	روپے ملین میں	کل خالص فروخت
5,260	6,680	روپے ملین میں	مجموعی منافع
493	1,433	روپے ملین میں	قبل از ٹیکس منافع
294	1,255	روپے ملین میں	بعد از ٹیکس منافع
0.99	3.52	روپے	فی حصص آمدنی (EPS)
30.01	33.06	روپے	فی حصص خالص قدر
0.74	0.65	دفعہ	ادارتی تناسب پر قرض
1.01	1.12	دفعہ	موجودہ تناسب

مستقبل کے امکانات:

ہم مالیاتی سال 2018 کو ٹیکسٹائل کے شعبہ کیلئے مثبت دیکھ رہے ہیں خاص کر برآمد کرنے والی کمپنیوں کیلئے، جس کی اصل وجہ حکومت کی جانب سے ٹیکسٹائل پیکیج کا اعلان اور ایکسپورٹ کے شعبہ میں آئندہ مثبت پہلو ہیں۔ لہذا، کمپنی مقامی اور بین الاقوامی دونوں کی تجدید اور ٹھوس برانڈ ایکوٹی کے ذریعے صارفین کی جاذبِ نظر بنانے کے لائحہ عمل پر گامزن رہے گی۔ لاگت کے تناسب کو محدود کرنے کیلئے اقدامات کیے گئے ہیں جو کہ نتائج میں بہتری استحکام کو یقینی بنانے کا سبب ہوں گے۔

مجموعی مالی گوشوارے:

مجموعی مالی گوشوارے برائے نو ماہ اختتام پذیر 31 مارچ، 2018 برائے کمپنی اور اس کی ذیلی کمپنیاں گل احمد انٹرنیشنل لمیٹڈ (FZC) متحدہ عرب امارات، GTM (یورپ) لمیٹڈ - برطانیہ، GTM متحدہ ریاست ہائے امریکہ کارپوریشن - USA اور اسکاٹی ہوم کارپوریشن، USA ساتھ منسلک ہیں۔

تسلیم و تحسین:

ہم تمام شراکت داران کی جانب سے قابل قدر حمایت اور کوششوں کو تسلیم کرتے اور انہیں سراہتے ہیں۔

بورڈ کی جانب سے:

28 اپریل 2018ء

کراچی

محمد زکی بشیر
چیف ایگزیکٹو آفیسر

محمد بشیر
چیرمین

**Condensed Interim Un-consolidated
Balance Sheet
As at March 31, 2018**

	Note	Un-Audited March 2018	Audited June 2017
Rupees in '000			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 750,000,000 ordinary shares of Rs.10 each (June-2017: 400,000,000 ordinary shares of Rs.10 each)		7,500,000	4,000,000
Issued, subscribed and paid-up capital 356,495,525 ordinary shares of Rs. 10 each		3,564,955	3,564,955
Reserves		8,247,462	7,348,962
		11,812,417	10,913,917
NON-CURRENT LIABILITIES			
Long term financing - Secured	5	6,427,371	7,146,403
Deferred liabilities			
Deferred taxation - net		298,358	298,358
Staff retirement benefits		23,271	23,864
		321,629	322,222
CURRENT LIABILITIES			
Trade and other payables		8,171,876	5,583,378
Accrued mark-up/profit		113,093	138,898
Short term borrowings		14,402,727	11,935,343
Current maturity of long term financing	5	1,263,344	678,511
		23,951,040	18,336,130
CONTINGENCIES AND COMMITMENTS			
	7	42,512,457	36,718,672
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	15,338,207	15,969,256
Intangible assets	9	26,575	33,747
Long term investment		58,450	58,450
Long term loans and advances		38,851	40,092
Long term deposits		194,227	192,629
		15,656,310	16,294,174
CURRENT ASSETS			
Stores, spare parts and loose tools		1,000,573	988,216
Stock-in-trade		16,410,040	12,469,962
Trade debts		4,613,587	3,345,046
Loans and advances		1,097,328	688,979
Short term prepayments		312,724	196,653
Other receivables		1,629,885	1,143,099
Tax refunds due from Government		514,729	648,960
Taxation - net		779,513	673,701
Cash and bank balances		497,768	269,882
		26,856,147	20,424,498
		42,512,457	36,718,672

The annexed notes form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

**Condensed Interim Un-consolidated
Profit And Loss Account
For the nine months ended 31 March, 2018**

Note	Un-Audited			
	Nine months ended		Quarter Ended	
	July to March 2018	July to March 2017	January to March 2018	January to March 2017
	-----Rupees in '000-----			
Sales	32,458,741	28,729,331	11,533,298	10,204,227
Cost of sales				
Opening stock of finished goods	9,733,822	11,285,914	11,854,532	11,871,883
Cost of goods manufactured	27,894,212	24,072,083	8,953,751	8,265,906
Closing stock of finished goods	(11,829,876)	(11,900,897)	(11,829,876)	(11,900,897)
	25,798,158	23,457,100	8,978,407	8,236,892
Gross profit	6,660,583	5,272,231	2,554,891	1,967,335
Distribution cost	3,114,362	2,812,380	1,217,976	1,151,814
Administrative expenses	1,553,336	1,467,123	443,111	355,455
Other operating expenses	122,709	36,596	66,391	21,564
	4,790,407	4,316,099	1,727,478	1,528,833
	1,870,176	956,132	827,413	438,502
Other income	251,800	172,739	96,728	72,217
Operating profit	2,121,976	1,128,871	924,141	510,719
Finance cost	689,197	635,089	231,856	210,444
Profit before taxation	1,432,779	493,782	692,285	300,275
Taxation				
- Current	177,783	192,193	55,036	64,329
- Deferred	-	6,708	-	24,047
	177,783	198,901	55,036	88,376
Profit after taxation	1,254,996	294,881	637,249	211,899
Earning per share - basic and diluted (Rs.)	3.52	Re-stated 0.91	1.79	Re-stated 0.65

The annexed notes form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

**Condensed Interim Un-consolidated
Statement of Comprehensive Income
For the nine months ended 31 March, 2018**

Note	Un-Audited			
	Nine months ended		Quarter Ended	
	July to	July to	January to	January to
	March	March	March	March
	2018	2017	2018	2017
	-----Rupees in '000-----			
Profit after taxation	1,254,996	294,881	637,249	211,899
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>1,254,996</u>	<u>294,881</u>	<u>637,249</u>	<u>211,899</u>

