



Quarterly Report

*Condensed Interim Financial Information
For The First Quarter Ended September 30, 2013*

Company Information

BOARD OF DIRECTORS	MOHOMED BASHIR ZAIN BASHIR ZIAD BASHIR MOHAMMED ZAKI BASHIR ABDUL AZIZ YOUSUF S.M. NADIM SHAFIQULLAH ABDUL RAZAK BRAMCHARI DR. AMJAD WAHEED ADNAN AFRIDI	- Chairman & Chief Executive - Non Executive Director - Executive Director - Executive Director - Executive Director - Independent Non Executive Director - Non Executive Director - Independent Non Executive Director - Independent Non Executive Director
CHIEF FINANCIAL OFFICER	MOHAMMED SALEEM SATTAR	
COMPANY SECRETARY	MOHAMMED SALIM GHAFFAR	
AUDIT COMMITTEE	S.M. NADIM SHAFIQULLAH ZAIN BASHIR MOHAMMED ZAKI BASHIR MOHAMMED SALIM GHAFFAR	- Chairman & Member - Member - Member - Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	ZAIN BASHIR S.M. NADIM SHAFIQULLAH ABDUL AZIZ YOUSUF MOHAMMED SALIM GHAFFAR	- Member - Member - Member - Secretary
BANKERS	ALLIED BANK LIMITED BANK AL HABIB LIMITED BARCLAYS BANK PLC PAKISTAN BANK ALFALAH LIMITED - ISLAMIC BANKING BANK ALFALAH LIMITED BANKISLAMI PAKISTAN LIMITED BURJ BANK LIMITED CITIBANK, N.A. DUBAI ISLAMIC BANK PAKISTAN LIMITED FAYSAL BANK LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED HSBC BANK MIDDLE EAST LIMITED MCB BANK LIMITED MEEZAN BANK LIMITED NATIONAL BANK OF PAKISTAN NIB BANK LIMITED SAMBA BANK LIMITED SILKBANK LIMITED STANDARD CHARTERED BANK (PAKISTAN) LIMITED UNITED BANK LIMITED	
AUDITORS	HYDER BHIMJI & CO. Chartered Accountants	
INTERNAL AUDITORS	ANJUM ASIM SHAHID 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) 34380101-2 FAX NO. (+92-021) 34380106	
MILLS	LANDHI INDUSTRIAL AREA KARACHI-75120	
E-MAIL	finance@gulahmed.com	
URL	www.gulahmed.com	

Directors' Review

Directors of Gul Ahmed Textile Mills Limited are pleased to present review of the affairs of the Company for the quarter ended September 30, 2013.

Economic and Industrial Review

Political stability was witnessed as the first democratic transition of the elected government concluded peacefully and the new elected government has now completed its first quarter.

Despite the improvement in political stability Pakistan continues to face various challenges which are undermining the business environment of the country. These include Rupee depreciation and steeping inflation. Increase in energy cost is major threat to be viable in highly competitive markets like the textile industry. Government has increased the gas tariff for captive power plants and has also announced considerable upward adjustments in electricity rates, affecting the inflation outlook. The year-on-year CPI inflation has already jumped to 8.5 percent in August 2013 compared to 5.9 percent in June 2013. Similarly, an increase in the GST together with the removal of certain exemptions will put further pressure on inflation in the coming months.

Continuing adverse security situation, energy crisis and fiscal management including revenue collection are the other areas which need immediate remedial measures.

Financial Performance

During the quarter ended September 30, 2013, your Company achieved net sales of Rs. 7,051 million – an increase of 21% over the corresponding period. Gross profit has increased to Rs. 1,228 million representing growth of 30%. Growth in profit after tax is 136% as compared to the corresponding period. Financial performance during the quarter is given below:

	September 2013	September 2012
	Rs. In million	
Sales	7,051	5,817
Gross profit	1,228	944
Profit before tax after providing depreciation / amortization of Rs. 193 million (2011: Rs. 182 million)	208	109
Profit after tax	156	66

Future Prospects

The Company has shown improved performance. Going forward we expect better environment for businesses as with the efforts to tackle energy crisis and the EU is in the process of approving GSP plus status to Pakistan from start of next calendar year.

We shall continue to focus on maintaining quality, product diversification and exploring new markets. With the rapid diversification of our product range, we expect continuing increase in sales and profit in the remaining three quarters.



Consolidated Financial Statements

Consolidated financial statements for the quarter ended September 30, 2013 of the Company and its subsidiaries Gul Ahmed International Limited (FZC) - UAE, GTM (Europe) Limited - UK and GTM USA Corp. - USA are attached.

