



## *Quarterly Report*

*Unconsolidated Condensed Interim Financial Information  
For The Nine Months Ended March 31, 2009*

**BOARD OF DIRECTORS**

BASHIR ALI MOHOMMAD - Chairman & Chief Executive  
ABDUL RAZAK HAJI SATTAR - Non Executive Director  
SIRAJ KASSAM TELI - Non Executive Director  
MUHAMMAD JUNAID - Non Executive Director  
ZAIN BASHIR - Executive Director  
ZIAD BASHIR - Executive Director  
MOHAMMAD ZAKI BASHIR - Non Executive Director  
ABDUL AZIZ YOUSUF - Executive Director  
S.M. NADIM SHAFIQULLAH - Independent Non Executive Director

**CHIEF FINANCIAL OFFICER**

MOHAMMED SALEEM SATTAR

**COMPANY SECRETARY**

MOHAMMED SALIM GHAFFAR

**AUDIT COMMITTEE**

S.M. NADIM SHAFIQULLAH - Chairman & Member  
ABDUL RAZAK HAJI SATTAR - Member  
MOHAMMAD ZAKI BASHIR - Member  
ABDUL AZIZ YOUSUF - Secretary

**BANKERS**

ALLIED BANK LIMITED  
BANK AL HABIB LIMITED  
BARCLAYS BANK PLC PAKISTAN  
CITIBANK, N.A.  
FAYSAL BANK LTD  
HABIB BANK LIMITED  
HABIB METROPOLITAN BANK LIMITED  
HSBC BANK MIDDLE EAST LIMITED  
MEEZAN BANK LIMITED  
NATIONAL BANK OF PAKISTAN  
NIB BANK LIMITED  
STANDARD CHARTERED BANK (PAKISTAN) LTD  
THE ROYAL BANK OF SCOTLAND LIMITED  
UNITED BANK LIMITED

**AUDITORS**

HYDER BHIMJI & CO.  
Chartered Accountants

**INTERNAL AUDITORS**

A.F. FERGUSON & CO.  
Chartered Accountants

**REGISTERED OFFICE**

PLOT NO.82  
MAIN NATIONAL HIGHWAY  
LANDHI, KARACHI-75120

**SHARES REGISTRAR**

FAMCO ASSOCIATES (PVT) LTD  
(FORMERLY FERGUSON ASSOCIATES (PVT) LTD)  
4TH FLOOR, STATE LIFE BUILDING NO. 2-A  
I.I. CHUNDRIGAR ROAD, KARACHI-74000  
PHONE NO. 021-2420755,2427012,2426597  
FAX NO. 021-2426752

**MILLS**

LANDHI INDUSTRIAL AREA  
KARACHI-75120

**E-MAIL**

finance@gulahmed.com

**URL**

www.gulahmed.com



## Directors' Review

Your Directors are pleased to present the financial statements for the nine months ended March 31, 2009 of FY 2008-09.

### Operating Results

Operating results of the Company are as under:

	<u>Rs. in million</u>
Sales	10,108
Gross profit	1,657
Profit before tax after providing depreciation/amortization of Rs. 461 million	128
Profit after tax	63

Sales have increased by Rs. 1,825 million an increase of 22% as compared to the corresponding period. Sales are generating a healthy gross profit however the high mark-up cost has diluted the profitability.

### Future Prospects

There is no improvement in the international economic situation and all Western and US economies are in a recession, thus effecting exports. On the positive side withdrawal of the anti-dumping duty by European Union will help in getting additional market share. As far as the financial expenses are concerned relief is expected in the mark-up rates as the State Bank of Pakistan has reduced the discount rate to 14% from the present rate of 15%.

### Consolidated Financial Statements

Consolidated financial statements for the nine months ended March 31, 2009 of FY 2008-09 of the Company and its subsidiaries Gul Ahmed International Limited (FZC), UAE and GTM (Europe) Limited, UK are attached.

### Acknowledgement

Directors acknowledge and appreciate the efforts of the employees and valuable support of the various Government Departments and our Bankers.