The annexed notes form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

**Condensed Interim Un-Consolidated
Cash Flow Statement
For the nine months ended 31 March, 2018**

Note	Un-Audited	
	Nine months ended	
	March 2018	March 2017
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,432,779	493,782
Adjustments for:		
Depreciation	1,365,390	1,139,479
Amortisation	7,412	4,219
Provision for gratuity	34,722	20,701
Finance cost	689,197	635,089
Provision for slow moving/obsolete stores, spares and loose tools	17,052	10,984
Impairment allowance against doubtful trade debts	31,604	28,740
Loss on disposal of property, plant and equipment	15,778	1,866
Unclaimed liabilities written back	-	937
Gain on disposal of property, plant and equipment	(66,189)	(13,793)
	2,094,966	1,828,222
Cash flows from operating activities before adjustments of working capital	3,527,745	2,322,004
Changes in working capital:		
(Increase)/Decrease in current assets		
Stores, spare parts and loose tools	(29,409)	(134,122)
Stock-in-trade	(3,940,078)	(1,147,746)
Trade debts	(1,300,145)	175,741
Loans and advances	(408,349)	(227,721)
Short term prepayments	(116,071)	(27,131)
Other receivables	(486,786)	(348,516)
Tax refunds due from Government	134,231	343,083
	(6,146,607)	(1,366,412)
Increase in current liabilities		
Trade and other payables	2,585,086	678,147
	(3,561,521)	(688,265)
Cash generated (used in) / from operations	(33,776)	1,633,739
Adjustments for:		
Gratuity paid	(35,315)	(48,848)
Finance cost paid	(715,002)	(647,207)
Income tax paid	(283,595)	(567,074)
Net decrease in Long term loans and Advances	1,241	(19,818)
Net (decrease) in Long term deposits	(1,598)	(40,461)
	(1,034,269)	(1,323,408)
Net Cash (used in) / generated from Operating activities	(1,068,045)	310,331
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(895,172)	(4,519,077)
Addition to intangible assets	(240)	(7,748)
Proceeds from sale of property, plant and equipment	211,242	25,065
Net cash used in investing activities	(684,170)	(4,501,760)
Balance carried forward	(1,752,215)	(4,191,429)

**Condensed Interim Un-Consolidated
Cash Flow Statement
For the nine months ended 31 March, 2018**

	Note	Un-Audited	
		March 2018	March 2017
		-----Rupees in '000-----	
Balance brought forward		(1,752,215)	(4,191,429)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		425,754	2,983,753
Repayments of long term financing		(559,953)	(631,234)
Dividend paid		(353,084)	(96,947)
Net cash (used in) / generated from financing activities		(487,283)	2,255,572
Net decrease in cash and cash equivalents		(2,239,498)	(1,935,857)
Cash and cash equivalents - at the beginning of the period		(11,665,461)	(12,558,716)
Cash and cash equivalents - at the end of the period	10	(13,904,959)	(14,494,573)

The annexed notes form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

**Condensed Interim Un-consolidated
Statement of Changes in Equity
For the nine months ended 31 March, 2018**

	Share Capital	Reserves				Total
		Capital reserve - Share Premium	Revenue Reserve		Subtotal Reserves	
			General Reserve	Unappropri- ated Profit		
----- Rupees '000-----						
Balance as at June 30, 2016 (Audited)	2,970,796	514,176	4,480,000	753,267	5,747,443	8,718,239
Transfer to general reserve	-	-	500,000	(500,000)	-	-
Transactions with owners						
Final dividend for the year ended June 30, 2016	-	-	-	(97,727)	(97,727)	(97,727)
Total Comprehensive income for the nine months ended March 2017 (un-audited)						
Profit after taxation	-	-	-	294,881	294,881	294,881
Balance as at 31 March, 2017 (Un-audited)	2,970,796	514,176	4,980,000	450,421	5,944,597	8,915,393
Transactions with owners						
Issuance of right shares	594,159	891,239	-	-	891,239	1,485,398
Total comprehensive income for the year ended June 2017						
Profit after taxation	-	-	-	523,541	523,541	523,541
Other comprehensive income	-	-	-	(10,415)	(10,415)	(10,415)
	-	-	-	513,126	513,126	513,126
					-	-
Balance as at June 30, 2017 (Audited)	3,564,955	1,405,415	4,980,000	963,547	7,348,962	10,913,917
Transfer to general reserve	-	-	400,000	(400,000)	-	-
Transactions with owners						
Final dividend for the year ended June 30, 2017	-	-	-	(356,496)	(356,496)	(356,496)
Total Comprehensive income for the nine months ended March 2018 (un-audited)						
Profit after taxation	-	-	-	1,254,996	1,254,996	1,254,996
Balance as at 31 March, 2018 (Un-audited)	3,564,955	1,405,415	5,380,000	1,462,047	8,247,462	11,812,417

The annexed notes form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

**Notes to the Condensed Interim Un-consolidated
Financial Information (Un-audited)
For the nine months ended 31 March, 2018**

1 LEGAL STATUS AND ITS OPERATIONS

Gul Ahmed Textile Mills Limited (The Company) was incorporated on April 01, 1953 in Pakistan as a private limited company, subsequently converted into public limited company on January 07, 1955 and is listed on the Pakistan Stock Exchange Limited. The Company is a composite textile mill and is engaged in the manufacture and sale of textile products.

The Company's registered office is situated at Plot No. 82, Main National Highway, Landhi, Karachi.

The Company is a subsidiary of Gul Ahmed Holdings (Private) Limited.

The Company has the following subsidiaries:

<u>Name of Subsidiary</u>	<u>Date of Incorporation</u>	<u>Percentage of Holding</u>	<u>Country of Incorporation</u>
Gul Ahmed International Limited FZC	November 27, 2002	100%	U.A.E
GTM (Europe) Limited - Indirect subsidiary	April 17, 2003	100%	U.K
GTM USA Corp. - Indirect subsidiary	March 19, 2012	100%	U.S.A
Sky Home Corp.- Indirect Subsidiary	February 28, 2017	100%	U.S.A

All four subsidiaries are engaged in trading of textile related products.

2 BASIS OF PREPERATION

This condensed interim un-consolidated financial information of the Company for the nine months ended March 31, 2018 has been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

This condensed interim un-consolidated financial information comprise of the condensed interim un-consolidated balance sheet as at March 31, 2018 and the condensed interim un-consolidated profit and loss account, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated cash flow statement and condensed interim un-consolidated statement of changes in equity for the nine months ended March 31, 2018.

The comparative balance sheet, presented in this condensed interim un-consolidated financial Information, as at June 30, 2017 has been extracted from the audited un-consolidated financial statements of the Company for the year ended June 30, 2017, whereas the comparative condensed interim un-consolidated profit and loss account, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated cash flow statement and condensed interim un-consolidated statement of changes in equity for the nine months ended March 31, 2018 have been extracted from the condensed interim un-consolidated financial information of the Company for the nine months ended March 31, 2017.