Acknowledgement

Directors acknowledge and appreciate the efforts of the employees and valuable support of the various Government Departments, Financial Institutions and our customers.

For and on behalf of the Board

Mohomed Bashir
Chairman and Chief Executive

Karachi
October 26, 2013



**Condensed Interim Un-consolidated
Balance Sheet
As at September 30, 2013**

	NOTE	Un-Audited September 2013	Audited June 2013
----- (Rs. 000s) -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 200,000,000 ordinary shares of Rs.10 each		2,000,000	1,500,000
Share capital		1,523,486	1,523,486
Reserves		3,180,000	3,180,000
Un-appropriated profit		880,590	725,016
Total Equity		5,584,076	5,428,502
NON-CURRENT LIABILITIES			
Long term financing - secured		2,340,053	2,154,999
Deferred liabilities			
Deferred taxation - net		316,028	316,028
Staff retirement benefits		36,711	33,637
		352,739	349,665
CURRENT LIABILITIES			
Trade and other payables		3,556,380	4,211,618
Accrued mark-up		205,274	191,792
Short term borrowings - secured		10,370,162	8,290,416
Current maturity of long term financing		523,850	561,938
		14,655,666	13,255,764
Total Liabilities		17,348,458	15,760,428
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		22,932,534	21,188,930
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,436,125	7,132,112
Intangible assets	6	20,611	23,130
Long term investment		58,450	58,450
Long term loans and advances		4,130	2,061
Long term deposits		55,458	51,312
		7,574,774	7,267,065
CURRENT ASSETS			
Stores, spare parts and loose tools		752,177	723,435
Stock-in-trade		10,557,807	9,555,224
Trade debts		2,600,443	2,573,268
Loans and advances		489,052	346,429
Short term prepayments		114,115	28,172
Income tax refundable-payments less provision		224,635	190,248
Other receivables		197,407	173,714
Tax refunds due from government		277,285	229,454
Cash and bank balances		144,839	101,921
		15,357,760	13,921,865
TOTAL ASSETS		22,932,534	21,188,930

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Un-consolidated
Profit And Loss Account
For the first quarter ended September 30, 2013**

	Un-Audited	
	September 2013	September 2012
	----- (Rs. 000s) -----	
Sales	7,051,037	5,816,926
Cost of sales		
Opening stock of finished goods	6,832,592	4,945,924
Cost of goods manufactured	5,624,262	4,778,985
Purchases and processing charges	1,195,312	770,071
Closing stock of finished goods	(7,829,288)	(5,622,173)
	5,822,878	4,872,807
Gross profit	1,228,159	944,119
Distribution cost	353,895	302,356
Administrative expenses	306,385	247,852
Other operating expenses	15,408	8,191
	675,688	558,399
	552,471	385,720
Other loss	(15,168)	(11,354)
Operating profit	537,303	374,366
Finance cost	329,418	264,872
Profit before taxation	207,885	109,494
Provision for taxation	52,311	43,541
Profit after taxation	155,574	65,953
Earning per share - basic and diluted (Rs.)	1.02	Re-Stated 0.48

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director



**Condensed Interim Un-consolidated
Statement of Comprehensive Income
For the first quarter ended September 30, 2013**

	<u>Un-Audited</u>	
	September 2013	September 2012
	----- (Rs. 000s) -----	
Profit after taxation	155,574	65,953
Other comprehensive income - net of tax	-	-
Total comprehensive income	<u>155,574</u>	<u>65,953</u>

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director



**Condensed Interim Un-consolidated
Cash Flow Statement
For the first quarter ended September 30, 2013**

	Un-Audited	
	September 2013	September 2012
	----- (Rs. 000s) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	207,885	109,494
Adjustments for:		
Depreciation	190,614	179,545
Amortisation	2,519	2,797
Provision for gratuity	7,170	1,687
Finance cost	329,418	264,872
Provision for slow moving/obsolete items	3,753	3,072
Provision for doubtful debts	7,456	7,456
Profit on sale of property, plant and equipment	<u>(4,387)</u>	<u>(4,278)</u>
Cash flows from operating activities before adjustments of working capital	744,428	564,645
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	<u>(32,494)</u>	(103,129)
Stock-in-trade	<u>(1,002,583)</u>	(30,567)
Trade debts	<u>(34,630)</u>	(621,319)
Loans and advances	<u>(142,623)</u>	(115,224)
Short term prepayments	<u>(85,943)</u>	(47,641)
Other receivables	<u>(23,693)</u>	9,530
Tax refunds due from Government	<u>(47,831)</u>	(18,857)
	<u>(1,369,797)</u>	(927,207)
(Decrease)/Increase in current liabilities		
Trade and other payables	<u>(655,238)</u>	336,607
	<u>(2,025,035)</u>	(590,600)
Cash used in operations	<u>(1,280,607)</u>	(25,955)
(Payments) for/receipts from:		
Gratuity	(4,096)	(4,148)
Finance cost	(315,936)	(320,293)
Income tax	(86,700)	(49,324)
Long term loans and advances	(2,069)	599
Net cash (used in) operating activities	<u>(1,689,408)</u>	(399,121)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	<u>(497,196)</u>	(247,693)
Addition to intangible assets	-	(4,170)
Proceeds from sale of property, plant and equipment	6,956	17,833
Long term deposits	<u>(4,146)</u>	(828)
Net cash used in investing activities	<u>(494,386)</u>	(234,858)

