



Quarterly Report

*Condensed Interim Financial Information
For The 3rd Quarter Ended March 31, 2019*

Company Information

BOARD OF DIRECTORS	Mohomed Bashir Zain Bashir Mohammed Zaki Bashir Ziad Bashir S.M. Nadim Shafiqullah Dr. Amjad Waheed Ehsan A. Malik	- Chairman - Vice Chairman/ Executive Director - Chief Executive Officer - Non Executive Director - Non Executive Director - Independent Director - Independent Director
CHIEF FINANCIAL OFFICER	Abdul Aleem	
COMPANY SECRETARY	Salim Ghaffar	
AUDIT COMMITTEE	Dr. Amjad Waheed Mohomed Bashir S.M. Nadim Shafiqullah Salim Ghaffar	- Chairman & Member - Member - Member - Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Ehsan A. Malik Mohomed Bashir Zain Bashir Salim Ghaffar	- Chairman & Member - Member - Member - 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, 2019.

ECONOMIC OVERVIEW

Economic data revealed that stabilization and reform measures adopted in the recent past are taking hold, although slower than expected. The current account deficit has narrowed to US\$ 8.8 billion in Jul-Feb of fiscal year 2018-19 compared to a deficit of US\$ 11.4 billion during the same period last year registering a fall of 22.6 percent. Large-scale Manufacturing (LSM) declined by 2.3 percent during Jul-Jan FY19 against 7.2 percent growth recorded in the same period last year. Average headline CPI inflation reached 6.5 percent in Jul-Feb FY19 compared to 3.8 percent recorded in the same period last year. The year on year inflation rose to of 8.2 percent in February 2019 which is the highest increase in inflation since June 2014. The Government of Pakistan is expected to join an IMF Program in the near future. Such programs can entail higher interest rates, a more flexible exchange rate and higher utility rates for gas and power. The country will need more rigorous trade policies to boost its export led growth strategy.

Foreign direct investment and official inflows remained insufficient to finance the current account deficit, with the gap being bridged through the country's own resources. Country's FX reserves increased to USD 14.8 billion by end of January 2019 due to realization of bilateral official flows (inflows from UAE and Saudi Arabia amounted to USD 3 billion and USD 1 billion respectively).

INDUSTRIAL OVERVIEW

The textile industry continues to demonstrate a downward trajectory as the industry growth saw a decline of 0.3 percent in nine months of current fiscal year as compared to a growth of 0.7 percent in the same period last year. Textile industry total exports for nine months of FY 2018-19 amounted to US\$ 9,138 million as compared to US\$ 8,865 million for the same period last year, registering a growth of 3 percent. Knit wear and bed wear, cotton cloth and cotton yarn registered growth of 8 percent, 4 percent and 2 percent respectively, while readymade garments decreased by 0.2 percent.

The industry continues to benefit from the abolished 5 percent customs duty and a 5 percent sales tax on imported cotton from February 2019 onwards, the latest evaluations on major crops are portraying a dull performance by the agriculture sector and the overall industry performance is uncertain. Nevertheless, the recent relief of Duty from China on imported Pakistani products, and the Government export led strategies can prove to be a silver lining.

FINANCIAL PERFORMANCE

Your company has continued to reap significant benefits by investments in most modern technology, focusing on economically beneficial markets, products and customers, efficient process management, cost rationalization efforts, change in PKR/US\$ parity, strategic and timely procurement of raw material while taking full advantage of available credit lines etc. The combined results of all such measures has enabled the company to fully utilize its capabilities and improve both the top and bottom line.

Key performance numbers are presented below:

	Units	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
Export sales	Rs. in millions	23,945	18,929
Local sales	Rs. in millions	16,579	13,707
Total sales	Rs. in millions	40,524	32,636
Gross profit	Rs. in millions	9,476	6,795
Profit before tax	Rs. in millions	2,980	1,433
Profit after tax	Rs. in millions	2,697	1,255
Earnings per share (EPS)	Rupees	7.57	3.52
Debt to equity ratio	Times	0.60	0.54
Current ratio	Times	1.15	1.12
Break-up-value per share	Rupees	40.47	33.13

FUTURE OUTLOOK

The Government is striving to take steps in-order to implement an export led growth strategy. The recent duty relief from China to Pakistan has laid new grounds for Pakistani export market to flourish and for businesses to grab the opportunity. The impact of Government's corrective measures will unfold in the coming months, however, consistency of policies, specifically export related needs to be ensured. It is critical that the trade and fiscal deficits are brought under control. The waiver of prior GIDC dues as well as elimination of GIDC going forward, if approved, is still awaited by the textile industry. With backdrop of IMF bailout, we are optimistic that the economy is on the correct track towards stabilization considering the paradigm shift towards creating a conducive environment to encourage exports.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the nine months ended March 31, 2019 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 30, 2019
Karachi

Mohomed Bashir
Chairman

Mohammad Zaki Bashir
Chief Executive Officer

**Condensed Interim Un-consolidated
Statement of Financial Position
As at March 31, 2019**

	Note	Un-Audited March 2019	Audited June 2018
Rupees in '000			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 750,000,000 ordinary shares of Rs.10 each		7,500,000	7,500,000
Issued, subscribed and paid-up capital 356,495,525 ordinary shares of Rs. 10 each		3,564,955	3,564,955
Reserves		10,861,825	9,055,772
		14,426,780	12,620,727
NON-CURRENT LIABILITIES			
Long term financing - Secured	5	8,691,693	6,911,869
Deferred liabilities			
Deferred taxation - net		10,593	23,692
Staff gratuity		69,720	63,165
		80,313	86,857
CURRENT LIABILITIES			
Trade and other payables		9,721,807	7,008,948
Accrued mark-up/profit		254,442	175,633
Short term borrowings		19,871,888	15,076,081
Current maturity of long term financing	5	1,250,524	1,365,857
Unclaimed dividend		4,679	6,421
Unpaid dividend		19,975	11,052
		31,123,315	23,643,992
CONTINGENCIES AND COMMITMENTS			
	7	54,322,101	43,263,445
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	18,157,739	16,104,319
Intangible assets	9	48,220	23,985
Long term investment		58,450	58,450
Long term loans and advances		3,217	37,314
Long term deposits		290,755	202,959
		18,558,381	16,427,027
CURRENT ASSETS			
Stores and spares		1,461,443	961,088
Stock-in-trade		23,102,893	16,143,933
Trade debts		5,712,782	5,398,565
Loans, advances and other receivables		1,773,365	1,197,376
Short term prepayments		118,823	239,661
Refunds due from Government		2,084,881	1,827,764
Taxation - net		866,787	597,781
Cash and bank balances		642,746	470,250
		35,763,720	26,836,418
		54,322,101	43,263,445

The annexed notes from 1 to 17 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

**Condensed Interim Un-consolidated
Statement of Profit or Loss
For the nine months ended 31 March, 2019**

Note	Un-Audited			
	Nine months ended		Quarter ended	
	July to March 2019	July to March 2018	January to March 2019	January to March 2018
	Rupees in '000			
Sales - net	40,523,718	32,636,135	13,774,009	11,710,692
Cost of sales	31,047,282	25,840,670	10,605,323	9,020,919
Gross profit	9,476,436	6,795,465	3,168,686	2,689,773
Distribution costs	3,462,493	2,884,263	1,244,903	987,877
Administrative costs	1,940,190	1,749,174	706,044	638,949
Other operating costs	234,514	122,709	51,702	66,391
	5,637,197	4,756,146	2,002,649	1,693,217
	3,839,239	2,039,319	1,166,037	996,556
Other income	125,517	74,406	76,116	(80,666)
Operating profit	3,964,756	2,113,725	1,242,153	915,890
Finance cost	984,845	680,946	393,114	223,605
Profit before taxation	2,979,911	1,432,779	849,039	692,285
Taxation				
- Current	295,718	177,783	200,959	55,036
- Deferred	(13,099)	-	3,273	-
	282,619	177,783	204,232	55,036
Profit after taxation	2,697,292	1,254,996	644,807	637,249
Earning per share - basic and diluted (Rs.)	7.57	3.52	1.81	1.79