This condensed interim unconsolidated financial information do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the un-consolidated financial statements for the year ended June 30, 2017.

Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after July 1, 2017, do not have any impact on this condensed interim financial information, and are therefore not presented.

3 ACCOUNTING POLICIES

Same accounting policies and methods of computation are adopted for the preparation of these condensed interim un-consolidated financial information as those applied in the preparation of un-consolidated financial statements for the year ended June 30, 2017.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim un-consolidated financial information requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended June 30, 2017.

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, 2017.

	Un-Audited	Audited
	March	June
	2018	2017
	Rupees in '000	
5 Long term financing - Secured		
Opening balance	7,824,914	5,118,004
Add: Obtained during the period / year	425,754	3,427,770
Less: Repaid during the period / year	(559,953)	(720,860)
	<u>7,690,715</u>	<u>7,824,914</u>
Less: Current portion shown under current liabilities	<u>(1,263,344)</u>	<u>(678,511)</u>
	<u><u>6,427,371</u></u>	<u><u>7,146,403</u></u>

6 TRADE AND OTHER PAYABLES

Trade and other payables include provision in respect of;

- a) Increase in gas tariff rates notified vide SRO No. (I) / 2015 dated 31 August, 2015, and Oil and Gas Regulatory Authority (OGRA) notification dated 30-12-2016 as was disclosed in note no 9.1.2 of the financial statements for the year ended June 30, 2017. Accordingly, the Company has provided banker's verified cheques of Rs. 184.064 million (June-2017: 77.930 million) as security to Nazir of High Court Sindh and also, as a matter of prudence, full provision of Rs. 343.991 million (June-2017: 237.857 million) has been made in the unconsolidated financial statements.
- b) There is no change in the matter of charging of captive power tariff instead of Industry tariff rate to the Company as disclosed in note no. 9.1.3 of the financial statements for the year ended June 30, 2017 except that the amount of provision has increased to Rs. 512.820 million (June-2017: Rs. 346.173 million) has been made due to change for the period. The Company has provided banker's verified cheques of Rs. 275.159 million (June-2017: 108.512 million) as security to Nazir of High Court Sindh.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2017 remained unchanged during the current period except following;

- a) In the matter of Gas Infrastructure Development Cess (GIDC), wherein there is no change in its status as disclosed in note 12.7 of the financial statements for the year ended June 30, 2017 except that the amount of provision of Rs. 1,577.176 million (June-2017: Rs.1,137.181 million) commencing from May 22, 2015 to the balance sheet date.

Guarantees

- (a) Rs. 808 million (June-2017: Rs. 767 million) against guarantees issued by banks which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 739 million (June 2017: Rs. 698 million).

- (b) Post dated cheques Rs. 2,673 million (June-2017: Rs. 1,406 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted Rs. 3,082 million (June-2017: Rs. 2,073 million).
- (d) Corporate guarantee of Rs. 111.726 million (June-2017: Rs. 94.222 million) has been issued to a bank in favor of indirect subsidiary company - GTM (Europe) Limited - UK.

Commitments

- (a) Company is committed for certain expenditures which are stated as follows:

	Un-Audited	Audited
	March	June
	2018	2017
	Rupees in '000	
- Capital expenditure	979,466	181,452
- Non capital expenditure items under letters of credits	4,201,469	1,442,653
	<u>5,180,935</u>	<u>1,624,105</u>

- (b) The Company is committed to minimum rental payments for Retail outlets for each of the following period as follows:

Not more than one year	701,124	484,547
More than one year but not more than five years	2,206,358	1,588,408
More than five years	594,313	477,159
	<u>3,501,795</u>	<u>2,550,114</u>

8 PROPERTY, PLANT AND EQUIPMENT

		Rupees in '000	
Operating assets - net book value	8.1&8.2	15,272,437	13,657,771
Capital work in progress - at cost	8.4	65,770	2,311,485
		<u>15,338,207</u>	<u>15,969,256</u>

8.1 Additions during the period

	Un-Audited	
	Nine months ended	Nine months ended
	March	March
	2018	2017
	Rupees in '000	
Buildings and structures on leasehold land	725,085	1,215,088
Plant and machinery	2,331,987	2,445,665
Furniture and fixtures	2,750	3,550
Office equipment	28,465	109,342
Vehicles	52,600	202,702
	<u>3,140,887</u>	<u>3,976,347</u>

- 8.1.1 Additions to building and structure on leasehold land, plant and machinery and others include transfers from capital work-in-progress amounting to Rs. 605 million, Rs. 2,074 million and Rs. 40 k (March-2017: Rs. 1,215 million, Rs. 2,447 million and Rs. 71 k).

8.2 Disposals - operating fixed assets (at net book value)

Plant and machinery	63,179	2,850
Vehicles	97,652	10,155
	<u>160,831</u>	<u>13,005</u>

- 8.2.1 Disposals include assets scrapped at Net Book Value during the period of Rs. 0.220 million (March-2017: Nil).

		Un-Audited	
		Nine months ended	Nine months ended
		March	March
		2018	2017
		Rupees in '000	
8.3	Depreciation charge during the period	1,365,390	1,139,479
8.4	Additions - capital work in progress (at cost)		
	Machinery	402,108	3,266,662
	Building	238,565	937,892
	Others	-	32
		640,673	4,204,586
9	INTANGIBLE ASSETS		
		Note	
		Un-Audited	Audited
		March	June
		2018	2017
		Rupees in '000	
	Intangible - net book value	9.1&9.2	
		26,575	33,747
		Un-Audited	
		Nine months ended	Nine months ended
		March	March
		2018	2017
		Rupees in '000	
9.1	Additions - intangibles (at cost)		
	Computer Software	240	7,748
9.2	Amortization charge during the period	7,412	4,219
10	CASH AND CASH EQUIVALENTS		
		March	June
		2018	2017
	Cash and cash equivalents comprises of:		
	Cash and bank balances	497,768	363,109
	Short term borrowings	(14,402,727)	(14,857,682)
		(13,904,959)	(14,494,573)

11 TAXATION

Provision for current taxation has been made on the basis of normal tax liability, final taxation, tax credit and separate block income under the Income Tax Ordinance, 2001.

The Company's Operations have been divided in three segments based on the nature of process and internal reporting. Following are the three reportable business segments:

- a) **Spinning :** Production of different qualities of yarn using both natural and artificial fibers.
- b) **Weaving:** Weaving is a method of fabric production in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric.
- c) **Processing, Home Textile and Apparel** Processing of greige fabrics into various types of finished fabrics for sale as well as to manufacture and sale of madeups and home textile products.

Transactions among the business segments are recorded at cost.