**Condensed Interim Un-consolidated
Cash Flow Statement
For the first quarter ended September 30, 2013**

	<u>Un-Audited</u>	
	September 2013	September 2012
	----- (Rs. 000s) -----	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	301,955	181,705
Repayments of long term financing	(154,989)	(213,843)
Net cash generated from/(used in) financing activities	146,966	(32,138)
Net (decrease) in cash and cash equivalents	(2,036,828)	(666,117)
Cash and cash equivalents - at the beginning of the period	(8,188,495)	(7,169,052)
Cash and cash equivalents - at the end of the period	<u>(10,225,323)</u>	<u>(7,835,169)</u>
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprises of:		
Cash and bank balances	144,839	192,912
Short term borrowings	(10,370,162)	(8,028,081)
	<u>(10,225,323)</u>	<u>(7,835,169)</u>

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director



**Condensed Interim Un-consolidated
Statement of Changes in Equity
For the first quarter ended September 30, 2013**

	Share Capital	Revenue reserve	(Accumulated loss) / Unappropriated profit	Total
----- (Rs. 000s) -----				
Balance as at June 30, 2012	1,269,571	3,430,000	(227,062)	4,472,509
Total comprehensive income				
Profit for the first quarter ended September 30, 2012	-	-	65,953	65,953
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	65,953	65,953
Balance as at September 30, 2012	1,269,571	3,430,000	(161,109)	4,538,462
Transfer to revenue reserve	-	(250,000)	250,000	-
Total comprehensive income				
Profit for the period October 01, 2012 to June 30, 2013	-	-	636,125	636,125
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	636,125	636,125
Transaction with owners				
Issuance of Right shares for the year ended June 30, 2012	253,915	-	-	253,915
Balance as at June 30, 2013	1,523,486	3,180,000	725,016	5,428,502
Total comprehensive income				
Profit for the first quarter ended September 30, 2013	-	-	155,574	155,574
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	155,574	155,574
Balance as at September 30, 2013	1,523,486	3,180,000	880,590	5,584,076

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

Notes to the Condensed Interim Un-consolidated Accounts For the first quarter ended September 30, 2013

1 LEGAL STATUS AND ITS OPERATIONS

Gul Ahmed Textile Mills Limited (The Company) was incorporated on April 01, 1953 in Pakistan as a private limited company, converted into public limited company on January 07, 1955 and was listed on Karachi and Lahore Stock Exchanges in 1970 and 1971 respectively. 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.

2 BASIS OF PREPERATION

These condensed interim financial information of the Company for the first quarter ended September 30, 2013 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial information comprise of the condensed interim balance sheet as at September 30, 2013 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the first quarter ended September 30 2013.

The comparatives balance sheet, presented in these condensed interim financial information, as at June 30, 2013 has been extracted from the audited financial statements of the Company for the year ended June 30, 2013, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the first quarter ended September 30, 2013 have been extracted from the condensed interim financial information of the Company for the first quarter ended September 30, 2012.

3 ACCOUNTING POLICIES

Accounting policies and method of computations adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of financial statements for the year ended June 30, 2013.

4 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2013 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. 391 million (June-2013: Rs. 332 million) were outstanding.
- (b) Post dated cheques Rs. 206 million (June-2013: Rs. 182 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 1,690 million (June-2013: Rs. 2,216 million).
- (d) Corporate guarantee of Rs. 114.498 million (June-2013: Rs. 102.260 million) has been issued to a bank in favour of subsidiary company.



Commitments

Company is committed for certain expenditures which are stated as follows:

	<u>Un-Audited</u> <u>September</u> <u>2013</u>	<u>Audited</u> <u>June</u> <u>2013</u>
	----- (Rs. 000s) -----	
- Capital expenditure	326,322	410,025
- Non capital expenditure items under letters of credits	<u>1,103,359</u>	<u>578,754</u>
	<u>1,429,680</u>	<u>988,779</u>

5 PROPERTY, PLANT AND EQUIPMENT

Opening book value	6,906,799	6,606,533
Additions during the period		
Building on leasehold land	1,440	95,788
Plant and machinery	400,883	922,265
Office equipment	5,607	33,255
Furniture and fixtures	225	3,747
Transport equipment	31,999	77,720
	440,154	1,132,775
Book values of assets disposed-off during the period	(2,569)	(64,801)
Depreciation charge for the period	(190,614)	(767,708)
Book value of Operating Fixed Assets	<u>7,153,770</u>	<u>6,906,799</u>
Capital work in progress		
Opening	225,313	222,387
Addition		
- Machinery	403,904	754,842
- Building	27,224	98,106
- Others	-	17,331
Transferred		
- Machinery	(365,554)	(779,316)
- Building	(8,532)	(72,501)
- Others	-	(15,536)
Closing	<u>282,355</u>	<u>225,313</u>
Total	<u>7,436,125</u>	<u>7,132,112</u>

6 INTANGIBLE ASSETS

Opening book value	23,130	26,535
Additions during the period	-	5,289
Transfer from capital work in process	-	3,515
Amortisation charge for the period	(2,519)	(12,209)
Closing net book value	<u>20,611</u>	<u>23,130</u>

7 SEGMENT INFORMATION

The Company has the following two reportable business segments:

- Spinning** : Production of different qualities of yarn using both natural and artificial fibers.
- Processing** : Production of greige fabric, its processing into various types of fabrics for sale as well as manufacture and sale of madeups and home textile products.

Transactions among the business segments are recorded at cost.

7.1 Segmental profitability

	Spinning		Processing		Elimination Of Inter Segment Transaction		Total Company	
	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012
	-----For the first quarter ended -----							
	(Rs 000s)							
Sales	2,662,107	2,434,643	5,315,268	4,023,211	(926,338)	(640,928)	7,051,037	5,816,926
Cost of Sales	(2,437,291)	(2,221,793)	(4,311,925)	(3,291,942)	926,338	640,928	(5,822,878)	(4,872,807)
Gross Profit	224,816	212,850	1,003,343	731,269	-	-	1,228,159	944,119
Distribution and Administrative expenses	67,830	52,177	592,450	498,031	-	-	660,280	550,208
Profit/(loss) before tax and before charging following	156,986	160,673	410,893	233,238	-	-	567,879	393,911
Financial charges							329,418	264,872
Other operating expenses							15,408	8,191
Other loss							15,168	11,354
							359,994	284,417
Profit Before Tax							207,885	109,494
Taxation							52,311	43,541
Profit/(loss) after tax							155,574	65,953

7.2 Segment assets and liabilities

	Spinning		Processing		Unallocated		Total Company	
	Sep - 2013	Jun - 2013	Sep - 2013	Jun - 2013	Sep - 2013	Jun - 2013	Sep - 2013	Jun - 2013
	----- (Rs 000s) -----							
Assets	6,095,571	5,574,899	14,709,302	13,668,112	2,127,661	1,945,919	22,932,534	21,188,930
Liabilities	909,494	815,183	4,986,936	4,680,756	11,452,028	10,264,489	17,348,458	15,760,428

7.3 Unallocated items represent those assets, liabilities, income and expenses which are common to all segments and investment in subsidiaries.

7.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.1,766 million (Sep-2012: Rs. 1,022 million).

7.5 Information by geographical area

	Revenue		Non-current assets	
	Un-Audited		Un-Audited	Audited
	Sep - 2013	Sep - 2012	Sep - 2013	Jun - 2013
	----- (Rs. 000s) -----			
Pakistan	2,567,788	1,835,933	7,516,324	7,208,615
Germany	1,226,198	784,923	-	-
United Kingdom	436,861	702,104	-	-
United States	651,199	622,579	-	-
China	593,584	344,616	-	-
Netherland	306,191	277,647	-	-
Brazil	121,379	122,930	-	-
Russian Federation	147,722	38,540	-	-
France	307,074	267,607	-	-
Bulgaria	83,208	61,958	-	-
United Arab Emirates	26,143	63,222	58,450	58,450
Other countries	583,689	694,867	-	-
	7,051,037	5,816,926	7,574,774	7,267,065