For and on behalf of the Board

Karachi  
April 29, 2009

Bashir Ali Mohommad  
Chairman and Chief Executive



**Unconsolidated Condensed Interim  
Balance Sheet As at March 31, 2009**

	<b>March 2009</b>	June 2008
		Rs. 000s
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised capital 75,000,000 ordinary shares of Rs.10 each	<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital	551,987	551,987
Reserves	2,152,052	2,102,052
Unappropriated profit	65,399	107,990
	<u>2,769,438</u>	<u>2,762,029</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term loans	2,658,759	2,354,317
Deferred tax liability	131,773	124,773
Deferred liability for staff gratuity	4,610	5,471
<b>CURRENT LIABILITIES</b>		
Short term borrowings	6,576,596	5,214,385
Current maturity of long term loans- secured	401,479	593,671
Trade and other payables	1,555,147	1,132,738
Accrued interest	142,014	144,318
Provision for taxation	124,000	66,000
	<u>8,799,236</u>	<u>7,151,112</u>
	<u>14,363,816</u>	<u>12,397,702</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,144,043	5,827,621
Intangible assets	30,495	28,215
Long term investment	58,450	58,450
Long term loans and advances	3,124	3,505
Long term deposits	27,524	15,599
	<u>6,263,636</u>	<u>5,933,390</u>
<b>CURRENT ASSETS</b>		
Stores,spares and loose tools	490,063	485,957
Stock-in-trade	3,973,325	2,915,550
Trade debts (unsecured- considered good)	2,929,449	2,490,258
Loans and advances	325,726	217,115
Deposits and prepayments	65,393	40,633
Other receivables	55,482	69,269
Tax refunds due from government	139,955	176,496
Cash and bank balances	120,787	69,034
	<u>8,100,180</u>	<u>6,464,312</u>
	<u>14,363,816</u>	<u>12,397,702</u>

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

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director

 **Unconsolidated Condensed Interim  
Profit And Loss Account  
For The Nine Months Ended March 31, 2009**

	FOR THE QUARTER		FOR THE NINE MONTHS	
	Jan-Mar <u>2009</u>	Jan-Mar <u>2008</u>	July-Mar <u>2009</u>	July-Mar <u>2008</u>
	Rs. 000s		Rs. 000s	
Sales	<b>3,436,546</b>	3,052,489	<b>10,107,810</b>	8,283,290
Cost of sales				
Opening stock of finished goods	<b>2,845,081</b>	1,875,431	<b>1,734,731</b>	1,697,043
Cost of goods manufactured	<b>2,365,576</b>	1,993,723	<b>7,349,511</b>	5,525,013
Purchases and processing charges	<b>518,071</b>	567,061	<b>2,246,676</b>	1,700,045
Closing stock of finished goods	<b>(2,880,113)</b>	(1,791,295)	<b>(2,880,113)</b>	(1,791,295)
	<b>2,848,615</b>	2,644,920	<b>8,450,805</b>	7,130,806
Gross profit	<b>587,931</b>	407,569	<b>1,657,005</b>	1,152,484
Administrative expenses	<b>174,185</b>	139,056	<b>499,476</b>	402,480
Distribution cost	<b>113,830</b>	58,588	<b>252,528</b>	159,087
Other operating expenses	<b>2,416</b>	1,841	<b>9,457</b>	10,386
	<b>290,431</b>	199,485	<b>761,461</b>	571,953
Operating profit	<b>297,500</b>	208,084	<b>895,544</b>	580,531
Other operating income	<b>394</b>	2,427	<b>12,110</b>	10,924
	<b>297,894</b>	210,511	<b>907,654</b>	591,455
Finance cost	<b>265,294</b>	185,661	<b>780,046</b>	451,320
Profit before taxation	<b>32,600</b>	24,850	<b>127,608</b>	140,135
Provision for taxation	<b>20,000</b>	7,456	<b>65,000</b>	42,042
Profit after taxation	<b>12,600</b>	17,394	<b>62,608</b>	98,093
Earnings per share (Rs.)	<b>0.23</b>	0.32	<b>1.13</b>	1.78