The annexed notes from 1 to 17 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

**Condensed Interim Un-consolidated
Statement of Comprehensive Income
For the nine months ended 31 March, 2019**

	Note	Un-Audited			
		Nine months ended		Quarter ended	
		July to March 2019	July to March 2018	January to March 2019	January to March 2018
		Rupees in '000			
Profit after taxation		2,697,292	1,254,996	2,046,015	637,249
Other comprehensive income		-	-	-	-
Total comprehensive income		<u>2,697,292</u>	<u>1,254,996</u>	<u>2,046,015</u>	<u>637,249</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

**Condensed Interim Un-Consolidated
Statement of Cash Flows
For the nine months ended 31 March, 2019**

Note	Un-Audited Nine months ended	
	July to March 2019	July to March 2018
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,979,911	1,432,779
Adjustments for:		
Depreciation	1,403,381	1,365,390
Amortisation	10,298	7,412
Provision for gratuity	27,614	34,722
Finance cost	984,845	689,197
Provision for slow moving/obsolete stores spares and loose tools	22,476	17,052
Impairment allowance against doubtful trade debts	23,176	31,604
Loss on disposal of property, plant and equipment	37,544	15,778
Gain on disposal of property, plant and equipment	(25,290)	(66,189)
	2,484,044	2,094,966
Cash flows from operating activities before adjustments of working capital	5,463,955	3,527,745
Changes in working capital:		
Increase/(decrease) in current assets		
Stores and spares	(522,831)	(29,409)
Stock-in-trade	(6,958,960)	(3,940,078)
Trade debts	(337,393)	(1,300,145)
Loans, advances and other receivables	(575,989)	(895,135)
Short term prepayments	120,838	(116,071)
Refunds due from Government	(257,117)	134,231
	(8,531,452)	(6,146,607)
Increase in current liabilities		
Trade and other payables	2,712,859	2,585,086
	(5,818,593)	(3,561,521)
Cash used in operations before adjustment of following	(354,638)	(33,776)
Adjustments for:		
Gratuity paid	(21,059)	(35,315)
Finance cost paid	(906,036)	(715,002)
Income tax paid or deducted	(564,724)	(283,595)
Decrease in Long term loans and Advances	34,097	1,241
Increase in Long term deposits	(87,796)	(1,598)
	(1,545,518)	(1,034,269)
Net Cash used in Operating activities	(1,900,156)	(1,068,045)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(3,598,341)	(895,172)
Addition to intangible assets	(34,533)	(240)
Proceeds from sale of property, plant and equipment	129,286	211,242
Net cash used in investing activities	(3,503,588)	(684,170)
Balance carried forward	(5,403,744)	(1,752,215)

Gul Ahmed Textile Mills Limited
Condensed Interim Un-Consolidated
Cash Flow Statement
For the nine months ended 31 March, 2019

Note	Un-Audited	
	Nine months ended	
	July to March 2019	July to March 2018
	-----Rupees in	'000-----
Balance brought forward	(5,403,744)	(1,752,215)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	2,671,706	425,754
Long term financing repaid	(1,007,215)	(559,953)
Dividend paid	(884,058)	(353,084)
Net cash generated from financing activities	780,433	(487,283)
Net decrease in cash and cash equivalents	(4,623,311)	(2,239,498)
Cash and cash equivalents - at the beginning of the period	(14,605,831)	(11,665,461)
Cash and cash equivalents - at the end of the period	10 (19,229,142)	(13,904,959)

The annexed notes from 1 to 17 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer



**Condensed Interim Un-consolidated
Statement of Changes in Equity
For the nine months ended 31 March, 2019**

	Share Capital	Capital reserve -	Revenue Reserve		Reserves	Total
		Share Premium	General Reserve	Unappropriated Profit		
----- Rupees '000-----						
Balance as at June 30, 2017 (Audited)	3,564,955	1,405,415	4,980,000	963,547	5,943,547	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 31, 2018 (un-audited)						
Profit after taxation	-	-	-	1,254,996	1,254,996	1,254,996
Balance as at March 31, 2018 (Un-audited)	3,564,955	1,405,415	5,380,000	1,462,047	6,842,047	11,812,417
Total comprehensive income for the period January 01, 2018 to June 30, 2018						
Profit after taxation	-	-	-	2,074,973	2,074,973	2,074,973
Other comprehensive loss	-	-	-	(11,667)	(11,667)	(11,667)
	-	-	-	2,063,306	2,063,306	2,063,306
Balance as at 30 June, 2018	3,564,955	1,405,415	5,380,000	2,270,357	7,650,357	12,620,727
Transfer to unappropriated profit			(5,380,000)	5,380,000	-	-
Final dividend for the year ended June 30, 2018	-	-	-	(891,239)	(891,239)	(891,239)
Total Comprehensive income for the nine months ended March 31, 2019 (un-audited)						
Profit after taxation	-	-	-	2,697,292	2,697,292	2,697,292
Balance as at March 31, 2019 (Un-audited)	3,564,955	1,405,415	-	9,456,410	9,456,410	14,426,780

The annexed notes from 1 to 17 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, 2019**

1 LEGAL STATUS AND ITS OPERATIONS

1.1 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 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:

Details of Subsidiaries

<u>Name</u>	<u>Chief Executive officer</u>	<u>Address</u>	<u>Date of Incorporation</u>	<u>Country of Incorporation</u>	<u>%of Holding</u>	<u>Status</u>
Gul Ahmed International Limited FZC	Mr. Mohamed Bashir	P.O.box 8705, Q4-29, Sharjah Airport International free zone, Sharjah, U.A.E.	December 11, 2002	U.A.E	100%	Operational
GTM (Europe) Limited - Indirect subsidiary	Mr. Mohamed Bashir	City Wharf, New Bailey Street, Manchester M3 5ER, United Kingdom	April 17, 2003	U.K	100%	Operational
GTM USA - Indirect subsidiary	Mr. Mohamed Bashir	515, 7 West 34th Street, New York, USA	March 19, 2012	U.S.A	100%	Operational
Sky Home-Indirect Subsidiary	Mr. Mohamed Bashir	Street No. 328, South King Charles Road, City Raleigh, State North Carolina	February 28, 2017	U.S.A	100%	Operational

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

1.2 Geographical locations and addresses of all lands owned by the Company are as follows;

<u>Unit</u>	<u>Area</u>	<u>Address</u>
Unit 1,2 & 3	25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi Karachi
Unit 4 & 5	14.9 Acres	Survey No.82, Deh Landhi ,Karachi
Unit 6,7 & 8	18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
Lasani warehouse	4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi
MTF Plot	44.04 acres	P.U. No. 48, 49, 50, & 51, Near Machine Tool Factory Deh Khanto Tapo Landhi, Karachi
Plot	2 Kanal,19 Marlas and 153.5 Sq. Feet	Plot No. 24-A, C-III, Gulberg Lahore

1.3 Geographical locations and addresses of all factory building and warehouses on rented premises are as follows;

<u>Unit</u>	<u>Address</u>
Highway stitching complex	Plot# 369, Main National Highway, Landhi, Karachi
Yarn Dyeing and Knitting unit	Plot# HT/3A,KDA Scheme 3, Landhi Industrial area, Karachi
Stitching unit	Plot# ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi
Hussaini stitching unit	Plot# HT/8,KDA Scheme 3, Landhi Industrial area, Karachi
Apparel division	Plot# 12, Sector 23, Korangi Industrial area, Karachi

1.4 As at March 31, 2019, the Company has 115 outlets.

2 BASIS OF PREPARATION

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

This condensed interim un-consolidated financial information comprise of the condensed interim un-consolidated statement of financial position as at March 31, 2019 and the condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated statement of cash flows and condensed interim un-consolidated statement of changes in equity for the nine months ended March 31, 2019.