12.1 Segment Profitability

	Spinning		Weaving		Processing, Home Textile and Apparel		Elimination Of Inter Segment Transactions		Total	
	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017
-----Rs. 000s-----										
Sales	5,617,969	4,758,794	10,405,148	10,955,994	25,508,159	27,492,510	(9,072,535)	(14,477,967)	32,458,741	28,729,331
Cost of sales	4,803,403	4,680,790	10,276,725	10,800,455	19,790,565	22,453,822	(9,072,535)	(14,477,967)	25,798,158	23,457,100
Gross profit	814,566	78,004	128,423	155,539	5,717,594	5,038,688	-	-	6,660,583	5,272,231
Distribution cost and Administrative expenses	112,845	152,406	53,049	60,412	4,501,804	4,066,685	-	-	4,667,698	4,279,503
Profit/(Loss) before tax and before charging following	701,721	(74,402)	75,374	95,127	1,215,790	972,003	-	-	1,992,885	992,728
Finance Cost									689,197	635,089
Other operating expenses									122,709	36,596
Other income									(251,800)	(172,739)
Profit before taxation									560,106	498,946
Taxation									1,432,779	493,782
Profit after taxation									177,783	198,901
									1,254,996	294,881
Depreciation and Amortisation Expense	378,708	328,599	222,009	95,620	772,085	719,479	-	-	1,372,802	1,143,698

12.2 Segment assets and liabilities

	Spinning		Weaving		Processing, Home Textile and Apparel		Unallocated		Total	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	March-2018	June - 2017	March-2018	June - 2017	March-2018	June - 2017	March-2018	June - 2017	March-2018	June - 2017
-----Rs. 000s-----										
Assets	9,546,031	7,814,061	2,907,017	2,812,567	27,765,028	23,905,825	2,294,381	2,186,219	42,512,457	36,718,672
Liabilities	3,668,750	3,379,543	1,603,103	1,683,482	10,284,765	5,600,130	15,143,422	15,141,600	30,700,040	25,804,755
Addition to operating fixed assets	779,572	2,412,160	1,820,116	25,375	264,563	1,531,062	276,636	844,958	3,140,887	4,813,555

12.3 Unallocated items represent those assets and liabilities which are common to all segments and these include investment in subsidiary, long term deposits, other receivables, deferred liabilities, certain common borrowing and other corporate assets and liabilities.

12.4 Based on judgement made by management, Processing, Home Textile and Apparel segments have been aggregated into single operating segment as the segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

12.5 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.7,474 million (Mar-2017: Rs. 7,126 million).

12.6 Information by geographical area

	Revenue		Non-current assets	
	Mar-18	Mar-17	Mar-18	Jun-17
	-----Rupees in '000-----			
Pakistan	14,216,737	9,273,229	15,597,860	16,279,713
Germany	5,008,886	3,918,269	-	-
United States	2,943,492	2,715,090	-	-
France	1,209,246	1,056,325	-	-
Netherlands	1,655,894	2,623,997	-	-
United Kingdom	1,466,355	1,974,663	-	-
Italy	1,707,131	1,799,742	-	-
Spain	1,053,028	1,367,439	-	-
China	701,047	574,884	-	-
Sweden	569,824	754,115	-	-
United Arab Emirates	139,581	381,252	58,450	58,450
Other Countries	1,783,782	2,290,326	-	-
	32,455,003	28,729,331	15,656,310	16,338,163
		13,756,912		

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise subsidiaries, associated companies, companies where directors also hold directorship, directors of the company and key management personnel. The Company in the normal course of business carried out transaction with various related parties.

Relationship with the Company	Nature of transactions	Un-Audited	
		Mar-18	Mar-17
		Rupees in '000	
Parent Company	Dividend paid	239,227	-
Subsidiaries and indirect subsidiaries	Sale of goods	928,321	1,657,673
	Commission paid	141,978	113,076
Associated Companies and other related parties	Purchase of goods	30,075	7,107
	Sale of goods	72	6,416
	Rent paid	60,003	50,816
	Fees paid	2,040	1,500
	Bills discounted	6,583,960	5,968,395
	Commission / Bank charges paid	49,321	35,182
	Mark up / Interest charged	6,432	12,311
	Provident fund contribution	116,775	101,960
	Dividend paid	10,896	7,965
Relationship with the Company	Nature of outstanding balances	Un-Audited	Audited
		Mar-18	Jun-17
		Rupees in '000	
Subsidiaries and indirect subsidiaries	Trade and other payables	54,680	90,958
	Long term investment	58,450	58,450
	Trade debts	429,679	323,145
	Other receivables	40,090	-
	Corporate guarantee issued in favour of subsidiary company	111,726	94,222
Associated companies and others related parties	Borrowings from Banks	235,387	457,000
	Trade and other payables - Creditors	10,975	2,870
	Payable to employee's provident fund	17,919	14,989
	Bank guarantee	739,226	767,125
	Accrued mark-up	1,866	3,566
	Loans to key management personnel & executive	58,144	6,566
	Trade debts	658	2,564
	Advances to suppliers	-	11,843
	Deposit with banks	3,012	30,019
	Prepaid rent	46,638	38,716

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the period ending March 2018 amounting to Rs. 632 million (March-17: Rs. 1,057 million) on account of remuneration.

14 FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company while assessing fair values uses valuation techniques that are appropriate in the circumstances using relevant observable data as far as possible and minimizing the use of unobservable inputs. Fair values are categorized into following three levels based on the input used in the valuation techniques;

- Level 1 Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- 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 are unobservable inputs for the asset or liability Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial assets and liabilities of the Company are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

15 DATE OF AUTHORISATION

These financial statements were authorised for issue on April 28, 2018 by the Board of Directors of the Company.

16 GENERAL

- 16.1 Allocations for the workers' profit participation fund, workers' welfare fund and taxation are provisional and final liability including liability for deferred taxation will be determined on the basis of annual results.
- 16.2 Figures have been rounded off to the nearest thousand rupees.
- 16.3 During the interim period, comparative figure of Rs. 43.98 million has been reclassified from Intangibles Capital Work in Progress to short term prepayments due to clarification of terms of transaction during the period.
- 16.4 During the interim period, comparative figures in profit and loss account have been reclassified in order to ensure fair and accurate presentation of unconsolidated interim financial information. For the nine months and quarter ended 31 March, 2017, Rs. 261 million has been reclassified from administrative expenses to distribution cost and Rs. 12.3 million has been reclassified from cost of good manufactured to administrative expenses.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer



Consolidated Accounts

***Consolidated Condensed Interim Financial Information
For The 3rd Quarter Ended March 31, 2018***

**Condensed Interim Consolidated
Balance Sheet
As at March 31, 2018**

	Note	Un-Audited March 2018	Audited June 2017
-----Rupees in '000-----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 750,000,000 ordinary shares of Rs.10 each (June-2017: 400,000,000 ordinary shares of Rs.10 each)		7,500,000	4,000,000
Issued, subscribed and paid-up capital 356,495,525 ordinary shares of Rs. 10 each		3,564,955	3,564,955
Reserves		8,629,553	7,630,703
		12,194,508	11,195,658
NON-CURRENT LIABILITIES			
Long term financing - Secured		6,427,371	7,146,403
Deferred liabilities			
Deferred taxation		316,419	316,420
Staff retirement benefits		30,940	31,033
		347,359	347,453
CURRENT LIABILITIES			
Trade and other payables		8,258,541	5,773,604
Accrued mark-up/profit		113,093	138,898
Short term borrowings		14,402,727	11,935,343
Current maturity of long term financing		1,263,344	678,511
Income tax payable		3,172	3,043
		24,040,877	18,529,399
CONTINGENCIES AND COMMITMENTS			
	7	43,010,115	37,218,913
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	15,358,219	15,992,062
Intangible assets	9	33,710	41,887
Long term loans and advances		38,851	40,092
Long term deposits		194,227	195,249
Deferred taxation		-	98
		15,625,007	16,269,388
CURRENT ASSETS			
Stores, spare parts and loose tools		1,000,573	988,216
Stock-in-trade		16,643,239	12,661,087
Trade debts		4,809,231	3,640,608
Loans and advances		1,140,593	693,880
Short term prepayments		336,591	212,799
Other receivables		1,606,643	1,143,099
Tax refunds due from Government		514,729	648,960
Taxation - net		779,513	673,701
Cash and bank balances		553,996	287,175
		27,385,108	20,949,525
		43,010,115	37,218,913

The annexed notes form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer



**Condensed Interim Consolidated
Profit And Loss Account
For The Nine Months Ended March 31, 2018**

	Un-Audited			
	Nine months ended		Quarter ended	
	July March 2018	July March 2017	January to March 2018	January to March 2017
Rupees in '000.....			
Sales	33,223,530	29,288,015	11,823,713	10,385,886
Cost of sales				
Opening stock of finished goods	9,924,948	11,488,824	12,063,159	12,129,069
Cost of goods manufactured	28,375,085	24,472,781	9,106,283	8,378,323
Closing stock of finished goods	(12,063,075)	(12,182,329)	(12,063,075)	(12,182,329)
	26,236,958	23,779,276	9,106,367	8,325,063
Gross profit	6,986,572	5,508,739	2,717,346	2,060,823
Distribution cost	3,119,639	2,821,835	1,218,310	1,160,118
Administrative expenses	1,810,992	1,663,438	544,750	426,414
Other operating expenses	122,709	38,514	66,391	23,482
	5,053,340	4,523,787	1,829,451	1,610,014
	1,933,232	984,952	887,895	450,809
Other income	251,937	174,605	96,865	74,083
Operating profit	2,185,169	1,159,557	984,760	524,892
Finance cost	691,999	636,355	232,797	211,063
Profit before taxation	1,493,170	523,202	751,963	313,829
Taxation				
Current	177,781	203,110	55,036	71,678
Deferred	-	6,708	-	24,047
	177,781	209,818	55,036	95,725
Profit after taxation	1,315,389	313,384	696,927	218,104
Earning per share - basic and diluted (Rs.)	3.69	Re-stated 0.97	1.95	Re-stated 0.67

The annexed notes form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

Condensed Interim Consolidated
Statement of Comprehensive Income
For The Nine Months Ended March 31, 2018

	Un-Audited			
	Nine months ended		Quarter ended	
	July	July	January to	January to
	March	March	March	March
	2018	2017	2018	2017
Rupees in '000.....			
Profit after taxation	1,315,389	313,384	696,927	218,104
Other comprehensive income for the period				
Items that will be reclassified to profit and loss account subsequently				
Exchange difference on translation of foreign subsidiaries	39,956	3,270	19,745	3,672
Total comprehensive income	1,355,345	316,655	716,672	221,777

The annexed notes form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

**Condensed Interim Consolidated
Cash Flow Statement
For The Nine Months Ended March 31, 2018**

	Un-Audited	
	July March 2018	July March 2017
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,493,170	523,202
Adjustments for:		
Depreciation	1,368,810	1,142,805
Amortisation	8,476	5,586
Provision for gratuity	36,702	21,888
Finance cost	691,999	636,355
Provision for slow moving/obsolete items	17,052	10,984
Impairment allowance of doubtful trade debts	31,604	28,740
Loss on disposal of property, plant and equipment	15,778	1,866
Unclaimed Liabilities written back	-	937
Gain on disposal of property, plant and equipment	(66,326)	(14,503)
	2,104,095	1,834,658
Cash flows from operating activities before adjustments of working capital	3,597,265	2,357,860
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	(29,409)	(134,122)
Stock-in-trade	(3,982,152)	(1,237,962)
Trade debts	(1,200,227)	394,496
Loans and advances	(446,713)	(216,846)
Short term prepayments	(123,792)	(39,012)
Other receivables	(463,544)	(348,515)
Tax refunds due from Government -net	134,231	338,378
	(6,111,606)	(1,243,583)
Increase in current liabilities		
Trade and other payables	2,481,555	517,757
	(3,630,051)	(725,826)
Cash (used in)/ generated from operations	(32,786)	1,632,034
Adjustments for:		
Gratuity paid	(36,795)	(48,848)
Finance cost paid	(717,804)	(648,473)
Income tax paid	(283,898)	(564,044)
Net decrease in Long term Loans and Advances	1,241	(19,818)
Net increase/(decrease) in Long term deposits	1,022	(37,843)
	(1,036,234)	(1,319,026)
Net Cash (used in) / generated from Operating activities	(1,069,020)	313,008
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(895,159)	(4,523,231)
Addition to intangible assets	(299)	(8,188)
Proceeds from sale of property, plant and equipment	211,242	27,187
Net cash used in investing activities	(684,216)	(4,504,232)
Balance carried forward	(1,753,237)	(4,191,224)

**Condensed Interim Consolidated
Cash Flow Statement
For The Nine Months Ended March 31, 2018**

	Note	Un-Audited	
		July March 2018	July March 2017
		-----Rupees in '000-----	
Balance brought forward		(1,753,237)	(4,191,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		425,754	2,983,753
Repayments of long term financing		(559,953)	(631,234)
Dividend paid		(353,084)	(95,082)
Net cash (used in)/generated from financing activities		(487,283)	2,257,437
Exchange difference on translation of foreign activities		39,956	3,270
Net decrease in cash and cash equivalents		(2,200,563)	(1,930,517)
Cash and cash equivalents - at the beginning of the period		(11,648,168)	(12,526,827)
Cash and cash equivalents - at the end of the period	10	(13,848,731)	(14,457,344)