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

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director

 **Unconsolidated Condensed Interim  
Cash Flow Statement  
For The Nine Months Ended March 31, 2009**

	<b>MARCH 2009</b>	<b>MARCH 2008</b>
	Rs. 000s	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	127,608	140,135
Adjustments for:		
Depreciation/amortisation	461,336	369,426
Gratuity	2,375	980
Finance cost	780,046	451,320
Provision for slow moving/obsolete items	990	307
Provision for doubtful debts	623	367
Profit on sale of property, plant and equipment	(7,477)	(2,035)
	<b>1,365,501</b>	960,500
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(5,096)	(72,159)
Stock-in-trade	(1,057,775)	(1,200,844)
Trade debts	(439,814)	(546,280)
Loans and advances	(48,636)	(88,160)
Deposits and prepayments	(24,760)	(18,112)
Other receivables	13,787	4,462
Tax refunds due from government	36,541	(9,652)
	<b>(1,525,753)</b>	(1,930,745)
Increase in current liabilities		
Trade and other payables	422,410	117,911
	<b>(1,103,343)</b>	(1,812,834)
Cash generated from/used in operations	<b>262,158</b>	(852,334)
Payments for/receipts from :		
Gratuity	(3,236)	(2,066)
Finance cost	(782,350)	(449,630)
Income tax paid	(59,975)	(56,262)
Long term loans and advances	381	(634)
Net cash used in operating activities	<b>(583,022)</b>	(1,360,926)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(808,250)	(1,020,934)
Proceeds from sale of operating assets	35,687	6,976
Long term deposits	(11,925)	(1,747)
Net cash used in investing activities	<b>(784,488)</b>	(1,015,705)

	<b>MARCH 2009</b>	<b>MARCH 2008</b>
	<b>Rs. 000s</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term loans	<b>471,002</b>	1,081,581
Repayments of long term loans	<b>(358,751)</b>	(619,280)
Dividend paid	<b>(55,199)</b>	-
Net cash generated from financing activities	<b>57,052</b>	462,301
Net decrease in cash and cash equivalents	<b>(1,310,458)</b>	(1,914,330)
Cash and cash equivalents - at the beginning of the period	<b>(5,145,351)</b>	(3,982,364)
Cash and cash equivalents - at the end of the period	<b>(6,455,809)</b>	(5,896,694)

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include:

Cash and bank balances	<b>120,787</b>	45,042
Short term borrowings	<b>(6,576,596)</b>	(5,941,736)
	<b>(6,455,809)</b>	(5,896,694)

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

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director

 **Unconsolidated Condensed Interim  
Statement of Changes in Equity  
For The Nine Months Ended March 31, 2009**

	<b>Rs. 000s</b>				
	Shares capital	Revenue reserve	Capital reserve	Unappropriated profit	Total
Balance as at June 30, 2007	551,987	1,740,000	202,052	165,152	2,659,191
Transfer to general reserve	-	160,000	-	(160,000)	-
Profit for the nine months ended March 31, 2008	-	-	-	98,093	98,093
Balance as at March 31, 2008	551,987	1,900,000	202,052	103,245	2,757,284
Profit for the period April 01, 2008 to June 30, 2008	-	-	-	4,745	4,745
Balance as at June 30, 2008	551,987	1,900,000	202,052	107,990	2,762,029
Profit for the nine months ended March 31, 2009	-	-	-	62,608	62,608
Transfer to general reserve	-	50,000	-	(50,000)	-
Final Dividend for the year ended June 30, 2008	-	-	-	(55,199)	(55,199)
Balance as at March 31, 2009	551,987	1,950,000	202,052	65,399	2,769,438

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

**BASHIR H. ALIMOHAMMED**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director





**Unconsolidated Condensed Interim  
Notes To The Accounts  
For The Nine Months Ended March 31, 2009**

**1. THE COMPANY AND ITS OPERATIONS**

Gul Ahmed Textile Mills Limited is a public limited company incorporated in Pakistan and is listed on the Karachi and Lahore Stock Exchanges. It is engaged in the manufacture and sale of textile products.