8 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	Sep - 2013	Sep - 2012
		----- (Rs. 000s) -----	
Subsidiaries	Purchase of goods	-	120
	Sales of goods	41,160	282,173
Associated Companies and other related parties	Purchase of goods	21,327	10,215
	Sale of goods	-	313
	Rent paid	1,800	1,455
	Fees paid	1,250	1,250
	Commission/Rebate Received	1,332	-
	Bills discounted	649,973	-
	Commission/Bank charges paid	2,632	2,339
	Mark-up/interest charged	20,163	29,507
Provident fund contribution	15,975	13,045	
		Un-Audited	Audited
		Sep - 2013	Jun - 2013
		----- (Rs. 000s) -----	
Relationship with the Company	Nature of Outstanding Balances	Sep - 2013	Jun - 2013
Subsidiaries	Corporate guarantee issued in favour of subsidiary company	114,498	102,260
	Trade & other payables	38,952	62,440
	Long term investment	58,450	58,450
	Trade debts	56,025	35,147
Associated companies and others related parties	Deposit with bank	24,665	35,341
	Borrowing from Bank	534,623	1,238,406
	Bank guarantee	322,302	268,628
	Trade & other payables	5,805	11,389
	Accrued mark up	20,129	17,942
	Advances to suppliers	650	1,534
Loans to key management personnel	5,262	2,074	

There are no transactions with directors of the Company and key management personnel other than those under the terms of employment for the period ending Sep-2013 amounting to Rs. 147 million (Sep-2012: 91 million) on account of remuneration.

9 DATE OF AUTHORISATION

These financial statements were authorised for issue on October 26, 2013 by the Board of Directors of the Company.

10 GENERAL

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.

Figures have been rounded off to the nearest thousand rupees.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director





Consolidated Accounts

***Consolidated Condensed Interim Financial Information
For The First Quarter Ended September 30, 2013***

**Condensed Interim Consolidated
Balance Sheet
As At September 30, 2013**

	<u>NOTE</u>	<u>Un-audited</u> <u>September</u> <u>2013</u>	<u>Audited</u> <u>June</u> <u>2013</u>
----- (Rs. 000s) -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 200,000,000 ordinary shares of Rs.10 each		<u>2,000,000</u>	<u>2,000,000</u>
Share capital		1,523,486	1,523,486
Reserves		3,290,537	3,268,511
Un-appropriated profit		955,197	824,837
Total Equity		<u>5,769,220</u>	<u>5,616,834</u>
NON-CURRENT LIABILITIES			
Long term financing - secured		2,340,053	2,154,999
Deferred Liabilities			
Deferred taxation - net		326,526	326,526
Staff retirement benefits		43,125	40,303
		<u>369,651</u>	<u>366,829</u>
CURRENT LIABILITIES			
Trade and other payables		3,624,401	4,248,013
Accrued mark-up		205,274	191,792
Short term borrowings - secured		10,370,162	8,290,416
Current maturity of long term financing		523,850	561,938
		<u>14,723,687</u>	<u>13,292,159</u>
Total Liabilities		<u>17,433,391</u>	<u>15,813,987</u>
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		<u>23,202,611</u>	<u>21,430,821</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,446,228	7,144,238
Intangible assets	6	24,663	27,242
Long term loans and advances		4,130	2,061
Long term deposits		55,458	51,312
		<u>7,530,479</u>	<u>7,224,853</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		752,177	723,435
Stock-in-trade		10,679,069	9,673,821
Trade debts		2,721,839	2,702,373
Loans and advances		496,483	352,058
Short term prepayments		130,224	46,718
Income tax refundable - payment less provision		224,313	189,596
Other receivables		204,050	177,592
Tax refunds due from government		279,092	231,018
Cash and bank balances		184,884	109,357
		<u>15,672,132</u>	<u>14,205,968</u>
TOTAL ASSETS		<u>23,202,611</u>	<u>21,430,821</u>

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Consolidated
Profit And Loss Account
For the first quarter ended September 30, 2013**

	Un-audited	
	September	September
	2013	2012
	----- (Rs. 000s) -----	
Sales	7,189,735	5,880,013
Cost of sales		
Opening stock of finished goods	6,947,622	5,012,307
Cost of goods manufactured	5,624,262	4,778,985
Purchases and processing charges	1,288,774	831,411
Closing stock of finished goods	(7,950,550)	(5,713,741)
	5,910,108	4,908,962
Gross profit	1,279,627	971,051
Distribution cost	362,248	307,063
Administrative expenses	366,393	277,671
Other operating expenses	15,525	8,193
	744,166	592,927
	535,461	378,124
Other loss	(15,168)	(11,200)
Operating profit	520,293	366,924
Finance cost	337,537	265,402
Profit before taxation	182,756	101,522
Provision for taxation	52,396	43,556
Profit after taxation	130,360	57,966
Earning per share - basic and diluted (Rs.)	0.86	Re-Styled 0.42