The comparative statement of financial position, presented in this condensed interim un-consolidated financial Information, as at June 30, 2018 has been extracted from the audited un-consolidated financial statements of the Company for the year ended June 30, 2018, whereas the comparative condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated statement of cash flows and condensed interim un-consolidated statement of changes in equity for the half year ended March 31, 2019 have been extracted from the condensed interim un-consolidated financial information of the Company for the nine months ended March 31, 2018.

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, 2018.

2.1 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the nine months ended March 31, 2019

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on July 1, 2018; however, these do not have any significant impact on these unconsolidated condensed interim financial statements hence not detailed. Further following new standards have become effective during the period due to which certain changes in accounting policies have been made;

IFRS 15 'Revenue from contracts with customers' -

IFRS 15 'Revenue from Contracts with customers' applies to all revenue arising from contracts with customers, unless those contracts are not in the scope of other standards and it has superseded IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations. The new standard establishes a five-step model to account for revenue arising from contracts with customers based on the principle that an entity should recognize revenue representing the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company has concluded that this standard do have significant impact on these condensed interim financial statements as it is already in compliance with the significant provisions of this standard.

b) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There are new standards, certain amendments and interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any material impact except IFRS-16 "Leases" whose impact is being assessed.

Further the Securities and Exchange Commission of Pakistan through its notification SRO 229 dated February 14, 2019 and its press release dated February 15, 2019 has also deferred the applicability of the standards for the periods ending on or after June 30, 2019. The impact of the provisions of this standard including estimation of expected credit losses is being assessed.

3 ACCOUNTING POLICIES

Same accounting policies and methods of computation are adopted for the preparation of these condensed interim un-consolidated financial statements as those applied in the preparation of un-consolidated financial statements for the year ended June 30, 2018 except for changes due to IFRS 9 and IFRS 15 as detailed above in note 2.1 which do not have significant impact on these condensed interim unconsolidated financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim un-consolidated financial statements 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 these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2018.

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

5 LONG TERM FINANCING - SECURED

	Un-Audited March 2019	Audited June 2018
	Rupees in '000	
Opening balance	8,277,726	7,824,892
Add: Obtained during the period / year	2,671,706	1,270,701
Less: Repaid during the period / year	(1,007,215)	(817,867)
	<u>9,942,217</u>	<u>8,277,726</u>
Less: Current portion shown under current liabilities	<u>(1,250,524)</u>	<u>(1,365,857)</u>
	<u>8,691,693</u>	<u>6,911,869</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 December, 2016 was challenged in Honorable Sindh High Court by the Company, as was disclosed in note no. 10.1.2 of the financial statements for the year ended June 30, 2018. The Oil and Gas Regulatory Authority (OGRA) issued another notification dated October 04, 2018, revising the tariff effective from September 27, 2018, subsequent to this notification the Company paid the bills accordingly, hence after this notification no subsequent provision has been made; However, upto the September 2018 the Company has provided banker's verified various Cheques of Rs. 250.675 million (June-2018: 217.356 million) as security to Nazir of High Court Sindh and also, as a matter of prudence, maintained full provision up to the September 2018 amounting to Rs. 410.601 million (June-2018: 377.283 million) in the unconsolidated financial statements.
- b) The Company as mentioned in note 10.1.3 of the financial statements for the year ended June 30, 2018 had filed a suit in the Honorable Sindh High Court challenging the charging of captive power tariff instead of industry tariff. The OGRA has issued another notification dated October 04, 2018 revising the tariff effective September 27, 2018, subsequent to this notification the Company paid the bills accordingly, hence after this notification no subsequent provision has been made; However, upto the September 2018 the Company has provided banker's verified various cheques of Rs. 388.570 million (June-2018: Rs. 332.397 million) as security to Nazir of High Court of Sindh and also, as a matter of prudence, maintained full provision up to September, 2018 amounting to Rs. 626.230 million (June-2018: Rs. 570.057 million) in the unconsolidated financial statements.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2018 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 14.4 of the financial statements for the year ended June 30, 2018 except that the amount of provision of Rs. 2,174 million (June-2018: Rs.1,725 million) commencing from May 22, 2015 to the balance sheet date.

Guarantees

- (a) Guarantees of Rs. 1,106 million (June-2018: Rs. 839 million) has been issued by banks on behalf of the company 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. 892 million (June 2018: Rs. 771 million).
- (b) Post dated cheques of Rs. 3,493 million (June-2018: Rs. 3,440 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. 4,326 million (June-2018: Rs. 1,292 million).
- (d) Corporate guarantee of Rs 124.947 million (June 2018: Rs. 110.450 million) has been issued to a bank in favor of indirect subsidiary company - GTM (Europe) Limited - UK. This has been issued in accordance with the requirement of Companies Act, 2017.

Commitments

- (a) The Company is committed for capital expenditure as at March 31, 2019 of Rs. 739 million (June 2018: Rs. 1,234 million).
- (b) The Company is committed to minimum rental payments for Retail outlets for each of the following period as follows:

	Un-Audited	Audited
	March	June
	2019	2018
	Rupees in '000	
Not more than one year	819,353	800,204
More than one year but not more than five years	2,806,231	2,276,407
More than five years	625,238	815,837
	4,250,822	3,892,448

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1 & 8.2	15,429,523	14,908,714
Capital work in progress (CWIP)	8.4	2,728,216	1,195,605
		18,157,739	16,104,319

Un-Audited

8.1 Additions during the period

	March 2019	March 2018
	Rupees in '000	
Buildings and structures on leasehold land	201,122	725,085
Plant and machinery	1,712,654	2,331,987
Furniture and fixtures	4,240	2,750
Office equipment	105,746	28,465
Vehicles	41,969	52,600
	2,065,731	3,140,887

8.1.1 Additions to building and structure on leasehold land , plant and machinery and office equipment include transfers from capital work-in-progress amounting to Rs. 161.06 million (March 2018: Rs. 605 million) , Rs. 1,496 million (March 2018: Rs. 2,074 million) and 60.45 million (March 2018: Rs. 40k) respectively.

Un-Audited

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

	March 2019	March 2018
	Rupees in '000	
Plant and machinery	83,157	63,179
Vehicles	58,383	97,652
	141,540	160,831

8.2.1 Disposals include assets scrapped at Net book value during the period of Rs. Nil (March 2018: Rs. 0.22 million).

8.3 Depreciation charge during the period

	1,403,381	1,365,390
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Un-Audited

8.4 Additions - capital work in progress (at cost)

	March 2019	March 2018
	Rupees in '000	
Machinery	2,660,950	402,108
Building	529,335	238,565
Others	60,452	-
	3,250,737	640,673

9 INTANGIBLE ASSETS

Intangible - net book value

Note	Un-Audited March 2019	Audited June 2018
	Rupees in '000	
9.1&9.2	48,220	23,985

Un-Audited

9.1 Additions - intangibles (at cost)

Computer Software	34,533	240
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9.2 Amortization charge during the period

	10,298	7,412
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10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of:

Cash and bank balances	642,746	497,768
Short term borrowings	(19,871,888)	(14,402,727)
	(19,229,142)	(13,904,959)

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.