The annexed notes form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

**Condensed Interim Consolidated
Statement of Changes in Equity
For The Nine Months Ended March 31, 2018**

	Reserves							Total
	Share capital	Capital reserve - Share Premium	General Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit	Subtotal Reserves	
-----Rupees '000-----								
Balance as at June 30, 2016	2,970,796	514,176	4,480,000	116,248	15,779	884,012	6,010,215	8,981,011
Transfer to general reserve	-	-	500,000	-	-	(500,000)	-	-
Transactions with owners								
Final dividend for the year ended June 30, 2016	-	-	-	-	-	(97,727)	(97,727)	(97,727)
Total comprehensive income for the nine months ended Mar 2017 (un-audited)								
Profit after taxation	-	-	-	-	-	313,385	313,385	313,385
Other comprehensive income	-	-	-	3,270	-	-	3,270	3,270
	-	-	-	3,270	-	313,385	316,655	316,656
Balance as at Mar 31, 2017 (Un-audited)	2,970,796	514,176	4,980,000	119,518	15,779	599,670	6,229,143	9,199,940
Transfer to								
Statutory reserve	-	-	-	-	2,281	(2,281)	-	-
Issuance of right shares	594,159	891,239	-	-	-	-	891,239	1,485,398
Total comprehensive income for the period January 01, 2017 to June 30, 2017								
Profit after taxation	-	-	-	-	-	516,704	516,704	516,704
Other comprehensive income	-	-	-	4,032	-	(10,415)	(6,383)	(6,383)
	-	-	-	4,032	-	506,289	510,321	510,321
Balance as at June 30, 2017 (Audited)	3,564,955	1,405,415	4,980,000	123,550	18,060	1,103,678	7,630,703	11,195,659
Transfer to general reserve	-	-	400,000	-	-	(400,000)	-	-
Transactions with owners								
Final dividend for the year ended June 30, 2017	-	-	-	-	-	(356,496)	(356,496)	(356,496)
Total comprehensive income for the nine months ended Mar 2018 (un-audited)								
Profit after taxation	-	-	-	-	-	1,315,389	1,315,389	1,315,389
Other comprehensive income	-	-	-	39,956	-	-	39,956	39,956
	-	-	-	39,956	-	1,315,389	1,355,345	1,355,345
Balance as at Mar 31, 2018 (Un-audited)	3,564,955	1,405,415	5,380,000	163,506	18,060	1,662,571	8,629,552	12,194,508

The annexed notes form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive

ABDUL ALEEM
Chief Finance Officer

**Notes to the Condensed Interim Consolidated
Financial Information (Un-audited)
For The Nine Months Ended March 31, 2018**

1 LEGAL STATUS AND ITS OPERATIONS

1.1 Gul Ahmed Group ("the Group") comprises the following:

- Gul Ahmed Textile Mills Limited
- Gul Ahmed International Limited (FZC) - UAE
- GTM (Europe) Limited - UK
- GTM USA Corp. - USA
- Sky Home Corp.- USA

Gul Ahmed Textile Mills Limited (The Holding Company) was incorporated on 1st April 1953 in Pakistan as a private limited company, converted into public limited company on 7th January 1955 and was listed on Karachi and Lahore Stock Exchanges in 1970 and 1971 respectively. The Holding Company is a composite textile mill and is engaged in the manufacture and sale of textile products.

The Holding Company's registered office is situated at Plot No. 82, Main National Highway, Landhi, Karachi.

Gul Ahmed International Limited (FZC) -UAE is a wholly owned subsidiary of Gul Ahmed Textile Mills Limited, GTM (Europe) Limited is a wholly owned subsidiary of Gul Ahmed International Limited (FZC) - UAE and GTM USA Corp. and Sky Home Corp. are wholly owned subsidiaries of GTM (Europe) Limited.

All four subsidiaries are engaged in trading of textile related products.

The Company is a subsidiary of Gul Ahmed Holdings (Private) Limited that owns 66.78% shares of the Company.

1.2 Basis of consolidation

The financial information include the financial information of the Group.

Subsidiary companies are consolidated from the date on which more than 50% voting rights are transferred to the Holding Company or power to govern the financial and operating policies over the subsidiary and is excluded from consolidation from the date of disposal or cessation of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

The assets and liabilities of the subsidiary company have been consolidated on a line-by-line basis and the carrying value of investment held by the Company is eliminated against the subsidiary's share capital. All intra-group balances and transactions are eliminated.

2 BASIS OF PREPARATION

The condensed interim consolidated financial information comprise the consolidated balance sheet of Gul Ahmed Textile Mills Limited, its wholly owned subsidiary company Gul Ahmed International Limited (FZC), GTM (Europe) Limited which is the wholly owned subsidiary of Gul Ahmed International Limited (FZC), GTM USA Corporation and Sky Home Corporation which is the wholly owned subsidiary of GTM (Europe) Limited as at March 31, 2018 and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.

These condensed interim consolidated financial information of the Group for the nine months ended Maarch 31, 2018 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

Companies Act, 2017 (the Act) has been promulgated during the year which introduces new disclosure and presentation requirement. However the securities and Exchange Commission of Pakistan (SECP) vide its circular no. 23/2017 dated 4th October, 2017 has notified that Companies whose financial year ends on or before March 31, 2018 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance 1984, Thereafter the Institute of Chartered Accountants of Pakistan (ICAP) sought clarification from SECP and through its circular 17 of 2017 dated 6th October, 2017 clarified that condensed interim financial information for the period ending or or before 31 March, 2018 will also be prepared in accordance with the repealed Companies Ordinance 1984. Accordingly, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

The comparatives balance sheet, presented in these condensed interim consolidated financial information, as at June 30, 2017 has been extracted from the audited financial statements of the Group for the year ended June 30, 2017 whereas the comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity for the nine months ended March 31, 2018 have been extracted from the condensed interim consolidated financial information of the Group for the nine months ended March 31, 2017.

These condensed interim consolidated financial information do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2017.

Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after July 1, 2017, do not have any impact on this condensed interim financial information, and are therefore not presented.

3 ACCOUNTING POLICIES

Accounting policies and method of computations adopted for the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2017.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim consolidated financial information requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended June 30, 2017.

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2017.