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Consolidated
Statement of Comprehensive Income
For the first quarter ended September 30, 2013**

	Un-audited	
	<u>September</u>	<u>September</u>
	2013	2012
	----- (Rs. 000s) -----	
Profit after taxation	130,360	57,966
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation differences - Foreign operations	22,026	4,405
Total comprehensive income	<u>152,386</u>	<u>62,371</u>

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director



**Condensed Interim Consolidated
Cash Flow Statement
For the first quarter ended September 30, 2013**

	<u>Un-audited</u>	
	<u>September</u>	<u>September</u>
	<u>2013</u>	<u>2012</u>
	----- (Rs. 000s) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	182,756	101,522
Adjustments for:		
Depreciation	192,393	181,129
Amortisation	3,071	3,315
Gratuity	6,918	1,468
Finance cost	337,537	265,402
Provision for slow moving/obsolete items	3,753	3,072
Provision for doubtful debts	7,456	7,456
Profit on sale of property, plant and equipment	(4,270)	(4,434)
Cash flows from operating activities before adjustments of working capital	<u>729,614</u>	<u>558,930</u>
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(32,495)	(103,129)
Stock-in-trade	(1,005,248)	(55,752)
Trade debts	(26,922)	(602,003)
Loans and advances	(144,425)	(115,988)
Prepayments	(83,506)	(46,499)
Other receivables	(26,458)	9,530
Tax refunds due from government	(48,074)	(18,988)
	<u>(1,367,128)</u>	<u>(932,829)</u>
Increase/(decrease) in current liabilities		
Trade and other payables	(623,612)	339,570
	<u>(1,990,740)</u>	<u>(593,259)</u>
Cash used in operations	<u>(1,261,126)</u>	<u>(34,329)</u>
(Payments) for/ receipts from:		
Gratuity	(4,096)	(4,148)
Finance cost	(324,055)	(320,823)
Income tax paid	(87,113)	(49,300)
Long term loans and advances	(2,069)	599
Net cash used in operating activities	<u>(1,678,459)</u>	<u>(408,001)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(497,268)	(249,527)
Addition to intangible assets	(492)	(4,170)
Proceeds from sale of property, plant and equipment	7,154	17,989
Long term deposits	(4,146)	(828)
Net cash used in investing activities	<u>(494,752)</u>	<u>(236,536)</u>

**Condensed Interim Consolidated
Cash Flow Statement
For the first quarter ended September 30, 2013**

Un-audited

	<u>September</u> 2013	<u>September</u> 2012
	----- (Rs. 000s) -----	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term loans	301,955	181,705
Repayments of long term loans	(154,989)	(213,843)
Net cash generated from / (used) in financing activities	146,966	(32,138)
Exchange difference on translation of foreign subsidiaries	22,026	4,405
Net decrease in cash and cash equivalents	(2,004,219)	(672,270)
Cash and cash equivalents - at the beginning of the period	(8,181,059)	(7,209,802)
Cash and cash equivalents - at the end of the period	(10,185,278)	(7,882,072)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents include:		
Cash and bank balances	184,884	208,166
Short term borrowings	(10,370,162)	(8,090,238)
	(10,185,278)	(7,882,072)

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Consolidated
Statement of Changes In Equity
For the first quarter ended September 30, 2013**

	Share capital	Revenue reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve	(Accumulated loss) / Unappropriated profit	Total
	(Rs. 000s)					
Balance as at June 30, 2012	1,269,571	3,430,000	67,091	10,146	(123,758)	4,653,050
Total comprehensive income						
Profit for the first quarter ended September 30, 2012	-	-	-	-	57,966	57,966
Other comprehensive income	-	-	4,405	-	-	4,405
Total comprehensive income for the year	-	-	4,405	-	57,966	62,371
Balance as at September 30, 2012	1,269,571	3,430,000	71,496	10,146	(65,792)	4,715,421
Transfer from revenue reserve	-	(250,000)	-	-	250,000	-
Transfer to statutory reserve	-	-	-	209	(209)	-
Total comprehensive income						
Profit for the year period October 01, 2012 to June					640,838	640,838
Other comprehensive income	-	-	6,660	-	-	6,660
	-	-	6,660	-	640,838	647,498
Transaction with owners						
Issuance of Right shares for the year ended June 30, 2012	253,915	-	-	-	-	253,915
Balance as at June 30, 2013	1,523,486	3,180,000	78,156	10,355	824,837	5,616,834
Total comprehensive income						
Profit for the first quarter ended September 30, 2013					130,360	130,360
Other comprehensive income			22,026			22,026
Total comprehensive income for the period	-	-	22,026	-	130,360	152,386
Balance as at September 30, 2013	1,523,486	3,180,000	100,182	10,355	955,197	5,769,220

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

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

Notes to the Condensed Interim Consolidated Accounts For the first quarter ended September 30, 2013

1 LEGAL STATUS 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
- GTM USA Corp. - USA

Gul Ahmed Textile Mills Limited was incorporated on 1st April 1953 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. Gul Ahmed is a composite textile mill and is engaged in the manufacture and sale of textile products.

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. is a wholly owned subsidiary of GTM (Europe) Limited.

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

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

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiaries - "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

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 Holding Company is eliminated against the subsidiary's share capital. Material intra-group balances and transactions are eliminated.

2. BASIS OF PREPARATION

The consolidated accounts comprise the consolidated balance sheet of Gul Ahmed Textile Mills Limited, its wholly owned subsidiary company Gul Ahmed International Limited (FZC), GTM (Europe) Limited which is the wholly owned subsidiary of Gul Ahmed International Limited (FZC) and GTM USA Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, as at September 30, 2013 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.

These consolidated condensed interim financial information of the Group for the first quarter ended September 30, 2013 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These consolidated condensed interim financial information comprise of the consolidated condensed interim balance sheet as at September 30, 2013 and the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity for the first quarter ended September 30, 2013.

The comparatives balance sheet, presented in these consolidated condensed interim financial information, as at June 30, 2013 has been extracted from the audited financial statements of the Group for the year ended June 30, 2013 whereas the comparative consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity are for the first quarter ended September 30, 2013 have been extracted from the consolidated condensed interim financial information of the Group for the first quarter ended September 30, 2012.

3. ACCOUNTING POLICIES

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

4. CONTINGENCIES AND COMMITMENTS

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2013 except as stated below, remained unchanged during the current period.

- (a) Guarantees issued by Bank on behalf of the Group as at period end for Rs.391 million (June-2013: Rs.332 million) were outstanding.
- (b) Post dated cheques Rs. 206 million (June-2013: Rs.182 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 1,690 million (June-2013: Rs. 2,216 million)
- (d) Corporate guarantee of Rs. 114.498 million (June-2013: Rs. 102.260 million) has been issued to a bank in favour of subsidiary company.

Commitments

Group is committed for certain expenditures which are stated as follows:

	<u>Un-Audited</u> September 2013	<u>Audited</u> June 2013
	----- (Rs. 000s) -----	
- Capital expenditure	326,322	410,025
- Non capital expenditure items under letters of credits	1,103,359	578,754
	<u>1,429,680</u>	<u>988,779</u>

5. PROPERTY, PLANT AND EQUIPMENT

Opening book value	6,918,925	6,613,267
Additions during the period		
Building on leasehold land	1,440	101,087
Plant and machinery	400,883	922,265
Furniture and fixtures	225	5,552
Office equipment	5,678	37,899
Transport equipment	31,999	79,642
	440,225	1,146,445
Book values of assets disposed-off during the period	(2,884)	(64,810)
Depreciation charge for the period	(192,393)	(775,977)
Book value of Operating Fixed Assets	<u>7,163,873</u>	<u>6,918,925</u>
Capital work in progress		
Opening	225,313	226,169
Addition		
- Machinery	403,904	754,842
- Building	27,224	98,106
- Others	-	17,331
Transferred		
- Machinery	(365,554)	(779,316)
- Building	(8,532)	(76,283)
- Others	-	(15,536)
Closing	<u>282,355</u>	<u>225,313</u>
Total	<u>7,446,228</u>	<u>7,144,238</u>
6 INTANGIBLE ASSETS		
Opening book value	27,242	29,465
Additions during the period	492	8,028
Transfer from capital work in process	-	3,515
Amortisation charge for the period	(3,071)	(13,766)
Closing net book value	<u>24,663</u>	<u>27,242</u>

7. SEGMENT INFORMATION

The Group has the following three reportable business segments

- a) **Spinning:** Production of different qualities of yarn using both natural and artificial fiber:
b) **Processing:** Production of greige fabric, its processing into various types of fabrics for sale as well as manufacture and sale of madeups and home textile products.
c) **Overseas subsidiaries:** These subsidiaries are also in the textile business reselling product to the ultimate customers, imported from Parent Company

Transactions among the business segments are recorded at cost.

7.1 Segmental Profitability

	SPINNING		PROCESSING		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		ELIMINATION OF INTER SEGMENT TRANSACTION		TOTAL COMPANY	
	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012	Sep - 2013	Sep - 2012
	For the first quarter ended													
	(Rs. 000s)													
Sales	2,662,107	2,434,643	5,315,268	4,023,211	164,548	113,892	7,368	239,447	7,440	3,174	(966,996)	(934,354)	7,189,735	5,880,013
Cost of Sales	(2,437,291)	(2,221,793)	(4,311,925)	(3,291,942)	(126,790)	(93,069)	(15)	(233,585)	-	-	965,913	931,427	(5,910,108)	(4,908,962)
Gross Profit	224,816	212,850	1,003,343	731,269	37,758	20,823	7,353	5,862	7,440	3,174	(1,083)	(2,927)	1,279,627	971,051
Distribution and Administrative expenses	67,830	52,177	592,450	498,031	28,087	17,559	25,816	13,863	14,458	3,104	-	-	728,641	584,734
Profit before tax and before charging following	156,986	160,673	410,893	233,238	9,671	3,264	(18,463)	(8,001)	(7,018)	70	(1,083)	(2,929)	550,986	386,317
Financial charges													337,537	265,402
Other operating expenses													15,525	8,193
Other loss													15,168	11,200
													368,230	284,795
Profit Before Tax													182,756	101,522
Taxation													52,396	43,556
Profit after taxation													130,360	57,966

7.2 Segment assets and liabilities

	Spinning		Processing		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		Unallocated		Total Company	
	Sep - 2013	Jun- 2013	Sep - 2013	Jun- 2013	Sep - 2013	Jun- 2013	Sep - 2013	Jun- 2013	Sep - 2013	Jun- 2013	Sep - 2013	Jun- 2013	Sep - 2013	Jun- 2013
Assets	6,095,571	5,574,661	14,609,059	13,572,109	345,319	298,233	18,835	31,394	6,166	8,254	2,127,661	1,946,170	23,202,611	21,430,821
Liabilities	909,494	817,448	4,932,169	4,618,003	117,514	80,422	20,143	38,908	2,043	2,032	11,452,028	10,257,174	17,433,391	15,813,987

7.3 Unallocated items represent those assets, liabilities income and expenses which are common to all segments and investment in subsidiaries.

7.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.1,766 million (Sep-2012: Rs. 1,022 million).

7.5 Information by geographical area

	<u>Revenue</u>		<u>Non-current assets</u>	
	<u>Un-Audited</u>		<u>Un-Audited</u>	<u>Audited</u>
	September 2013	September 2012	September 2013	June 2013
	----- (Rs. 000s) -----			
Pakistan	2,583,098	2,540,558	7,516,324	7,208,615
Germany	1,226,198	557,098	-	-
United Kingdom	421,221	529,298	3,772	3,895
United States	651,199	493,173	1,373	3,161
China	593,584	395,376	-	-
Netherland	306,191	271,201	-	-
Brazil	121,379	153,174	-	-
Russian Federation	147,722	141,149	-	-
France	307,074	130,927	-	-
Bulgaria	83,208	101,000	-	-
United Arab Emirates	165,171	99,436	9,010	9,182
Other Countries	583,689	467,623	-	-
Total	7,189,735	5,880,013	7,530,479	7,224,853

8. 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

<u>Relationship with the Company</u>	<u>Nature of transactions</u>	Sep - 2013	Sep - 2012
		----- (Rs. 000s) -----	
Associated Companies and Other related parties	Purchase of goods	21,327	10,215
	Sales of goods	-	313
	Rent paid	1,800	1,455
	Fees paid	1,250	1,250
	Commission/Rebate received	1,332	-
	Bills discounted	649,973	-
	Commission / bank charges paid	2,632	2,339
	Mark up / interest charged	20,163	29,507
	Provident fund contribution	15,975	13,045
<u>Relationship with the Company</u>	<u>Nature of Outstanding Balances</u>	Un-Audited Sep - 2013	Audited Jun- 2013
----- (Rs. 000s) -----			
Associated companies and others related parties	Deposit with bank	24,665	35,341
	Borrowing from Bank	534,623	1,238,406
	Bank guarantee	322,302	268,628
	Trade & other payables	5,805	11,389
	Accrued mark up	20,129	17,942
	Advances to suppliers	650	1,534
	Loans to key management personnel	5,262	2,074

There are no transactions with directors of the Group and key management personnel other than those under the terms of employment for the period ending Sep-2013 amounting to Rs. 170 million (Sep-2012: 99 million) on account of remuneration.

9. DATE OF AUTHORISATION

These financial statements were authorised for issue on October 26, 2013 by the Board of Directors of the Group.

10. GENERAL

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.

Figures have been rounded off to the nearest thousand rupees.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director