12 SEGMENT INFORMATION

The Company's Operations have been divided in four segments based on the nature of process and internal reporting. Following are the four 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) **Retail and Distribution:** On the retail front, Ideas by Gul Ahmed offers fabrics and made-ups, ranging from home accessories to clothing.
d) **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		Retail and Distribution		Processing, Home Textile and Apparel		Elimination Of Inter Segment Transactions		Total	
	March-2019	March-2018	March-2019	March-2018	March-2019	March-2018	March-2019	March-2018	March-2019	March-2018	March-2019	March-2018
	Rs. (000)											
Sales	7,420,559	5,617,969	1,216,841	1,332,613	14,105,442	10,947,041	27,617,699	23,811,047	(9,836,823)	(9,072,535)	40,523,718	32,636,135
Cost of sales	6,181,002	4,816,341	1,283,996	1,214,213	9,502,221	7,479,803	23,916,886	21,402,848	(9,836,823)	(9,072,535)	31,047,282	25,840,670
Gross profit	1,239,557	801,628	(67,155)	118,400	4,603,221	3,467,238	3,700,813	2,408,199	-	-	9,476,436	6,795,465
Distribution cost and Administrative cost	106,659	109,961	48,650	51,133	3,422,391	2,965,219	1,824,983	1,507,124	-	-	5,402,683	4,633,437
Profit/(Loss) before tax and before charging following	1,132,898	691,667	(115,805)	67,267	1,180,830	502,019	1,875,830	901,075	-	-	4,073,753	2,162,028
Finance Cost											984,845	680,946
Other operating cost											234,514	122,709
Other income											(125,517)	(74,406)
Profit before taxation											1,093,842	729,249
Taxation											2,979,911	1,432,779
Profit after taxation											282,619	177,783
Depreciation and Amortisation Expense	386,776	378,708	238,942	222,009	240,033	176,389	547,928	595,696	-	-	1,413,679	1,372,802

12.2 Segment assets and liabilities

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Unallocated		Total	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	March-2019	June - 2018	March-2019	June - 2018	March-2019	June - 2018	March-2019	June - 2018	March-2019	June - 2018	March-2019	June - 2018
	Rs. (000)											
Assets	12,588,863	11,021,310	3,384,140	3,357,067	10,813,660	5,396,751	24,856,206	22,155,720	2,679,232	1,332,597	54,322,101	43,263,445
Liabilities	4,437,964	3,802,668	2,126,916	1,895,092	2,060,909	905,830	12,205,529	7,524,144	19,064,003	16,514,984	39,895,321	30,642,718
Segment Capital & Intangible Expenditure	445,131	830,051	835,216	1,844,453	202,147	217,508	275,520	143,483	342,249	297,537	2,100,264	3,333,032

12.3 The Company has implemented Microsoft Dynamics 365 for Retail & Distribution, which has now enabled the Company to disclose the figures separately for the segment.

12.4 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.

12.5 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.

12.6 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.7,696 million (March-2018: Rs. 7,474 million).

12.7 Information by geographical area

	Revenue		Non-current assets	
	Mar-19	Mar-18	Mar-19	Jun-18
	Rupees in '000			
Pakistan	16,219,665	14,216,737	18,499,931	16,368,577
Germany	7,435,156	4,980,158	-	-
United States	2,881,182	2,740,670	-	-
France	1,793,736	1,209,397	-	-
Netherlands	2,109,154	1,656,399	-	-
United Kingdom	1,319,005	1,466,359	-	-
Italy	1,830,408	1,741,697	-	-
Spain	465,265	1,053,161	-	-
China	672,969	701,047	-	-
Sweden	685,103	573,301	-	-
United Arab Emirates	14,786	139,581	58,450	58,450
Other Countries	3,073,900	2,157,628	-	-
	40,523,718	32,636,135	18,558,381	16,427,027

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-19	Mar-18
		Rupees	in '000
Parent Company	Dividend paid	598,067	239,227
Subsidiaries and indirect subsidiaries	Sale of goods	1,563,899	928,321
	Commission paid	303,289	141,978
Associated Companies and other related parties	Purchase of goods	11,410	30,075
	Sale of goods	1,458	72
	Rent paid	57,816	60,003
	Fees paid	2,500	2,040
	Donation paid	917	-
	Bills discounted	7,439,447	6,583,960
	Commission / Bank charges paid	70,538	49,321
	Mark up / Interest charged	43,483	6,432
	Provident fund contribution	130,974	116,775
	Dividend paid	26,979	10,896
	Service Rendered	40,852	-
Relationship with the Company	Nature of outstanding balances	Un-Audited	Audited
		Mar-19	Jun-18
		Rupees	in '000
Subsidiaries and indirect subsidiaries	Trade and other payables	36,317	37,943
	Long term investment	58,450	58,450
	Trade debts	1,202,214	390,603
	Other receivables	-	22,526
	Corporate guarantee issued in favour of subsidiary company	124,947	110,450
	Advance from Customer	-	-
Associated companies and others related parties	Borrowings from Banks	983,027	964,494
	Trade and other payables - Creditors	8,095	15,731
	Payable to employee's provident fund	20,026	21,025
	Bank guarantee	892,459	770,804
	Accrued mark-up	43,482	8,785
	Accrued rent	1,950	-
	Loans to key management personnel & executive	93,984	54,594
	Trade debts	2,116	-
	Deposit with banks	3,012	115,270
	Prepaid rent	31,231	42,588

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 31, 2019 amounting to Rs. 733 million (March 31, 2018: Rs. 632 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 30, 2019 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.

17 CORRESPONDING FIGURES

For better presentation and due to revisions in the Companies Act 2017, certain re-classification have been made in the corresponding figures including following;

Reclassification from component	Reclassification to component	Amount Rs '000
Other income	Sales	177,394
Other income	Sales - net (Exchange gain on realization of export receivables)	
Finance cost	Cost of sales	8,151
Finance cost	Cost of sales (Exchange gain on purchase)	

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, 2019***

**Condensed Interim Consolidated
Statement of Financial Position
As at March 31, 2019**

	Note	Un-Audited March 2019	Audited June 2018
Rupees in '000			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 750,000,000 ordinary shares of Rs.10 each		7,500,000	7,500,000
Issued, subscribed and paid-up capital 356,495,525 ordinary shares of Rs. 10 each		3,564,955	3,564,955
Reserves		11,348,575	9,458,376
		14,913,530	13,023,331
NON-CURRENT LIABILITIES			
Long term financing - Secured		8,691,693	6,911,869
Deferred liabilities			
Deferred taxation - net		24,591	37,690
Staff gratuity		76,672	71,517
		101,263	109,207
CURRENT LIABILITIES			
Trade and other payables		9,969,604	7,126,081
Accrued mark-up/profit		254,442	175,633
Short term borrowings		19,997,081	15,146,734
Current maturity of long term financing		1,250,524	1,365,857
Unclaimed dividend		4,679	6,421
Unpaid dividend		19,975	11,052
Provision for taxation		6,106	13,157
		31,502,411	23,844,935
CONTINGENCIES AND COMMITMENTS			
	7	55,208,897	43,889,342
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	18,169,977	16,121,877
Intangible assets	9	55,117	32,005
Long Term Investment		64,110	55,794
Long term loans and advances		3,217	38,607
Long term deposits		290,755	205,999
Deferred taxation		-	290
		18,583,176	16,454,572
CURRENT ASSETS			
Stores and spares		1,461,443	961,088
Stock-in-trade		23,620,900	16,419,958
Trade debts		5,979,197	5,666,199
Loans, advances and other receivables		1,774,680	1,192,970
Short term prepayments		141,762	249,933
Refunds due from Government		2,084,881	1,827,764
Taxation - net		866,787	597,781
Cash and bank balances		696,071	519,077
		36,625,721	27,434,770
		55,208,897	43,889,342