5 Long term financing - Secured

	Un-Audited March 2018	Audited June 2017
-----Rupees in '000-----		
Opening balance	7,824,914	5,118,004
Add: Obtained during the period / year	425,754	3,427,770
Less: Repaid during the period / year	(559,953)	(720,860)
	<u>7,690,715</u>	<u>7,824,914</u>
Less: Current portion shown under current liabilities	(1,263,344)	(678,511)
	<u>6,427,371</u>	<u>7,146,403</u>

6 TRADE AND OTHER PAYABLES

Trade and other payables include provision in respect of;

- Increase in gas tariff rates notified vide SRO No. (I) / 2015 dated 31 August, 2015, and Oil and Gas Regulatory Authority (OGRA) notification dated 30-12-2016 as was disclosed in note no 9.1.2 of the financial statements for the year ended June 30, 2017. Accordingly, the Group has provided banker's verified cheques of Rs. 184.064 million (June-2017: 77.930 million) as security to Nazir of High Court Sindh and also, as a matter of prudence, full provision of Rs. 343.991 million (June-2017: 237.857 million) has been made in the consolidated financial statements.
- There is no change in the matter of charging of captive power tariff instead of Industry tariff rate to the Group as disclosed in note no. 9.1.3 of the financial statements for the year ended June 30, 2017 except that the amount of provision has increased to Rs. 512.820 million (June-2017: Rs. 346.173 million) has been made due to change for the period. The Group has provided banker's verified cheques of Rs. 275.159 million (June-2017: 108.512 million) as security to Nazir of High Court Sindh.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2017, remained unchanged during the current period except following:

- a) In the matter of Gas Infrastructure Development Cess (GIDC), wherein there is no change in its status as disclosed in note 12.7 of the financial statements for the year ended June 30, 2017 except that the amount of provision of Rs. 1,577.176 million (June-2017: Rs.1,137.181 million) commencing from May 22, 2015 to the balance sheet date.

Guarantees

- (a) Rs. 808 million (June-2017: Rs. 767 million) against guarantees issued by banks which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 739 million (June 2017: Rs. 698 million).
- (b) Post dated cheques Rs. 2,673 million (June-2017: Rs. 1,406 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted Rs. 3,082 million (June-2017: Rs. 2,073 million).
- (d) Corporate guarantee of Rs. 111.726 million (June-2017: Rs. 94.222 million) has been issued to a bank by the Holding Company in favor of an indirect subsidiary Company - GTM (Europe) Limited - UK. .

Commitments

- (a) Group is committed for certain expenditures which are stated as follows:

	Un-Audited March 2018	Audited June 2017
	-----Rupees in '000-----	
- Capital expenditure	979,466	181,452
- Non capital expenditure items under letters of credits	4,201,469	1,442,653
	<u>5,180,935</u>	<u>1,624,105</u>

	Un-Audited March 2017	Audited June 2017
	-----Rupees in '000-----	
(b) The Group is committed to minimum rental payments for Retail outlets for each of the following period as follows:		
Not more than one year	701,124	484,547
More than one year but not more than five years	2,206,358	1,593,683
More than five years	594,313	477,159
	<u>3,501,795</u>	<u>2,555,389</u>

8 PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	8.1 & 8.2	15,292,449	13,680,577
Capital work in progress - at cost	8.4	65,770	2,311,485
		<u>15,358,219</u>	<u>15,992,062</u>

	Un-Audited for the nine months ended March 2018	for the nine months ended March 2017
	-----Rupees in '000-----	

8.1 Additions during the period

Buildings and structures on leasehold land	725,085	1,215,088
Plant and machinery	2,331,989	2,445,665
Furniture and fixtures	2,700	6,423
Office equipment	28,500	110,507
Vehicles	52,600	202,818
	<u>3,140,874</u>	<u>3,980,501</u>

- 8.1.1 Additions to building and structure on leasehold land, plant and machinery and others include transfers from capital work-in-progress amounting to Rs. 605 million, Rs. 2,074 million and Rs. 40 k (March-2017: Rs. 1,215 million, Rs. 2,447 million and Rs. 71 k).

	Un-Audited	
	for the nine months ended	for the nine months ended
	March 2018	March 2017
	-----Rupees in '000-----	
8.2 Disposals - operating fixed assets (at net book value)		
Plant and machinery	63,179	2,850
Furniture & Fixture	-	2,174
Vehicles	97,652	10,155
	<u>160,831</u>	<u>15,179</u>

8.2.1 Disposals include assets scrapped at Net Book Value during the period of Rs. 0.220 million (March-2017: Nil)..

	Un-Audited	
	March	March
	2018	2017
	-----Rupees in '000-----	
8.3 Depreciation charge during the period	<u>1,368,810</u>	<u>1,142,805</u>
8.4 Additions - capital work in progress (at cost)		
Machinery	402,108	3,266,662
Building	238,565	937,892
Others	-	32
	<u>640,673</u>	<u>4,204,586</u>

Note	Un-Audited	Audited
	March	June
	2018	2017
	-----Rupees in '000-----	

9 INTANGIBLE ASSETS

Intangible - net book value	9.1 & 9.2	33,710	41,887
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	Un-Audited	
	for the nine months ended	for the nine months ended
	March 2018	March 2017
	-----Rupees in '000-----	
9.1 Additions - intangibles (at cost)		
Computer Software	<u>299</u>	<u>8,188</u>
9.2 Amortisation charge during the period	<u>8,476</u>	<u>5,586</u>

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of:

	Un-Audited	
	March	March
	2018	2017
	-----Rupees in '000-----	
Cash and bank balances	553,996	400,338
Short term borrowings	(14,402,727)	(14,857,682)
	<u>(13,848,731)</u>	<u>(14,457,344)</u>

11 TAXATION

Provision for current taxation has been made on the basis of normal tax liability, final taxation, tax credit and separate block of income under the Income Tax Ordinance, 2001.

12 SEGMENT INFORMATION

The Group's Operations have been divided in three segments based on the nature of process and internal reporting. Following are the three reportable business

- a) **Spinning :** Production of different qualities of yarn using both natural and artificial fibers.
b) **Weaving:** Weaving is a method of fabric production in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric.
c) **Processing, Home Textile and Apparel** Production of greig fabric, its processing into various types of fabrics for sale as well as manufacture and sale of made-ups and home textile products. These subsidiaries are also in the textile business reselling products to the ultimate customers, imported from Parent Group.

Transactions among the business segments are recorded at cost.