**2. BASIS OF PREPARATION**

These accounts are un-audited and have been prepared in accordance with the requirements of SRO 764(1)/2001 dated 05 November 2001 issued by the Securities and Exchange Commission of Pakistan and the International Accounting Standard 34 'Interim Financial Reporting'.

**3. ACCOUNTING POLICIES**

Accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the accounts for the year ended June 30, 2008.

**4. CONTINGENCIES AND COMMITMENTS**

**Contingencies**

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2008 except as stated below, remained unchanged during the current period.

- (a) Guarantees issued by Bank on behalf of the company as at period end for Rs.112 million (June-2008: Rs.107 million) were outstanding.
- (b) Post dated cheques Rs. 35 million (June-2008: Rs. 13 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 73 million (June-2008: Rs. 584 million)
- (d) Corporate guarantee of Rs. 53.095 million (June-2008: Rs. 53.829) has been issued to a bank in favour of subsidiary company.

**Commitments**

- (a) The Company is committed for capital expenditure as at Mar 31, 2009 of Rs. 54 million (June-2008:Rs. 182 million).
- (b) The Company is committed for non capital expenditure items under letters of credits as at Mar 31, 2009 of Rs.194 million (June-2008: Rs. 27 million).

**5. Property, plant and equipment**

	(Rs. 000s)	
	9 months ended	12 months ended
	<u>MARCH-2009</u>	<u>JUNE 2008</u>
Opening book value	5,340,201	4,485,121
Additions during the period		
Building on leasehold land	64,911	156,126
Plant and machinery	855,293	1,164,683
Office equipment	28,048	28,747
Furniture and fixtures	7,592	4,987
Transport equipment	46,079	43,162
	<b>1,001,923</b>	1,397,705
Book values of assets disposed-off during the period	<b>(28,210)</b>	(28,008)
Depreciation charge for the period	<b>(450,691)</b>	(514,617)
	<b>5,863,223</b>	5,340,201
Capital work in progress	<b>280,820</b>	487,420
	<b>6,144,043</b>	5,827,621

#### 6. Transaction 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 transactions with various related parties.

<u>Relationship with the Company</u>	<u>Nature of transaction</u>	<u>Mar-09</u>	<u>Mar-08</u>
		Rs. 000s	
Subsidiaries	Purchase of goods	-	28,670
	Sale of goods - net	<b>534,804</b>	413,713
Associated Companies and other related parties	Purchase of goods	<b>19,746</b>	14,694
	Sale of goods - net	<b>132</b>	7,258
	Rent paid	<b>3,398</b>	3,900
	Fees paid	<b>375</b>	-
	Deposit with bank (at period end)	<b>70,602</b>	34,865
	Borrowing from bank (at period end)	<b>870,589</b>	652,169
	Bank Guarantee (at period end)	<b>64,499</b>	53,779
	Bills discounted	<b>183,131</b>	143,733
	Commission / Bank charges paid	<b>11,430</b>	6,314
	Mark up / interest charged	<b>49,334</b>	28,907
	Mark up / interest earned	<b>8</b>	228

There are no transactions with directors of the Company and key management personnel other than under the terms of employment.

#### 7. Date Of Authorisation

These financial statements were authorised for issue on April 29, 2009 by the Board of Directors of the Company.

#### 8. General

(a) 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.

(b) Figures have been rounded off to the nearest thousand rupees.

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director



## *Consolidated Accounts*

*Consolidated Condensed Interim Financial Information  
For The Nine Months Ended March 31, 2009*

 **Consolidated Condensed Interim  
Balance Sheet As at March 31, 2009**

	<b>March 2009</b>	June 2008
	Rs. 000s	
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised capital 75,000,000 ordinary shares of Rs.10 each	<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid-up capital	551,987	551,987
Reserves	2,203,571	2,131,839
Unappropriated profit	113,051	156,202
	<u>2,868,609</u>	<u>2,840,028</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term loans	2,658,759	2,354,317
Deferred tax liability	131,773	124,773
Deferred liability for staff gratuity	4,700	5,547
<b>CURRENT LIABILITIES</b>		
Short term borrowings	6,614,838	5,260,760
Current maturity of long term loans- secured	401,479	593,671
Trade and other payables	1,578,164	1,176,023
Accrued Interest	142,014	144,318
Provision for taxation	125,438	67,334
	<u>8,861,933</u>	<u>7,242,106</u>
	<u>14,525,774</u>	<u>12,566,771</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	6,148,809	5,832,838
Intangible assets	35,106	33,818
Long term loans and advances	3,124	3,505
Long term deposits	27,524	15,599
	<u>6,214,563</u>	<u>5,885,760</u>
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	490,063	485,957
Stock-in-trade	4,122,127	2,963,105
Trade debts (unsecured - considered good)	2,920,351	2,644,895
Loans and advances	336,300	218,685
Deposits and prepayments	77,357	46,201
Other receivables	55,482	60,908
Tax refunds due from government	143,942	179,563
Cash and bank balances	165,589	81,697
	<u>8,311,211</u>	<u>6,681,011</u>
	<u>14,525,774</u>	<u>12,566,771</u>

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

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director

 **Consolidated Condensed Interim  
Profit And Loss Account  
For The Nine Months Ended March 31, 2009**

	FOR THE QUARTER		FOR THE NINE MONTHS	
	Jan-Mar <u>2009</u>	Jan-Mar <u>2008</u>	July-Mar <u>2009</u>	July-Mar <u>2008</u>
	Rs. 000s		Rs. 000s	
Sales	3,459,992	3,025,849	10,229,301	8,477,467
Cost of sales				
Opening stock of finished goods	2,946,879	1,927,895	1,782,286	1,796,734
Cost of goods manufactured	2,365,576	1,993,723	7,349,511	5,525,013
Purchases and processing charges	550,932	611,781	2,368,003	1,829,767
Closing stock of finished goods	(3,028,915)	(1,925,353)	(3,028,915)	(1,925,353)
	<u>2,834,472</u>	<u>2,608,046</u>	<u>8,470,885</u>	<u>7,226,161</u>
Gross profit	625,520	417,803	1,758,416	1,251,306
Administrative expenses	191,177	153,829	547,827	443,650
Distribution cost	126,153	70,985	282,014	202,943
Other operating expenses	2,416	1,841	9,457	10,386
	<u>319,746</u>	<u>226,655</u>	<u>839,298</u>	<u>656,979</u>
Operating profit	305,774	191,148	919,118	594,327
Other operating income	395	2,428	12,121	10,980
	<u>306,169</u>	<u>193,576</u>	<u>931,239</u>	<u>605,307</u>
Finance cost	270,392	180,492	804,087	473,641
Profit before taxation	35,777	13,084	127,152	131,666
Provision for taxation	19,477	7,727	65,104	42,997
Profit after taxation	<u>16,300</u>	<u>5,357</u>	<u>62,048</u>	<u>88,669</u>
Earnings per share (Rs.)	0.30	0.10	1.12	1.61

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

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director

 **Consolidated Condensed Interim  
Cash Flow Statement  
For The Nine Months Ended March 31, 2009**

	<u>March-2009</u>	<u>March-2008</u>
	Rs. 000s	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	127,152	131,666
Adjustments for:		
Depreciation/amortisation	463,699	371,205
Gratuity	2,389	980
Finance cost	804,087	473,641
Provision for slow moving/obsolete stores and spares	990	307
Provision for doubtful debts	623	367
Profit on sale of operating assets	(7,488)	(2,074)
	<u>1,391,452</u>	<u>976,092</u>
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(5,096)	(72,159)
Stock-in-trade	(1,159,022)	(1,235,211)
Trade debts	(276,079)	(527,671)
Loans and advances	(57,640)	(88,752)
Deposits and prepayments	(31,156)	(15,855)
Other receivables	5,426	5,567
Tax refunds due from government	35,621	(8,550)
	<u>(1,487,946)</u>	<u>(1,942,631)</u>
Increase in current liabilities		
Trade and other payables	402,141	136,501
	<u>(1,085,805)</u>	<u>(1,806,130)</u>
Cash generated from/used in operations	<u>305,647</u>	<u>(830,038)</u>
Payments for/receipts from :		
Gratuity	(3,236)	(2,066)
Finance cost	(806,391)	(472,398)
Income tax paid	(59,975)	(56,262)
Long term loans and advances	381	1,848
Net cash used in operating activities	<u>(563,574)</u>	<u>(1,358,916)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(809,243)	(1,030,041)
Proceeds from sale of operating assets	35,772	8,064
Long term investment	-	(15,663)
Long term deposits	(11,925)	(1,747)
Net cash used in investing activities	<u>(785,396)</u>	<u>(1,039,387)</u>

	<u>March-2009</u>	<u>March-2008</u>
	Rs. 000s	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term loans	<b>471,002</b>	1,081,581
Repayments of long term loans	<b>(358,751)</b>	(619,280)
Dividend paid	<b>(55,199)</b>	-
Net cash generated from financing activities	<b>57,052</b>	462,301
Exchange difference on translation of foreign subsidiaries	<b>21,732</b>	15,566
Net decrease in cash and cash equivalents	<b>(1,270,186)</b>	(1,920,436)
Cash and cash equivalents - at the beginning of the period	<b>(5,179,063)</b>	(3,963,228)
Cash and cash equivalents - at the end of the period	<b><u>(6,449,249)</u></b>	<b><u>(5,883,664)</u></b>

#### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include:

Cash and bank balances	<b>165,589</b>	58,087
Short term borrowings	<b>(6,614,838)</b>	(5,941,751)
	<b><u>(6,449,249)</u></b>	<b><u>(5,883,664)</u></b>

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

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director

 **Consolidated Condensed Interim  
Statement of Changes in Equity  
For The Nine Months Ended March 31, 2009**

	<b>Rs. 000s</b>						
	Shares capital	Revenue reserve	Exchange difference on translation of foreign subsidiaries	Capital reserve	Statutory reserve	Unappropriated profit	Total
Balance as at June 30, 2007	551,987	1,740,000	4,005	202,052	3,893	187,766	2,689,703
Transfer to general reserve	-	160,000	-	-	-	(160,000)	-
Profit for the nine months ended March 31, 2008	-	-	-	-	-	88,669	88,669
Exchange adjustments			15,566	-	-	-	15,566
Balance as at March 31, 2008	551,987	1,900,000	19,571	202,052	3,893	116,435	2,793,938
Transfer to general reserve	-	-	-	-	518	(518)	-
Profit for the period ended June 30, 2008	-	-	-	-	-	40,285	40,285
Exchange adjustments	-	-	5,805	-	-	-	5,805
Balance as at June 30, 2008	551,987	1,900,000	25,376	202,052	4,411	156,202	2,840,028
Profit for the nine months ended March 31, 2009	-	-	-	-	-	62,048	62,048
Exchange adjustments	-	-	21,732	-	-	-	21,732
Transfer to general reserve	-	50,000	-	-	-	(50,000)	-
Final Dividend for the year ended June 30, 2008	-	-	-	-	-	(55,199)	(55,199)
Balance as at March 31, 2009	551,987	1,950,000	47,108	202,052	4,411	113,051	2,868,609

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

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director



## 1 THE GROUP AND ITS OPERATIONS

- 1.1 Gul Ahmed Group comprises the following:
- Gul Ahmed Textile Mills Limited
  - Gul Ahmed International Limited (FZC)- UAE
  - GTM (Europe) Limited -UK

Gul Ahmed International Limited (FZC) -UAE is a wholly owned subsidiary of Gul Ahmed Textile Mills Limited and GTM (Europe) Limited is a wholly owned subsidiary of Gul Ahmed International Limited (FZC) - UAE.

Gul Ahmed Textile Mills Limited is a public limited company incorporated in Pakistan and is listed on the Karachi and Lahore Stock Exchanges. It is engaged in the manufacture and sale of textile products.

Both subsidiaries are engaged in trading of textile related products.

## 2. BASIS OF PREPARATION

- a) The consolidated accounts comprise the consolidated balance sheet of Gul Ahmed Textile Mills Limited, its wholly owned subsidiary company Gul Ahmed International Limited (FZC) and GTM (Europe) Limited which is the wholly owned subsidiary of Gul Ahmed International Limited (FZC), as at March 31, 2009 and the related consolidated profit and loss account, consolidated cash flow statement and 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.
- b) These accounts are un-audited and have been prepared in accordance with the requirements of SRO 764(1)/2001 dated 05 November 2001 issued by the Securities and Exchange Commission of Pakistan and the International Accounting Standard 34 'Interim Financial Reporting'.

## 3. ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the accounts for the year ended June 30, 2008

## 4. CONTINGENCIES AND COMMITMENTS

### Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30,2008 except as stated below, remained unchanged during the current period.

- (a) Guarantees issued by Bank on behalf of the company as at period end for Rs.112 million (June-2008: Rs.107 million) were outstanding.
- (b) Post dated cheques Rs. 35 million (June-2008: Rs. 13 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 73 million (June-2008: Rs. 584 million)
- (d) Corporate guarantee of Rs. 53.095 million (June-2008: Rs. 53.829) has been issued to a bank in favour of subsidiary company.

### Commitments

- (a) The Group is committed for capital expenditure as at Mar 31, 2009 of Rs.54 million (June-2008:Rs. 182 million).
- (b) The Group is committed for non capital expenditure items under letters of credits as at Mar 31, 2009 of Rs.194 million (June-2008: Rs. 27 million).

## 5. Property, plant and equipment

	(Rs.000)	
	9 months ended MARCH-2009	12 months ended JUNE 2008
Opening book value	5,345,418	4,488,053
Additions during the period		
Building on leasehold land	64,911	156,126
Plant and machinery	855,296	1,164,683
Office equipment	28,080	28,835
Furniture and fixtures	7,626	5,050
Transport equipment	47,006	48,430
	<b>1,002,919</b>	<b>1,403,124</b>
Book values of assets disposed-off during the period	(28,284)	(29,135)
Depreciation charge for the period	(452,064)	(516,624)
	<b>5,867,989</b>	<b>5,345,418</b>
Capital work in progress	280,820	487,420
	<b>6,148,809</b>	<b>5,832,838</b>

## 6. Transaction 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 transactions with various related parties.

Relationship with the Company	Nature of transaction	<u>Mar-09</u>	<u>Mar-08</u>
		Rs. 000s	
Associated Companies and Other related parties	Purchase of goods	19,746	14,694
	Sale of goods - net	132	7,258
	Rent paid	3,398	3,900
	Fees paid	375	-
	Deposit with bank (at period end)	70,602	34,865
	Borrowing from bank (at period end)	870,589	652,169
	Bank Guarantee (at period end)	64,499	53,779
	Bills discounted	183,131	143,733
	Commission / Bank charges paid	11,430	6,314
	Mark up / interest charged	49,334	28,907
	Mark up / interest earned	8	228

There are no transactions with directors of the Group and key management personnel other than under the terms of employment.

## 7. Date Of Authorisation

These financial statements were authorised for issue on April 29, 2009 by the Board of Directors of the Group.

## 8. General

(a) 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.

(b) Figures have been rounded off to the nearest thousand rupees.

**BASHIR ALI MOHOMMAD**  
Chairman and Chief Executive

**ZAIN BASHIR**  
Director