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

**Condensed Interim Consolidated
Statement of Profit or Loss
For The Nine Months Ended March 31, 2019**

Note	Un-Audited			
	Nine Months Ended		Quarter Ended	
	July to March 2019	July to March 2018	January to March 2019	January to March 2018
	-----Rupees in '000-----			
Sales - net	41,952,086	33,400,924	14,124,829	11,823,713
Cost of sales	31,880,772	26,279,470	10,793,086	9,106,367
Gross profit	10,071,314	7,121,454	3,331,743	2,717,346
Distribution cost	3,587,937	2,889,540	1,285,428	1,218,310
Administrative cost	2,303,699	2,006,830	816,265	544,750
Other operating cost	234,514	122,709	51,702	66,391
	6,126,150	5,019,079	2,153,395	1,829,451
	3,945,164	2,102,375	1,178,348	887,895
Other income	125,953	82,794	76,268	96,865
Operating profit	4,071,117	2,185,169	1,254,616	984,760
Finance cost	995,403	691,999	395,539	232,797
Profit before taxation	3,075,714	1,493,170	859,077	751,963
Taxation				
- Current	296,379	177,781	200,951	55,036
- Deferred	(13,099)	-	3,273	-
	283,280	177,781	204,224	55,036
Profit after taxation	2,792,434	1,315,389	654,853	696,927
Earning per share - basic and diluted (Rs.)	7.83	3.69	1.84	1.95

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer



**Condensed Interim Consolidated
Statement of Comprehensive Income
For The Nine Months Ended March 31, 2019**

	Un-Audited			
	Half Year Ended		Quarter Ended	
	July to March 2019	July to March 2018	January to March 2019	January to March 2018
	-----Rupees in '000-----			
Profit after taxation	2,792,434	1,315,389	654,853	696,927
Other comprehensive income for the period				
Items that will be reclassified to profit and loss account subsequently				
Exchange difference on translation of foreign subsidiaries	(10,996)	39,956	1,009	19,745
Total comprehensive income	2,781,438	1,355,345	655,862	716,672

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

**Condensed Interim Consolidated
Statement of Cash Flows
For The Nine Months Ended March 31, 2019**

	Un-Audited Half Year Ended	
	July to March 2019	July to March 2018
Note		
-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,075,714	1,493,170
Adjustments for:		
Depreciation	1,405,632	1,368,810
Amortisation	11,901	8,476
Provision for gratuity	28,387	36,702
Finance cost	995,403	691,999
Provision for slow moving/obsolete stores spares and loose tools	22,476	17,052
Impairment allowance against doubtful trade debts	23,176	31,604
Gain on disposal of property, plant and equipment	(25,290)	(50,548)
Loss on disposal of property, plant and equipment	37,544	-
	2,499,229	2,104,095
Cash flows from operating activities before adjustments of working capital	5,574,943	3,597,265
Changes in working capital:		
Increase in current assets		
Stores and spares	(522,831)	(29,409)
Stock-in-trade	(7,200,942)	(3,982,152)
Trade debts	(336,174)	(1,200,227)
Loans, advances and other receivables	(581,710)	(910,257)
Short term prepayments	108,171	(123,792)
Refunds due from Government	(257,117)	134,231
	(8,790,603)	(6,111,606)
Increase in current liabilities		
Trade and other payables	2,843,525	2,481,555
	(5,947,078)	(3,630,051)
Cash used in operations before adjustment of following	(372,135)	(32,786)
Adjustment for:		
Gratuity paid	(23,232)	(36,795)
Finance cost paid	(916,594)	(717,804)
Income tax paid or deducted	(572,146)	(283,898)
Increase in long term loans and advances	35,390	1,241
(Increase)/ decrease in long term deposits	(84,756)	1,022
	(1,561,338)	(1,036,234)
Net cash used in operating activities	(1,933,473)	(1,069,020)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(3,598,341)	(895,159)
Addition to intangible assets	(35,014)	(299)
Proceeds from sale of property, plant and equipment	132,354	211,242
Long term Investment	(8,316)	-
Net cash used in investing activities	(3,509,317)	(684,216)
Balance carried forward	(5,442,790)	(1,753,236)

**Condensed Interim Consolidated
Statement of Cash Flows
For The Nine Months Ended March 31, 2019**

	Un-Audited	
	Half Year Ended	
Note	July to March 2019	July to March 2018
	-----Rupees in '000-----	
Balance brought forward	(5,442,790)	(1,753,236)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	2,671,706	425,754
Long term financing repaid	(1,007,215)	(559,953)
Dividend paid	(884,058)	(353,084)
Net cash used in financing activities	780,433	(487,283)
Exchange difference on translation of foreign subsidiaries	(10,996)	39,956
Net decrease in cash and cash equivalents	(4,673,353)	(2,200,563)
Cash and cash equivalents - at the beginning of the period	(14,627,657)	(11,648,168)
Cash and cash equivalents - at the end of the period	10 (19,301,010)	(13,848,731)

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

	Reserves							
	Share capital	Capital reserve - Share Premium	Revenue reserve				Subtotal Reserves	Total
			General Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit		
	Rupees '000							
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	11,195,658
Transfer to								
General reserve	-	-	400,000	-	-	(400,000)	-	-
Statutory reserve	-	-	-	-	1,588	(1,588)	-	-
	-	-	400,000	-	1,588	(401,588)	-	-
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 31, 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 March 31, 2018 (Un-Audited)	3,564,955	1,405,415	5,380,000	163,506	19,648	1,660,983	8,629,552	12,194,507
Total comprehensive income for the period January 01, 2018 to June 30, 2018								
Profit after taxation	-	-	-	-	-	844,992	844,992	844,992
Other comprehensive income	-	-	-	(4,501)	-	(11,667)	(16,168)	(16,168)
	-	-	-	(4,501)	-	833,325	828,824	828,824
Balance as at June 30, 2018	3,564,955	1,405,415	5,380,000	159,005	19,648	2,494,308	9,458,376	13,023,331
Transfer to unappropriated profit	-	-	(5,380,000)	-	-	5,380,000	-	-
Final dividend for the year ended June 30, 2018	-	-	-	-	-	(891,239)	(891,239)	(891,239)
Total comprehensive income for the nine months ended March 31, 2019 (un-audited)								
Profit after taxation	-	-	-	-	-	2,792,434	2,792,434	2,792,434
Other comprehensive loss	-	-	-	(10,996)	-	-	(10,996)	(10,996)
	-	-	-	(10,996)	-	2,792,434	2,781,438	2,781,438
Balance as at March 31, 2019 (Un-Audited)	3,564,955	1,405,415	-	148,009	19,648	9,775,503	11,348,575	14,913,530

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive

ABDUL ALEEM
Chief Financial Officer

**Notes to the Condensed Interim Consolidated
Financial Statements (Un-audited)
For The Nine Months Ended March 31, 2019**

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.

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

Details of Subsidiaries

Name	Chief Executive officer	Address	Date of Incorporation	Country of Incorporation	% of Holding	Status
Gul Ahmed International Limited FZC	Mr. Mohamed Bashir	P.O box 8705, Q4-29, Sharjah Airport International free zone, Sharjah, U.A.E.	December 11, 2002	U.A.E	100%	Operational
GTM (Europe) Limited - Indirect subsidiary	Mr. Mohamed Bashir	City Wharf, New Bailey Street, Manchester M3 5ER, United Kingdom	April 17, 2003	U.K	100%	Operational
GTM USA - Indirect subsidiary	Mr. Mohamed Bashir	515, 7 West 34th Street, New York, USA	March 19, 2012	U.S.A	100%	Operational
Sky Home- Indirect Subsidiary	Mr. Mohamed Bashir	Street No. 328, South King Charles Road, City Raleigh, State North Carolina	February 28, 2017	U.S.A	100%	Operational

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

1.3 Geographical locations and addresses of all lands owned by the Company are as follows;

Unit	Area	Address
Unit 1, 2 & 3	25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi Karachi
Unit 4 & 5	14.9 Acres	Survey No.82, Deh Landhi, Karachi
Unit 6, 7 & 8	18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
Lasani wareho	4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi
MTF Plot	44.04 acres	P.U. No. 48, 49, 50, & 51, Near Machine Tool Factory Deh Khanto Tapo Landhi, Karachi
Plot	2 Kanal, 19 Marlas and 153.5 Sq. Feet	Plot No. 24-A, C-III, Gulberg Lahore

1.4 Geographical locations and addresses of all factory building and warehouses on rented premises are as follows;

Unit	Address
Highway stitching complex	Plot# 369, Main National Highway, Landhi, Karachi
Yarn Dyeing and Knitting unit	Plot# HT/3A,KDA Scheme 3, Landhi Industrial area, Karachi
Stitching unit	Plot# ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi
Hussaini stitching unit	Plot# HT/8,KDA Scheme 3, Landhi Industrial area, Karachi
Apparel division	Plot# 12, Sector 23, Korangi Industrial area, Karachi

1.5 As at March 31, 2019, the Company has 115 sale outlets.

2 BASIS OF PREPARATION

The condensed interim consolidated financial information comprise the consolidated statement of Financial Position 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 which is the wholly owned subsidiary of GTM (Europe) Limited and Sky Home Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, as at March 31, 2019 and the related consolidated statement of profit or loss, consolidated statement of cash flows 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 statements of the Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements comprise of the condensed interim consolidated statement of Financial Position as at March 31, 2019 and the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the nine months ended March 31, 2019.

The comparative statement of Financial Position, presented in these condensed interim consolidated financial statements, as at June 30, 2018 has been extracted from the audited financial statements of the Group for the year ended June 30, 2018 whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the nine months ended March 31, 2019 have been extracted from the condensed interim consolidated financial statements of the Group for the nine months ended March 31, 2018.

These condensed interim consolidated financial statements 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, 2018.

2.1 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the nine months ended March 31, 2019

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on July 1, 2018; however, these do not have any significant impact on these unconsolidated condensed interim financial statements hence not detailed. Further following new standards have become effective during the period due to which certain changes in accounting policies have been made;

IFRS 15 'Revenue from contracts with customers' -

IFRS 15 'Revenue from Contracts with customers' applies to all revenue arising from contracts with customers, unless those contracts are not in the scope of other standards and it has superseded IAS 11 "Construction Contracts", IAS 18 "Revenue" and related interpretations. The new standard establishes a five-step model to account for revenue arising from contracts with customers based on the principle that an entity should recognize revenue representing the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company has concluded that this standard do have significant impact on these condensed interim financial statements as it is already in compliance with the significant provisions of this standard.

(b) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There are new standards, certain amendments and interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any material impact except IFRS-16 "Leases" whose impact is being assessed.

Further the Securities and Exchange Commission of Pakistan through its notification SRO 229 dated February 14, 2019 and its press release dated February 15, 2019 has also deferred the applicability of the standards for the periods ending on or after June 30, 2019. The impact of the provisions of this standard including estimation of expected credit losses is being assessed.

3 ACCOUNTING POLICIES

Same accounting policies and methods of computation are adopted for the preparation of these condensed interim consolidated financial statements as those applied in the preparation of consolidated financial statements for the year ended June 30, 2018 except for changes as stated above in note 2.1 which do not have significant impact on these condensed interim consolidated financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim consolidated financial statements 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 statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2018.

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

5 Long term financing - Secured

	Un-Audited March 2019	Audited June 2018
	Rupees in '000	
Opening balance	8,277,726	7,824,892
Add: Obtained during the period / year	2,671,706	1,270,701
Less: Repaid during the period / year	(1,007,215)	(817,867)
	9,942,217	8,277,726
Less: Current portion shown under current liabilities	(1,250,524)	(1,365,857)
	8,691,693	6,911,869

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 December, 2016 was challenged in Honorable Sindh High Court by the Group, as was disclosed in note no. 10.1.2 of the consolidated financial statements for the year ended June 30, 2018. The Oil and Gas Regulatory Authority (OGRA) issued another notification dated October 04, 2018, revising the tariff effective from September 27, 2018, subsequent to this notification the Company paid the bills accordingly, hence after this notification no subsequent provision has been made; However, upto the September 2018 the Group has provided banker's verified various Cheques of Rs. 250.675 million (June-2018: 217.356 million) as security to Nazir of High Court Sindh and also, as a matter of prudence, maintained full provision up to the September 2018 amounting to Rs. 410.601 million (June-2018: 377.283 million) in the consolidated financial statements.
- The Group as mentioned in note 10.1.3 of the consolidated financial statements for the year ended June 30, 2018 had filed a suit in the Honorable Sindh High Court challenging the charging of captive power tariff instead of industry tariff. The OGRA has issued another notification dated October 04, 2018 revising the tariff effective September 27, 2018, subsequent to this notification the Group paid the bills accordingly, hence after this notification no subsequent provision has been made; However, upto the September 2018 the Group has provided banker's verified various cheques of Rs. 388.570 million (June-2018: Rs. 332.397 million) as security to Nazir of High Court of Sindh and also, as a matter of prudence, maintained full provision up to September, 2018 amounting to Rs. 626.230 million (June-2018: Rs. 570.057 million) in the consolidated financial statements.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2018 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 14.4 of the financial statements for the year ended June 30, 2018 except that the amount of provision of Rs. 2,174 million (June-2018: Rs.1,725 million) commencing from May 22, 2015 to the balance sheet date.

Gurantees

- (a) Guarantee of Rs.1,106 million (June-2018: Rs. 839 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. 892 million (June 2018: Rs. 771 million).
- (b) Post dated cheques Rs. 3,493 million (June-2018: Rs. 3,440 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. 4,326 million (June-2018: Rs. 1,292 million).
- (d) Corporate guarantee of Rs. 124.947 million (June-2018: Rs. 110.450 million) has been issued to a bank in favor of indirect subsidiary company - GTM (Europe) Limited - UK. This has been issued in accordance with the requirement of Companies Act, 2017.

Commitments

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

The Group is committed for capital expenditure as at March 31, 2019 of Rs.739 million (June 2018: Rs. 1,234 million).

	Un-Audited March 2019	Audited June 2018
	Rupees in '000	
(b) The Group is committed for minimum rental payments for each of following period as follows:		
Not more than one year	819,353	800,204
More than one year but not more than five years	2,806,231	2,276,407
More than five years	625,238	815,837
	<u>4,250,822</u>	<u>3,892,448</u>

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1 & 8.2	15,441,761	14,926,272
Capital work in progress (CWIP)	8.4	2,728,216	1,195,605
		<u>18,169,977</u>	<u>16,121,877</u>

	Un-Audited for the nine months ended March 2019	for the nine months ended March 2018
	Rupees in '000	
8.1 Additions during the period		
Buildings and structures on leasehold land	201,122	725,085
Plant and machinery	1,712,654	2,331,989
Furniture and fixtures	4,240	2,700
Office equipment	105,746	28,500
Vehicles	41,969	52,600
	<u>2,065,731</u>	<u>3,140,874</u>

- 8.1.1 Additions to building and structure on leasehold land and plant and machinery include transfers from capital work-in-progress amounting to Rs. 161.06 million (March 2018: Rs. 605 million) and Rs. 1,496 million (March 2018: Rs. 2,074 million) and 60.45 million (March 2018: Rs.40 k) respectively.

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

Plant and machinery
Vehicles



Un-Audited	
for the nine months ended March 2019	for the nine months ended March 2018
Rupees in '000	
83,157	63,179
58,383	97,652
141,540	160,831

8.2.1 Disposals include assets scrapped at Net book value during the period of Rs. Nil (March-2018: Rs. 0.220 million).

8.3 Depreciation charge during the period

8.4 Additions - capital work in progress (at cost)

Machinery
Building
Others

Un-Audited	
March 2019	March 2018
Rupees in '000	
1,405,632	1,368,810
2,660,950	402,108
529,335	238,565
60,452	-
3,250,737	640,673

Note	Un-Audited	Audited
	March 2019	June 2018
Rupees in '000		

9 INTANGIBLE ASSETS

Intangible - net book value

9.1 & 9.2	55,117	32,005
	55,117	32,005

9.1 Additions - intangibles (at cost)

Computer Software

9.2 Amortisation charge during the period

Un-Audited	
for the nine months ended March 2019	for the nine months ended March 2018
Rupees in '000	
35,014	299
11,901	8,476

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of:

Cash and bank balances
Short term borrowings

Un-Audited	
March 2019	March 2018
Rupees in '000	
696,071	553,996
(19,997,081)	(14,402,727)
(19,301,010)	(13,848,731)

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.

12 SEGMENT INFORMATION

The Group's Operations have been divided in four 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) **Retail and Distribution:** On the retail front, Ideas by Gul Ahmed offers fabrics and made-ups, ranging from home accessories to clothing.
d) **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.
e) **Subsidiary Companies.:** 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		Retail and Distribution		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-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018	Mar-2019	Mar-2018
	Rupees '000																			
Sales	7,420,559	5,617,969	1,216,841	1,332,613	14,105,442	10,947,041	27,617,699	23,811,047	375,152	570,534	1,667,460	807,010	67,376	155,716	882,279	159,851	(11,400,722)	(10,000,857)	41,952,086	33,400,924
Cost of sales	6,181,002	4,816,341	1,283,996	1,214,213	9,502,221	7,479,803	23,916,886	21,402,848	273,977	454,909	1,482,454	707,772	62,425	123,319	591,282	70,717	(11,413,471)	(9,990,452)	31,880,772	26,279,471
Gross profit	1,239,557	801,628	(67,155)	118,400	4,603,221	3,467,238	3,700,813	2,408,199	101,175	115,625	185,006	99,238	4,951	32,397	290,997	89,134	12,749	(10,405)	10,071,314	7,121,454
Distribution costs and administrative costs	106,659	109,961	48,650	51,133	3,422,391	2,965,219	1,824,983	1,507,124	67,713	75,747	149,661	74,071	265	27,087	271,316	86,028	-	-	5,891,636	4,896,370
Profit/(loss) before tax and before charging the following	1,132,898	691,667	(115,805)	67,267	1,180,830	502,019	1,875,830	901,075	33,463	39,878	35,346	25,167	4,687	5,310	19,682	3,106	12,749	(10,405)	4,179,678	2,225,084
Other operating costs																			234,514	122,709
Other income																			(125,955)	(82,794)
Finance costs																			995,403	691,999
Profit before taxation																			1,103,962	731,914
Taxation																			3,075,716	1,493,170
Profit after taxation																			283,280	177,781
Depreciation and Amortisation Expense	386,776	378,708	238,942	222,009	240,033	176,389	547,928	595,696	3,236	2,532	619	821	-	1,131	-	-	-	-	1,417,533	1,377,286

12.2 Segment assets and liabilities

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		GTM USA Corp.		SKY Home Corporation		Unallocated		Total Group	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018	Mar-2019	June - 2018
	Rupees '000																			
Assets	12,588,863	11,021,310	3,384,140	3,357,067	10,813,660	5,396,751	24,856,206	22,155,720	493,211	488,118	1,118,721	410,387	6,794	8,555	592,865	231,653	2,655,002	1,332,597	56,509,462	44,402,158
Elimination of intragroup balances																			(1,300,565)	(512,816)
																			55,208,897	43,889,342
Liabilities	4,437,964	3,802,668	2,126,916	1,895,092	2,060,909	905,830	12,205,529	7,524,144	144,409	201,464	1,138,214	314,148	26,035	97,631	346,021	67,897	19,047,665	16,514,984	41,533,662	31,323,858
Elimination of intragroup balances																			(1,238,295)	(457,847)
																			40,295,367	30,866,011
Segment Capital Expenditure	445,131	830,051	835,216	1,844,453	202,147	217,508	275,520	143,483	481	2,090	-	-	-	-	-	-	342,249	297,537	2,100,745	3,335,122

12.3 The Group has implemented Microsoft Dynamics 365 for Retail & Distribution, which has now enabled the Company to disclose the figures separately for the segment.

12.4 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.

12.5 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.

12.6 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.7,696 million (Mar-2018: Rs. 7,474 million).

12.7 Information by geographical area

	Revenue		Non-current assets	
	For the nine months ended (Un-audited)		Un-Audited	Audited
	Mar - 2019	Mar - 2018	Mar - 2019	Jun - 2018
	-----Rupees in '000-----			
Pakistan	18,243,054	14,220,475	18,564,040	16,368,577
Germany	7,435,156	5,008,886	-	-
United States	3,665,816	3,096,851	-	4,121
Netherlands	2,109,154	1,655,894	-	-
Italy	1,830,408	1,707,131	-	-
United Kingdom	1,611,616	1,565,956	2,474	64,089
Spain	465,265	1,053,028	-	-
France	1,793,736	1,209,246	-	-
Sweden	685,103	569,824	-	-
China	672,969	701,047	-	-
United Arab Emirates	365,909	651,411	16,662	17,785
Other Countries	3,073,900	1,961,175	-	-
Total	41,952,086	33,400,924	18,583,176	16,454,572

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.

		Un-Audited	
		Mar - 2019	Mar - 2018
Relationship with Nature of transactions Rupees in '000 the Group			
Parents Company	Dividend Paid	598,067	239,227
Associated Companies and other related parties	Purchase of goods	11,410	30,075
	Sale of goods	1,458	72
	Rent paid	57,816	60,003
	Fees paid	2,500	2,040
	Donation paid	917	-
	Bills discounted	7,439,447	6,583,960
	Commission / Bank charges paid	70,538	49,321
	Mark up / Interest charged	43,483	6,432
	Holding Company's contribution to provident fund	130,974	116,775
	Dividend paid	26,979	10,896
	Services rendered	40,852	-
Relationship with Nature of outstanding balances the Group		Un-Audited	Audited
		Mar - 2019	Jun - 2018
		Rupees	in '000
Associated companies and others related parties	Deposit with banks	3,012	115,270
	Borrowings from Banks	983,027	964,494
	Bank guarantee	892,459	770,804
	Trade and other payables - creditors	8,095	15,731
	Trade debts	2,116	-
	Accrued mark-up	43,482	8,785
	Accrued rent	1,950	-
	Loans to key management personnel & executive	93,984	54,594
	Payable to employee's provident fund	20,026	21,025
	Prepaid Rent	31,231	42,588

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 31, 2019 amounting to Rs. 858 million (March 31, 2018: Rs.717 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 30 April, 2019 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.

17 CORRESPONDING FIGURES

For better presentation and due to revisions in the Companies Act 2017, certain re-classification have been made in the corresponding figures including following;

Reclassification from component	Reclassification to component	Amount Rs '000
Other income	Sales	
Other income	Sales - net (Exchange gain on realization of export receivables)	177,394
Finance cost	Cost of sales	8,151
Finance cost	Cost of sales (Exchange gain on purchase)	

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

شیئر ہولڈرز کے لئے ڈائریکٹر کی جائزہ رپورٹ

آپ کی کمپنی کے ڈائریکٹر زہانت مسرت کے ساتھ 31 مارچ 2019 ہونے والے نو ماہی کے کمپنی کے امور کا جائزہ رپورٹ پیش کر رہے ہیں۔

معاشی جائزہ

اقتصادی اعداد و شمار سے ظاہر ہوا کہ حالیہ ماضی میں استحکام اور اصلاحات کے اقدامات کیے گئے ہیں اگرچہ توقع سے زیادہ سست مالی سال 2018-19 کے دوران یہ جولائی تا فروری میں کرنٹ اکاؤنٹ خسارہ 8.8 بلین امریکی ڈالر بعد دور ہوا جو گزشتہ سال اسی مدت کا خسارہ 11.4 بلین امریکی ڈالر کے مقابلے میں 22.6 فیصد کم ہو گیا۔ بڑے پیمانے پر مینوفیکچرنگ (LSM) میں مالی سال 2019 کے دوران یہ جولائی تا فروری میں 2.3 فیصد کم کی واقع ہوئی گزشتہ دہائی کے دوران 7.2 فیصد ترقی ریکارڈ کی گئی۔ مالی سال جولائی 18 تا فروری 19 میں اوسط عنوان CPI افراط زر 6.5 فیصد تک پہنچ گیا جس کے مقابل گزشتہ سال اسی مدت میں 3.8 فیصد تک ریکارڈ کیا گیا۔ فروری 2019 میں سال پر سال افراط زر 8.2 فیصد تک اضافہ ہوا جو کہ جون 2014 کے بعد اب تک کا بلند ترین اضافہ ہے۔ حکومت پاکستان کا مستقبل میں IMF پروگرام میں شامل ہونا متوقع ہے۔ اس طرح کے پروگرام کے ذریعے سود کی شرح میں اضافہ ہو سکتا ہے۔ معز ے چلدار تباہ کی شرح اور گیس اور پاور کیلئے زیادہ افادیت کی شرح عائد ہو سکتی ہے۔

ملک کی ترقی کی حکمت عملی کو فروغ دینے کے لئے ہر آمدات کی افزائش کیلئے مزید سخت تجارتی پالیسیوں کی ضرورت ہوگی۔

غیر ملکی برادراست سرمایہ کاری اور سرکاری آمدنی کرنٹ اکاؤنٹ خسارے کو کم کرنے میں کامیابی، ملک اپنے وسائل کے ذریعے اس خلا کو پُر کر رہا ہے۔ ملک کے زرمبادلہ کے ذخائر میں دو طرفہ سرکاری بہاؤ کے حصول کے باعث جنوری 2019 کے اختتام تک 14.8 بلین ڈالر تک پہنچ گئے۔ (متحدہ عرب امارات اور سعودی عرب سے بالترتیب رقم 3 بلین اور 1 بلین امریکی ڈالر درآمد)

صنعتی جائزہ

ٹیکسٹائل انڈسٹری میں بہاؤ میں کمی ظاہر رہی جیسا کہ صنعتی ترقی میں موجود مالی سال کے نو ماہ میں 0.3 فیصد کمی دیکھی گئی۔ جس کے مقابلے میں گزشتہ دہائی 0.7 فیصد تک شرح میں اضافہ دیکھا گیا۔ 2018-19 مالی سال کے نو ماہ کے دوران ٹیکسٹائل انڈسٹری کی کل درآمدات 9138 ملین امریکی ڈالر رہی جس کے مقابل گزشتہ سال اسی مدت میں 8865 ملین امریکی ڈالر تھی۔ جس میں 3 فیصد اضافہ ریکارڈ کیا گیا۔ نٹ، ویسٹر، کاٹن کپڑ اور کپاس سوت میں بالترتیب 8 فیصد، 4 فیصد اور 2 فیصد اضافہ دیکھا گیا۔ جبکہ تیار لباس کی درآمدات میں 0.2 فیصد کمی واقع ہوئی۔

فروری 19 سے صنعت درآمد شدہ کپاس سے 5 فیصد کسٹم ڈیوٹی سے اور 5 فیصد سیکٹر ٹیکس موقوف کر کے فائدہ حاصل کر رہی ہے۔ بڑی فصلوں پر تازہ ترین تشخیص زرعی شعبے کی طرف سے کمزور کارکردگی کا مظاہرہ کر رہی ہے اور مجموعی صنعتی کارکردگی غیر یقینی ہے۔ تاہم، درآمد شدہ پاکستانی مصنوعات پر چین کی جانب سے ڈیوٹی میں حالیہ ریلیف اور حکومتی برآمداتی حکمت عملی فائدہ مند ثابت ہو سکتی ہے۔

مالیاتی کارکردگی

آپ کی کمپنی نے جدید ٹیکنالوجی میں سرمایہ کاری سے بھرپور فائدہ حاصل کیا۔ اقتصادی طور پر فائدہ مند مارکیٹوں پر توجہ مرکوز رکھتے ہوئے، مصنوعات اور گاہکوں، منوٹر پر ڈیجیٹل مینجمنٹ، لاگتی استعمال کی کوششیں، پاکستانی روپیہ اور امریکی ڈالر کی مبادلہ کی تبدیلی، اسٹریٹجک اور بروقت خام مال کی خریداری جبکہ دستیاب کرڈٹ لائسنس کا مکمل فائدہ اٹھایا گیا۔ اس طرح کے اقدامات کے مشترکہ نتائج کے ذریعے کمپنی نے اپنی صلاحیتوں کو مکمل طور پر استعمال کرنے میں فعال کیا ہے۔ اور سب سے اوپر اور نیچے کی لائن کو بہتر بنائیں۔ ہماری جانب سے دیکھے جانے والے کارکردگی کے اہم عوامل مندرجہ ذیل ہیں۔

	Units	Nine Months ended March 31, 2019	Nine Months ended March 31, 2018
Export Sales	Rs. in million	23.945	18.929
Local Sales	Rs. in million	16.579	13.707
Total Sales	Rs. in million	40.524	32.636
Gross profit	Rs. in million	9.476	6.795
Profit before tax	Rs. in million	2.980	1.433
Profit after tax	Rs. in million	2.697	1.255
Earnings per share (EPS)	Rupees	7.57	3.52
Debt to equity ratio	Times	0.60	0.54
Current ratio	Times	1.15	1.12
Break-up-value per share	Rupees	40.47	33.13

مستقبل کا خاکہ

حکومت ہر آمدات کی ترقی کی حکمت عملی کو نافذ ڈیوٹی ریلیف ہر اے پاکستان نے پاکستان انکمپورٹ مارکیٹ کیلئے نئی دنیا درکھی ہے تاکہ کاروباری ترقی کے مواقع حاصل کر سکیں۔ حکومت کے اصلاحاتی اقدامات کے اثرات میں انکشاف کیا جائے گا تاہم آنے والے مہینے، پالیسیوں کی مستقبل استحکام، خاص طور پر متعلقہ ضروریات کو ہرآمد کرنے کے لئے یقینی بنانے کی ضرورت ہے۔ یہ بات اہم ہے کہ تجارت اور مالی خسارے کو کنٹرول میں لایا جائے۔ پہلے GIDC رقم کی دست کشی کے ساتھ GIDC کا خاتمہ کی توقع اگر منظوری دی گئی، جو کہ ابھی تک ٹیکسٹائل انڈسٹری کی طرف سے منتظر ہے۔ آئی ایم ایف بیل آؤٹ کے پس منظر میں، ہم پر امید ہیں کہ معیشت صحیح راستے پر استحکام کے ساتھ مثالی تہذیبی کے ذریعے ہرآمدات کی حوصلہ افزائی کیلئے ایک سازگار ماحول تخلیق کرے گی۔

مشترکہ مالیاتی بیانات

31 مارچ 2019 کو ختم ہونے والے نو ماہ کے معادون مالی بیانات کمپنی اور اس کے ماتحت ادارے گل احمد انٹرنیشنل لمیٹڈ (FZC)۔ متحدہ عرب امارات، GTM یورپ لمیٹڈ، برطانیہ GTM USA کارپ، USA اور اسکاٹی ہوم کارپ، USA منسلک ہیں۔

اعتراف

ہم تمام حصص داروں کی رشتوں اور بہترین کارکردگی کو تسلیم کرتے ہیں اور تہہ دل سے اعتراف کرتے ہیں۔

منجانب بورڈ

30 اپریل 2019

کراچی

محمد بشیر

چیئر مین

محمد ذکی بشیر

چیف ایگزیکٹو آفیسر