12.1 Segment profitability

	Spinning		Weaving		Processing, Home Textile and Apparel		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		GTM USA Corp.		Sky Home Corporation		Elimination Of Inter Segment Transactions		Total	
	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017	Mar-2018	Mar-2017
	-----Rs. 000s-----																	
Sales	5,617,969	4,758,794	10,405,148	10,955,994	25,508,159	27,492,510	570,534	546,036	807,010	1,239,841	155,716	430,481	159,851	-	(10,000,857)	(16,135,641)	33,223,530	29,288,015
Cost of sales	4,803,403	4,680,790	10,276,725	10,800,455	19,790,565	22,453,822	454,909	453,502	707,772	1,159,700	123,319	354,826	70,717	-	(9,990,452)	(16,123,819)	26,236,958	23,779,276
Gross profit	814,566	78,004	128,423	155,539	5,717,594	5,038,688	115,624	92,534	99,238	80,142	32,397	75,655	89,134	-	(10,405)	(11,822)	6,986,572	5,508,739
Distribution cost and administrative expenses	112,845	152,406	53,049	60,412	4,501,804	4,066,685	75,747	78,362	74,071	55,629	27,087	71,779	86,028	-	-	-	4,930,631	4,485,273
Profit/loss before tax and before charging the following	701,721	(74,402)	75,374	95,127	1,215,790	972,003	39,877	14,172	25,167	24,512	5,310	3,876	3,106	-	(10,405)	(11,822)	2,055,941	1,023,466
Other operating expenses																	122,709	38,514
Other income																	(251,937)	(174,605)
Finance cost																	691,999	636,355
Profit before taxation																	562,771	500,284
Taxation																	1,493,170	523,202
Profit after taxation																	177,781	209,818
Depreciation and Amortisation Expense	378,708	328,599	222,009	95,620	772,085	719,479	2,532	2,743	821	858	1,131	1,092	-	-	-	-	1,315,389	313,384
																	1,377,286	1,148,391

12.2 Segment assets and liabilities

	Spinning		Weaving		Processing, Home Textile and Apparel		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		GTM USA Corp.		Sky Home Corporation		Unallocated		Total Group	
	Mar-2018	Jun-2017	Mar-2018	Jun-2017	Mar-2018	Jun-2017	Mar-2018	Jun-2017	Mar-2018	Jun-2017	Mar-2018	Jun-2017	Mar-2018	Jun-2017	Mar-2018	Jun-2017	Mar-2018	Jun-2017
	-----Rs. 000s-----																	
Assets	9,546,031	7,814,061	2,907,017	2,812,567	27,765,028	23,905,825	496,881	622,652	463,728	267,254	29,195	93,073	112,407	1,023	2,294,381	2,186,219	43,614,668	37,702,674
Elimination of intragroup balances																	(604,553)	(483,761)
																	43,010,115	37,218,913
Liabilities	3,668,750	3,379,543	1,603,103	1,683,482	10,284,765	5,600,130	185,211	298,433	351,737	239,630	87,510	94,752	44,806	130	15,143,422	15,141,600	31,369,304	26,437,700
Elimination of intragroup balances																	(553,697)	(414,445)
																	30,815,607	26,023,255
Segment Capital Expenditure	779,572	2,412,160	1,820,116	25,375	263,923	1,531,062	627	5,197	-	1,172	-	-	-	-	276,636	844,958	3,140,874	4,819,924

12.3 Unallocated items represent those assets and liabilities which are common to all segments and these include long term deposits, other receivables, deferred liabilities, certain common borrowing and other corporate assets and liabilities.

12.4 Based on judgement made by management, Processing, Home Textile and Apparel segments have been aggregated into single operating segment as the segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regularity environment.

12.5 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.7,474 million (Mar-2017: Rs. 7,126 million).

12.6 Information by geographical area

	Revenue		Non-current assets	
	For the nine months ended		Un-Audited	
	(Un-audited)		Audited	
	Mar-2018	Mar - 2017	Mar-2018	Jun - 2017
	-----Rupees in '000-----			
Pakistan	14,220,475	9,273,229	15,540,561	16,242,052
Germany	5,008,886	3,918,269	-	-
United States	3,096,851	2,795,456	8,300	7,248
France	1,209,246	1,056,325	-	-
Netherland	1,655,894	2,623,997	1,490	4,076
United Kingdom	1,565,956	2,056,576	-	-
Italy	1,707,131	1,799,742	-	-
Spain	1,053,028	1,367,439	74,656	16,012
China	701,047	574,884	-	-
Sweden	569,824	754,115	-	-
United Arab Emirates	651,411	777,657	-	-
Other Countries	1,783,781	2,290,326	-	-
Total	33,223,530	29,288,015	15,625,007	16,269,388

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise subsidiaries, associated companies, companies where directors also hold directorship, directors of the Group and key management personnel. The Group in the normal course of business carried out transaction with various related parties.

Relationship with the Company	Nature of transactions	Un-Audited	
		Mar-2018	Mar - 2017
		-----Rupees in '000-----	
Parent Company	Dividend paid	239,227	-
Associated Companies and other related parties	Purchase of goods	30,075	7,107
	Sale of goods	72	6,416
	Rent paid	60,003	50,816
	Fees paid	2,040	1,500
	Bills discounted	6,583,960	5,968,395
	Commission / Bank charges paid	49,321	35,182
	Mark up / Interest charged	6,432	12,311
	Provident fund contribution	116,775	101,960
	Dividend paid	10,896	7,965
Relationship with the Company	Nature of outstanding balances	Un-Audited	
		Mar-2018	Jun - 2017
		-----Rupees in '000-----	
Associated companies and others related parties	Borrowings from Banks	235,387	457,000
	Trade and other payables - Creditors	10,975	2,870
	Payable to employee's provident fund	17,919	14,989
	Bank guarantee	739,226	767,125
	Accrued mark-up	1,866	3,566
	Loans to key management personnel & executive	-	-
	Trade debts	58,144	60,566
	Trade debts	658	2,564
	Advances to suppliers	-	11,843
	Deposit with banks	3,012	30,019
	Prepaid rent	46,638	38,716

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the period ending March 2018 amounting to Rs. 717 million (March-17: Rs. 1,137 million) on account of remuneration.

14 FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Group while assessing fair values uses valuation techniques that are appropriate in the circumstances using relevant observable data as far as possible and minimizing the use of unobservable inputs. Fair values are categorized into following three levels based on the input used in the valuation techniques;

- Level 1 Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- 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 are unobservable inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial assets and liabilities of the Group are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

15 DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorised for issue on April 28, 2018 by the Board of Directors of the Group.

16 GENERAL

- 16.1 Allocations for the workers' profit participation fund, workers' welfare fund and taxation are provisional and final liability including liability for deferred taxation will be determined on the basis of annual results.
- 16.2 Figures have been rounded off to the nearest thousand rupees.
- 16.3 During the interim period, comparative figure of Rs. 43.98 million has been reclassified from Intangibles Capital Work in Progress to short term prepayments due to clarification of terms of transaction during the period.
- 16.4 During the interim period, comparative figures in profit and loss account have been reclassified in order to ensure fair and accurate presentation of consolidated interim financial information. For the nine months and quarter ended 31 March, 2017, Rs. 261 million has been reclassified from administrative expenses to distribution cost and Rs. 12.3 million has been reclassified from cost of good manufactured to administrative expenses.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer