



Quarterly Report

*Condensed Interim Financial Information
For The First Quarter Ended September 30, 2014*

Company Information

BOARD OF DIRECTORS	MOHOMED BASHIR ZAIN BASHIR MOHAMMED ZAKI BASHIR ZIAD BASHIR S.M. NADIM SHAFIQULLAH DR. AMJAD WAHEED ADNAN AFRIDI	- Chairman - Vice Chairman/ Executive Director - Chief Executive Officer - Non Executive - Independent - Independent - Independent
CHIEF FINANCIAL OFFICER	MOHAMMED SALEEM SATTAR	
COMPANY SECRETARY	MOHAMMED SALIM GHAFFAR	
AUDIT COMMITTEE	S.M. NADIM SHAFIQULLAH MOHOMED BASHIR ADNAN AFRIDI MOHAMMED SALIM GHAFFAR	- Chairman & Member - Member - Member - Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	MOHOMED BASHIR ZAIN BASHIR S.M. NADIM SHAFIQULLAH MOHAMMED SALIM GHAFFAR	- Chairman & Member - Member - Member - Secretary
BANKERS	ALLIED BANK LIMITED BANK AL HABIB LIMITED ASKARI BANK LIMITED AL BARAKA BANK (PAKISTAN) LIMITED BARCLAYS BANK PLC PAKISTAN BANK ALFALAH LIMITED BANKISLAMI PAKISTAN LIMITED BURJ BANK LIMITED THE BANK OF PUNJAB 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 SONERI BANK LIMITED STANDARD CHARTERED BANK (PAKISTAN) LIMITED UNITED BANK LIMITED	
AUDITORS	KRESTON 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) 34380101-5 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, 2014.

Economic and Industrial Review

Ongoing political impasse, delay in the finalization of fourth IMF review, unfavourable PKR/USD parity, the current heavy rains and floods, continued energy shortages, and slower exports growth prospects threaten the nascent recovery in economic activity.

Challenges in managing balance of payment continue as trade deficit is increasing despite the healthy growth in workers' remittance. This is due to large imports and remittance against profits and service payments as a result of appreciation of PKR. Low FDIs and private capital inflows also contribute to these challenges. During this quarter, the PKR/USD has affected the export competitiveness of the country.

State Bank of Pakistan has decided to hold the policy rate at 10% to ensure the macroeconomic stability and to counter the potential damages due to floods. It is important to note that the average inflation for 1st quarter July-Sept. 2014 has declined to 7.52% as compared to 8.07% in the corresponding quarter of last year.

Large Scale Manufacturing (LSM) growth remained constrained due to energy shortages, reduced production capacity of independent power plants, low supply of gas to fertilizer plants, higher inventories and lower growth in food and textile sectors.

Financial Performance

During the quarter ended September 30, 2014, the Company achieved net sales of Rs. 6,675 million recording a decline by 5% over the corresponding period. Gross profit has also decreased to Rs. 860 million. Financial performance during the quarter is given below:

	September 2014	September 2013
	Rs. In million	
Sales	6,675	7,061
Gross profit	860	1,238
Profit before tax after providing depreciation / amortization of Rs. 225 million (2013: Rs. 193 million)	(126)	208
Profit after tax	(177)	156

The performance during the first quarter of FY2014-15 is impacted due to various unfavorable factors. These include a major export customer did not take delivery of goods in July, PKR appreciation resulting in lower export proceeds, additional cost incurred due to breakdown of a gas turbine (which is now in full operation) and slowdown in local sales as a result of the current political situation.

As a result of the customer not taking delivery of the goods, production in July was curtailed increasing the cost of production on account of unutilized capacity. Loss of



export sales amounted to Rs. 700 million. Further the impact on account of slowdown in local sales resulted in the loss revenue to the extent of around Rs. 200 million.

Future Prospects

We expect that the performance in the remaining nine months of the FY2014-15 will be positive due to reversal of the PKR parity, discontinuation of additional expenditure as the turbine is now in operation and drop in cotton prices. Local sales performance is also expected to improve which declined due to the rallies and protests by the opposition parties since August, 2014. If the current situation remains unchanged, we foresee that sales will grow significantly and profit will also be higher as compared to the FY2013-14.

We also expect better environment for business, as the Government is taking steps to tackle the political, economic and energy crisis.

We shall continue to focus on maintaining quality, product diversification and exploring new markets. We expect to increase in sales and profit in the remaining three quarters.

Consolidated Financial Statements

Consolidated financial statements for the quarter ended September 30, 2014 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

Mohammed Zaki Bashir
Chief Executive Officer

Karachi
October 30, 2014

**Condensed Interim Un-consolidated
Balance Sheet
As at September 30, 2014**

	Un-Audited September 2014	Audited June 2014
Note	(Rs. 000s)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 400,000,000 ordinary shares of Rs.10 each	<u>4,000,000</u>	<u>4,000,000</u>
Share capital	1,828,182	1,828,182
Reserves	3,580,000	3,580,000
Unappropriated profit	1,074,628	1,251,721
	6,482,810	6,659,903
NON-CURRENT LIABILITIES		
Long term financing - Secured	2,457,905	2,239,239
Deferred liabilities		
Deferred taxation - net	332,921	332,921
Staff retirement benefits	40,128	39,512
	373,049	372,433
CURRENT LIABILITIES		
Trade and other payables	3,478,698	6,303,992
Accrued mark-up/profit	183,786	177,164
Short term borrowings	12,482,050	7,829,770
Current maturity of long term financing	721,914	694,706
	16,866,448	15,005,632
CONTINGENCIES AND COMMITMENTS	4	
	<u>26,180,212</u>	<u>24,277,207</u>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 8,365,353	8,209,553
Intangible assets	6 17,562	20,365
Long term investment	58,450	58,450
Long term loans and advances	13,149	11,901
Long term deposits	82,386	81,034
	8,536,900	8,381,303
CURRENT ASSETS		
Stores, spare parts and loose tools	924,386	855,530
Stock-in-trade	11,444,707	11,914,365
Trade debts	3,195,505	1,366,694
Loans and advances	491,197	395,953
Short term prepayments	226,693	72,778
Other receivables	449,759	342,300
Tax refunds due from Government	569,171	653,481
Income tax refundable-payments less provision	191,658	179,849
Cash and bank balances	150,236	114,954
	17,643,312	15,895,904
	<u>26,180,212</u>	<u>24,277,207</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Un-consolidated
Profit And Loss Account
For the first quarter ended September 30, 2014**

	Un-Audited	
	September 2014	September 2013
	(Rs. 000s)	
Sales	6,674,831	7,060,939
Cost of sales		
Opening stock of finished goods	8,658,343	6,832,592
Cost of goods manufactured	5,313,060	5,624,262
Purchases and processing charges	1,135,347	1,195,312
Closing stock of finished goods	(9,291,714)	(7,829,288)
	5,815,036	5,822,878
Gross profit	859,795	1,238,061
Distribution cost	456,231	353,895
Administrative expenses	369,521	306,385
Other operating expenses	9	15,408
	825,761	675,688
	34,034	562,373
Other income/(loss)	119,453	(15,168)
Operating profit	153,487	547,205
Finance cost	279,623	339,320
(Loss)/profit before taxation	(126,136)	207,885
Provision for taxation	50,957	52,311
(Loss)/profit after taxation	(177,093)	155,574
(Loss)/earning per share - basic and diluted (Rs.)	(0.97)	Re-stated 0.85

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

**Condensed Interim Un-consolidated
Statement of Comprehensive Income
For the first quarter ended September 30, 2014**

	Un-Audited	
	September 2014	September 2013
	(Rs. 000s)	
(Loss)/profit after taxation	(177,093)	155,574
Other comprehensive income	-	-
Total comprehensive income	<u>(177,093)</u>	<u>155,574</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Un-consolidated
Cash Flow Statement
For the first quarter ended September 30, 2014**

	Un-Audited	
	September 2014	September 2013
	(Rs. 000s)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(126,136)	207,885
Adjustments for:		
Depreciation	222,048	190,614
Amortisation	2,803	2,519
Provision for gratuity	8,861	7,170
Finance cost	279,623	339,320
Provision for slow moving/obsolete items	3,753	3,753
Provision for doubtful debts	7,456	7,456
Gain on sale of property, plant and equipment - net	(1,318)	(4,387)
	<u>523,226</u>	<u>546,445</u>
Cash flows from operating activities before adjustments of working capital	397,090	754,330
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	(72,609)	(32,494)
Stock-in-trade	469,658	(1,002,583)
Trade debts	(1,836,267)	(34,630)
Loans and advances	(95,244)	(142,623)
Short term prepayments	(153,915)	(85,943)
Other receivables	(107,459)	(23,693)
Tax refunds due from Government	84,310	(47,831)
	<u>(1,711,526)</u>	<u>(1,369,797)</u>
(Decrease) in current liabilities		
Trade and other payables	(2,825,294)	(655,238)
	<u>(4,536,820)</u>	<u>(2,025,035)</u>
	<u>(4,139,730)</u>	<u>(1,270,705)</u>
Adjustments for:		
Gratuity paid	(8,245)	(4,096)
Finance cost paid	(273,001)	(325,838)
Income tax paid	(62,766)	(86,700)
Long term loans and advances disbursed - net	(1,248)	(2,069)
Long term deposits paid - net	(1,352)	(4,146)
	<u>(346,612)</u>	<u>(422,849)</u>
Net cash used in operating activities	<u>(4,486,342)</u>	<u>(1,693,554)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(380,829)	(497,196)
Proceeds from sale of property, plant and equipment	4,299	6,956
Net cash used in investing activities	<u>(376,530)</u>	<u>(490,240)</u>



**Condensed Interim Un-consolidated
Cash Flow Statement
For the first quarter ended September 30, 2014**

	Un-Audited September 2014	September 2013
	(Rs. 000s)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	395,268	301,955
Repayments of long term financing	(149,394)	(154,989)
Net cash generated from financing activities	245,874	146,966
Net decrease in cash and cash equivalents	(4,616,998)	(2,036,828)
Cash and cash equivalents - at the beginning of the period	(7,714,816)	(8,188,495)
Cash and cash equivalents - at the end of the period	(12,331,814)	(10,225,323)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprises of:		
Cash and bank balances	150,236	144,839
Short term borrowings	(12,482,050)	(10,370,162)
	(12,331,814)	(10,225,323)

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Un-consolidated
Statement of Changes in Equity
For the first quarter ended September 30, 2014**

	Share Capital	Revenue reserve	Unappropriated profit	Total
	(Rs. 000s)			
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 2013	-	-	155,574	155,574
Other comprehensive income	-	-	-	-
	-	-	155,574	155,574
Balance as at September 30, 2013	1,523,486	3,180,000	880,590	5,584,076
Transfer to revenue reserve	-	400,000	(400,000)	-
Transaction with owners				
Issue of Bonus shares	304,696	-	(304,696)	-
Total comprehensive income				
Profit for the period October 01, 2013 to June 30, 2014	-	-	1,079,224	1,079,224
Other comprehensive income	-	-	(3,397)	(3,397)
	-	-	1,075,827	1,075,827
Balance as at June 30, 2014	1,828,182	3,580,000	1,251,721	6,659,903
Total comprehensive income				
Loss for the first quarter ended September 2014	-	-	(177,093)	(177,093)
Other comprehensive income	-	-	-	-
	-	-	(177,093)	(177,093)
Balance as at September 30, 2014	1,828,182	3,580,000	1,074,628	6,482,810

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

Notes to the Condensed Interim Un-consolidated Accounts (Un-audited) For the first quarter ended September 30, 2014

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.

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

2 BASIS OF PREPERATION

These condensed interim financial information of the Company for the first quarter ended September 30, 2014 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, 2014 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 2014.

The comparatives balance sheet, presented in these condensed interim financial information, as at June 30, 2014 has been extracted from the audited financial statements of the Company for the year ended June 30, 2014, 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, 2014 have been extracted from the condensed interim financial information of the Company for the first quarter ended September 30, 2013.

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, 2014.

4 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2014 except as stated below, remained unchanged during the current period.

The Government of Pakistan had increased the Gas Infrastructure Development Cess (GIDC) from Rs. 13 per MMBTU to Rs.100 per MMBTU with effect from July 2012. This had subsequently been reduced by the Government to Rs.50 per MMBTU from September 2012 and then again increased to Rs. 100 per MMBTU and it had been further increased to Rs. 150 per MMBTU with effect from July 2014. The Company along with several other companies had filed a suit in the Honorable Sindh High Court challenging the increase in GIDC and the Honorable Sindh High Court had issued stay against recovery of the enhanced GIDC and hence the Company had not paid the enhanced amount of GIDC.



Similar petitions filed in the Peshawar and Islamabad High Courts had been decided in favor of the Appellants. In the case of Islamabad High Court the matter is now with its division bench and decision of the Peshawar High Court had been challenged by the Government in the Supreme Court of Pakistan. Subsequent to year end a Three – Member Bench of Honorable Supreme Court of Pakistan had declared the GIDC illegal and unconstitutional vide its judgment dated August 22, 2014 and had accordingly suspended collection of GIDC and maintained the order of the refund of GIDC so far collected.

The Government has now promulgated the Gas Infrastructure Ordinance, 2014 on September 24, 2014. The Company has filed a suit in the Honorable Sindh High Court challenging the Gas Infrastructure Development Cess Ordinance, 2014 promulgated by the Government and the Honorable Sindh High Court has issued stay against the recovery of GIDC. Further as the Company is confident that the case will be decided in favor of the Appellant hence no provision in this respect is made in these Financial Statements which amounts to Rs. 603 million.

Guarantees

- (a) The guarantees issued by banks on behalf of company as at period end for Rs. 636 million (2014: Rs. 636 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 567 million (2014: Rs. 567 million).
- (b) Post dated cheques Rs. 491 million (June-2014: Rs. 535 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 1,282 million (June-2014: Rs. 2,900 million).
- (d) Corporate guarantee of Rs. 106.923 million (June-2014: Rs. 109.398 million) has been issued to a bank in favour of subsidiary company.

Commitments

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

	Un-Audited	Audited
	September	June
	2014	2014
	(Rs. 000s)	
- Capital expenditure	484,639	468,557
- Non capital expenditure items under letters of credits	1,289,152	2,220,970
	<u>1,773,791</u>	<u>2,689,527</u>

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

	Un-Audited	Audited
Note	September	June
	2014	2014
	(Rs. 000s)	
Not more than one year	368,449	323,120
More than one year but not more than five years	1,452,499	1,242,552
More than five years	1,039,435	730,377
	<u>2,860,383</u>	<u>2,296,049</u>



	Note	Un-Audited September 2014	Audited June 2014
(Rs. 000s)			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets			
Operating assets - net book value	5.1 & 5.2	7,842,256	7,712,257
Capital work in progress - at cost	5.4	523,097	497,296
		<u>8,365,353</u>	<u>8,209,553</u>
5.1 Additions during the period			
Buildings and structures on leasehold land		114,297	129,596
Plant and machinery		197,064	1,330,421
Furniture and fixtures		-	3,477
Office equipment		9,186	49,091
Vehicles		34,481	181,993
		<u>355,028</u>	<u>1,694,578</u>
5.1.1 Additions to building and structure on leasehold land, plant and machinery and others include transfers from capital work-in-progress amounting to Rs. 105.673 million, Rs. 179.744 and Rs. 7.630 million (June-2014: Rs. 106.514 million, Rs. 1,242.091 million and Rs. 16.956 million).			
		Un-Audited September 2014	Audited June 2014
(Rs. 000s)			
5.2 Disposals - operating fixed assets (at net book value)			
Buildings and structures on leasehold land		-	6,543
Plant and machinery		-	9,156
Furniture and fixtures		-	2,765
Office equipment		-	3,570
Vehicles		2,981	18,108
		<u>2,981</u>	<u>40,142</u>
5.2.1 Disposals include assets scrapped during the period of Rs. nil (June-14: Rs. 4.421 million).			
		Un-Audited September 2014	Audited June 2014
(Rs. 000s)			
5.3 Depreciation charge during the period			
		<u>222,048</u>	<u>848,978</u>
5.4 Additions - capital work in progress (at cost)			
Machinery		156,018	1,408,968
Building		154,879	214,845
Others		7,951	13,731
		<u>318,848</u>	<u>1,637,544</u>
6 INTANGIBLE ASSETS			
6.1 Intangible - net book value		<u>17,562</u>	<u>20,365</u>
6.2 Additions - intangibles (at cost)			
Computer Software		-	8,488
		<u>-</u>	<u>8,488</u>
6.3 Amortization charge during the period		<u>2,803</u>	<u>11,253</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 made-up 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 - 2014	Sep - 2013	Sep - 2014	Sep - 2013	Sep - 2014	Sep - 2013	Sep - 2014	Sep - 2013
	-----For the first quarter ended -----							
	(Rs 000s)							
Sales	2,494,775	2,662,107	5,855,538	5,325,170	(1,675,482)	(926,338)	6,674,831	7,060,939
Cost of Sales	(2,397,416)	(2,437,291)	(5,093,102)	(4,311,925)	1,675,482	926,338	(5,815,036)	(5,822,878)
Gross Profit	97,359	224,816	762,436	1,013,245	-	-	859,795	1,238,061
Distribution and Administrative expenses	45,305	67,830	780,447	592,450	-	-	825,752	660,280
Profit/(loss) before tax and before charging following	52,054	156,986	(18,011)	420,795	-	-	34,043	577,781
Financial charges							279,623	339,320
Other operating expenses							9	15,408
Other (income)/loss							(119,453)	15,168
							160,179	369,896
Profit Before Tax							(126,136)	207,885
Taxation							50,957	52,311
Profit/(loss) after tax							(177,093)	155,574

7.2 Segment assets and liabilities

	Spinning		Processing		Unallocated		Total Company	
	Sep - 2014	Jun - 2014	Sep - 2014	Jun - 2014	Sep - 2014	Jun - 2014	Sep - 2014	Jun - 2014
	(Rs 000s)							
Assets	5,537,509	5,134,995	17,583,617	16,305,487	3,059,086	2,836,725	26,180,212	24,277,207
Liabilities	2,272,094	2,032,155	6,406,312	5,729,788	11,018,996	9,855,361	19,697,402	17,617,304

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.1,848 million (Sep-2013: Rs. 1,766 million).



7.5 Information by geographical area

	Revenue		Non-current assets	
	Un-Audited		Un-Audited	Audited
	Sep - 2014	Sep - 2013	Sep - 2014	Jun - 2014
	----- (Rs. 000s) -----			
Pakistan	1,995,746	2,567,788	8,478,450	8,322,853
Germany	1,163,800	1,226,198	-	-
United Kingdom	438,099	436,861	-	-
United States	693,038	651,199	-	-
China	273,418	593,584	-	-
Netherland	514,467	306,191	-	-
France	414,167	307,074	-	-
Brazil	85,128	121,379	-	-
United Arab Emirates	12,905	26,143	58,450	58,450
Other Countries	1,084,063	824,522	-	-
	6,674,831	7,060,939	8,536,900	8,381,303

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 - 2014	Sep - 2013
		----- (Rs. 000s) -----	
Subsidiaries	Sale of goods	58,008	41,160
	Commission paid	34,078	-
Associated Companies and other related parties	Purchase of goods	17,148	21,327
	Sale of goods	1,760	-
	Rent paid	1,950	1,800
	Commission / Rebate	3,638	1,332
	Bills discounted	523,895	649,973
	Commission / Bank charges paid	5,513	2,632
	Mark up / Interest charged	19,218	20,163
	Provident fund contribution	21,212	15,975
Relationship with the Company	Nature of outstanding balances	Un-Audited	Audited
		Sep - 2014	Jun - 2014
----- (Rs. 000s) -----			
Subsidiaries	Corporate guarantee issued in favour of Subsidiary Company	106,923	109,398
	Trade & other payable	-	17,517
	Long term investment	58,450	58,450
	Trade & other receivable	58,717	40,558
Associated companies and others related parties	Deposit with bank	43,866	3,504
	Borrowing from bank	1,163,148	1,213,072
	Bank guarantee	567,241	567,241
	Trade & other payable	5,359	11,284
	Trade & other receivable	1,760	-
	Accrued Mark up	22,947	18,619
	Advances to suppliers	38	4,763
	Loans to key management personnel & executives	17,572	15,680
	Payable to employees' provident fund	7,019	9,016

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-2014 amounting to Rs. 154 million (Sep-2013: Rs. 147 million) on account of remuneration.

9 DATE OF AUTHORISATION

These financial statements were authorised for issue on October 30, 2014 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.

11 CORRESPONDING FIGURES

For better presentation, reclassification made in financial statements is as follows:

<u>Reclassification from component</u>	<u>Reclassification to component</u>	Amount Rs.000
Sales	Financial Charges	
Export Sales	Bank charges	9,902

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



Consolidated Accounts

***Consolidated Condensed Interim Financial Information
For The First Quarter Ended September 30, 2014***

**Condensed Interim Consolidated
Balance Sheet
As at September 30, 2014**

	Un-Audited September 2014	Audited June 2014
Note	(Rs. 000s)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital	<u>4,000,000</u>	<u>4,000,000</u>
400,000,000 ordinary shares of Rs.10 each		
Share capital	<u>1,828,182</u>	1,828,182
Reserves	<u>3,702,096</u>	3,688,803
Unappropriated profit	<u>1,151,755</u>	1,336,209
	<u>6,682,033</u>	6,853,194
NON-CURRENT LIABILITIES		
Long term financing - Secured	2,457,905	2,239,239
Deferred liabilities		
Deferred taxation - net	<u>338,936</u>	338,936
Staff retirement benefits	<u>45,377</u>	44,816
	<u>384,313</u>	383,752
CURRENT LIABILITIES		
Trade and other payables	<u>3,575,324</u>	6,428,420
Accrued mark-up/profit	<u>183,786</u>	177,164
Short term borrowings	<u>12,482,050</u>	7,829,770
Current maturity of long term financing	<u>721,914</u>	694,706
	<u>16,963,074</u>	15,130,060
CONTINGENCIES AND COMMITMENTS		
4	<u>26,487,325</u>	<u>24,606,245</u>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 <u>8,378,096</u>	8,217,907
Intangible assets	6 <u>20,920</u>	24,020
Long term loans and advances	<u>13,149</u>	11,901
Long term deposits	<u>82,386</u>	81,034
	<u>8,494,551</u>	8,334,862
CURRENT ASSETS		
Stores, spare parts and loose tools	<u>924,386</u>	855,530
Stock-in-trade	<u>11,625,135</u>	12,129,702
Trade debts	<u>3,328,414</u>	1,482,683
Loans and advances	<u>500,175</u>	404,734
Short term prepayments	<u>246,882</u>	95,018
Other receivables	<u>434,584</u>	346,027
Tax refunds due from Government	<u>570,513</u>	655,664
Income tax refundable-payments less provision	<u>191,658</u>	177,812
Cash and bank balances	<u>171,027</u>	124,213
	<u>17,992,774</u>	16,271,383
	<u>26,487,325</u>	<u>24,606,245</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Office

**Condensed Interim Consolidated
Profit And Loss Account
For the first quarter ended September 30, 2014**

	Un-Audited	
	September 2014	September 2013
	(Rs. 000s)	
Sales	6,925,297	7,199,637
Cost of sales		
Opening stock of finished goods	8,873,680	6,947,622
Cost of goods manufactured	5,313,060	5,624,262
Purchases and processing charges	1,261,774	1,288,774
Closing stock of finished goods	(9,472,142)	(7,950,550)
	5,976,372	5,910,108
Gross profit	948,925	1,289,529
Distribution cost	470,124	362,248
Administrative expenses	438,987	366,393
Other operating expenses	9	15,525
	909,120	744,166
	39,805	545,363
Other income/(loss)	119,453	(15,168)
Operating profit	159,258	530,195
Finance cost	292,645	347,439
(Loss)/profit before taxation	(133,387)	182,756
Provision for taxation	51,067	52,396
(Loss)/profit after taxation	(184,454)	130,360
(Loss)/earning per share - basic and diluted (Rs.)	(1.01)	Re-stated 0.71

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

**Condensed Interim Consolidated
Statement of Comprehensive Income
For the first quarter ended September 30, 2014**

	Un-Audited	
	September 2014	September 2013
	(Rs. 000s)	
(Loss)/profit after taxation	(184,454)	130,360
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation differences		
- Foreign operations	13,293	22,026
Total comprehensive income	<u>(171,161)</u>	<u>152,386</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

**Condensed Interim Consolidated
Cash Flow Statement
For the first quarter ended September 30, 2014**

	Un-Audited	
	September 2014	September 2013
	(Rs. 000s)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(133,387)	182,756
Adjustments for:		
Depreciation	223,401	192,393
Amortisation	3,100	3,071
Provision for gratuity	8,861	6,918
Finance cost	292,645	347,439
Provision for slow moving/obsolete items	3,753	3,753
Provision for doubtful debts	7,456	7,456
Gain on sale of property, plant and equipment - net	(1,309)	(4,270)
	<u>537,907</u>	<u>556,760</u>
Cash flows from operating activities before adjustments of working capital	404,520	739,516
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	(72,609)	(32,495)
Stock-in-trade	504,567	(1,005,248)
Trade debts	(1,853,187)	(26,922)
Loans and advances	(95,441)	(144,425)
Short term prepayments	(151,864)	(83,506)
Other receivables	(88,557)	(26,458)
Tax refunds due from Government	85,151	(48,074)
	<u>(1,671,940)</u>	<u>(1,367,128)</u>
(Decrease) in current liabilities		
Trade and other payables	(2,853,096)	(623,612)
	<u>(4,525,036)</u>	<u>(1,990,740)</u>
	<u>(4,120,516)</u>	<u>(1,251,224)</u>
Adjustments for:		
Gratuity paid	(8,300)	(4,096)
Finance cost paid	(286,023)	(333,957)
Income tax paid	(64,913)	(87,113)
Long term loans and advances disbursed - net	(1,248)	(2,069)
Long term deposits paid - net	(1,352)	(4,146)
	<u>(361,836)</u>	<u>(431,381)</u>
Net cash used in operating activities	<u>(4,482,352)</u>	<u>(1,682,605)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(386,571)	(497,268)
Addition to intangible assets	-	(492)
Proceeds from sale of property, plant and equipment	4,290	7,154
Net cash used in investing activities	<u>(382,281)</u>	<u>(490,606)</u>

**Condensed Interim Consolidated
Cash Flow Statement
For the first quarter ended September 30, 2014**

	Un-Audited September 2014	September 2013
	(Rs. 000s)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	395,268	301,955
Repayments of long term financing	(149,394)	(154,989)
Net cash generated from financing activities	245,874	146,966
Exchange difference on translation of foreign activities	13,293	22,026
Net decrease in cash and cash equivalents	(4,605,466)	(2,004,219)
Cash and cash equivalents - at the beginning of the period	(7,705,557)	(8,181,059)
Cash and cash equivalents - at the end of the period	<u>(12,311,023)</u>	<u>(10,185,278)</u>
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprises of:		
Cash and bank balances	171,027	184,884
Short term borrowings	<u>(12,482,050)</u>	<u>(10,370,162)</u>
	<u>(12,311,023)</u>	<u>(10,185,278)</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

**Condensed Interim Consolidated
Statement of Changes in Equity
For the first quarter ended September 30, 2014**

	Share capital	Revenue reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve	Un appropriated profit	Total
(Rs. 000s)						
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
	-	-	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
Transfer to revenue reserve	-	400,000	-	-	(400,000)	-
Transfer to statutory reserve	-	-	-	1,546	(1,546)	-
Transaction with owners						
Issue of bonus shares	304,696	-	-	-	(304,696)	-
Total comprehensive income						
Profit for the period October 01, 2013 to June 30, 2014	-	-	-	-	1,090,651	1,090,651
Other comprehensive income	-	-	(3,280)	-	(3,397)	(6,677)
	-	-	(3,280)	-	1,087,254	1,083,974
Balance as at June 30, 2014	1,828,182	3,580,000	96,902	11,901	1,336,209	6,853,194
Total comprehensive income						
Loss for the first quarter ended September 30, 2014	-	-	-	-	(184,454)	(184,454)
Other comprehensive income	-	-	13,293	-	-	13,293
	-	-	13,293	-	(184,454)	(171,161)
Balance as at September 30, 2014	1,828,182	3,580,000	110,195	11,901	1,151,755	6,682,033

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

Notes to the Condensed Interim Consolidated Accounts For the first quarter ended September 30, 2014

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

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,

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.

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

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

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

1.2 Basis of consolidation

The financial statements include the financial statements 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 holding Company is eliminated against the subsidiaries share capital. All 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, 2014 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.

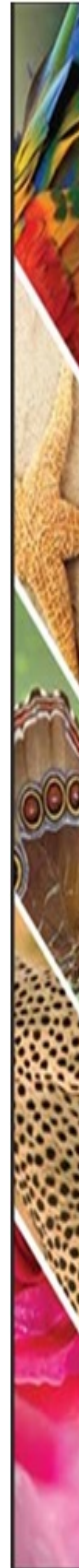
These consolidated condensed interim financial information of the Group for the first quarter ended September 30, 2014 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies 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, 2014 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, 2014.

The comparatives balance sheet, presented in these consolidated condensed interim financial information, as at June 30, 2014 has been extracted from the audited financial statements of the Group for the year ended June 30, 2014 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, 2014 have been extracted from the consolidated condensed interim financial information of the Group for the first quarter ended September 30, 2013.

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, 2014.



4 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2014 except as stated below, remained unchanged during the current period.

The Government of Pakistan had increased the Gas Infrastructure Development Cess (GIDC) from Rs. 13 per MMBTU to Rs.100 per MMBTU with effect from July 2012. This had subsequently been reduced by the Government to Rs.50 per MMBTU from September 2012 and then again increased to Rs. 100 per MMBTU and it had been further increased to Rs. 150 per MMBTU with effect from July 2014. The Company along with several other companies had filed a suit in the Honorable Sindh High Court challenging the increase in GIDC and the Honorable Sindh High Court had issued stay against recovery of the enhanced GIDC and hence the Company had not paid the enhanced amount of GIDC.

Similar petitions filed in the Peshawar and Islamabad High Courts had been decided in favor of the Appellants. In the case of Islamabad High Court the matter is now with its division bench and decision of the Peshawar High Court had been challenged by the Government in the Supreme Court of Pakistan. Subsequent to year end a Three – Member Bench of Honorable Supreme Court of Pakistan had declared the GIDC illegal and unconstitutional vide its judgment dated August 22, 2014 and had accordingly suspended collection of GIDC and maintained the order of the refund of GIDC so far collected.

The Government has now promulgated the Gas Infrastructure Ordinance, 2014 on September 24, 2014. The Company has filed a suit in the Honorable Sindh High Court challenging the Gas Infrastructure Development Cess Ordinance, 2014 promulgated by the Government and the Honorable Sindh High Court has issued stay against the recovery of GIDC. Further as the Company is confident that the case will be decided in favor of the Appellant hence no provision in this respect is made in these Financial Statements which amounts to Rs. 603 million.

Guarantees

- (a) Guarantees issued by Bank on behalf of the Group as at period end for Rs. 636 million (June-2014: Rs. 636 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 567 million (June-2014: Rs. 567 million).
- (b) Post dated cheques Rs. 491 million (June-2014: Rs.535 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 1,282 million (June-2014: Rs. 2,927 million).
- (d) Corporate guarantee of Rs. 106.923 million (June-2014: Rs. 109.398 million) has been issued to a bank in favour of subsidiary company.

Commitments

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

	<u>Un-Audited</u> <u>September</u> <u>2014</u> <u>(Rs. 000s)</u>	<u>Audited</u> <u>June</u> <u>2014</u>
- Capital expenditure	<u>484,639</u>	468,557
- Non capital expenditure items under letters of credits	<u>1,289,152</u>	<u>2,220,970</u>
	<u>1,773,791</u>	<u>2,689,527</u>

	<u>Un-Audited</u> September 2014	<u>Audited</u> June 2014
	(Rs. 000s)	
(b) The Group is committed for minimum rental payments for each of following period as follows:		
Not more than one year	368,449	323,120
More than one year but not more than five years	1,452,499	1,242,552
More than five years	1,039,435	730,377
	<u>2,860,383</u>	<u>2,296,049</u>

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	5.1 & 5.2	7,854,999	7,720,611
Capital work in progress - at cost	5.4	523,097	497,296
		<u>8,378,096</u>	<u>8,217,907</u>

5.1 Additions during the period

Buildings and structures on leasehold land	114,297	129,596
Plant and machinery	197,064	1,330,421
Furniture and fixtures	5,681	4,048
Office equipment	9,247	49,537
Vehicles	34,481	184,871
	<u>360,770</u>	<u>1,698,473</u>

- 5.1.1 Additions to building and structure on leasehold land, plant and machinery and others include transfers from capital work-in-progress amounting to Rs. 105.673 million, Rs. 179.744 and Rs. 7.630 million (June-2014: Rs. 106.514 million, Rs. 1,242.091 million and Rs. 16.956 million).

	<u>Un-Audited</u> September 2014	<u>Audited</u> June 2014
	(Rs. 000s)	
5.2 Disposals - operating fixed assets (at net book value)		
Leasehold land	-	6,543
Plant and machinery	-	9,156
Furniture and fixtures	-	2,765
Office equipment	-	3,570
Vehicles	2,981	18,276
	<u>2,981</u>	<u>40,310</u>

- 5.2.1 Disposals include assets scrapped during the period of Rs. nil (June-14: Rs. 4.421 million).

	<u>Un-Audited</u> September 2014	<u>Audited</u> June 2014
	(Rs. 000s)	
5.3 Depreciation charge during the period	<u>223,401</u>	<u>856,477</u>
5.4 Additions - capital work in progress (at cost)		
Machinery	156,018	1,408,968
Building	154,879	214,845
Others	7,951	13,731
	<u>318,848</u>	<u>1,637,544</u>

6 INTANGIBLE ASSETS

6.1 Intangible - net book value	20,920	24,020
6.2 Additions - intangibles (at cost)		
Computer Software	-	9,285
6.3 Amortisation charge during the period	<u>3,100</u>	<u>12,507</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 fibers
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 - 2014	Sep - 2013	Sep - 2014	Sep - 2013	Sep - 2014	Sep - 2013	Sep - 2014	Sep - 2013	Sep - 2014	Sep - 2013	Sep - 2014	Sep - 2013	Sep - 2014	Sep - 2013
	For the first quarter ended													
	(Rs. 000s)													
Sales	2,494,775	2,662,107	5,855,538	5,325,170	196,311	164,548	20,900	7,368	91,309	7,440	(1,733,536)	(966,996)	6,925,297	7,199,637
Cost of Sales	2,397,416	2,437,291	5,093,102	4,311,925	148,215	126,790	-	15	71,986	-	(1,734,347)	(965,913)	5,976,372	5,910,108
Gross Profit	97,359	224,816	762,436	1,013,245	48,096	37,758	20,900	7,353	19,323	7,440	811	(1,083)	948,925	1,289,529
Distribution and Administrative expenses	45,305	67,830	780,447	592,450	36,030	28,087	24,123	25,816	23,207	14,458	(1)	-	909,111	728,641
Profit before tax and before charging following	52,054	156,986	(18,011)	420,795	12,066	9,671	(3,223)	(18,463)	(3,884)	(7,018)	812	(1,083)	39,814	560,888
Financial charges													292,645	347,439
Other operating expenses													9	15,525
Other loss													(119,453)	15,168
													173,201	378,132
(Loss)/profit before tax													(133,387)	182,756
Taxation													51,067	52,396
(Loss)/profit after tax													(184,454)	130,360

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 - 2014	Jun- 2014	Sep - 2014	Jun- 2014	Sep - 2014	Jun- 2014	Sep - 2014	Jun- 2014	Sep - 2014	Jun- 2014	Sep - 2014	Jun- 2014	Sep - 2014	Jun- 2014
	(Rs 000s)													
Assets	5,537,509	5,134,995	17,466,450	16,175,646	362,004	408,213	19,965	16,823	42,311	33,843	3,059,086	2,836,725	26,487,325	24,606,245
Liabilities	2,272,094	2,032,155	6,401,563	5,666,176	106,692	189,315	3,312	7,976	2,638	2,067	11,018,993	9,855,362	19,805,292	17,753,051

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.1,848 million (Sep-2013: Rs. 1,766 million).

7.5 Information by geographical area

	Revenue		Non-current assets	
	Un-Audited		Un-Audited	Audited
	Sep - 2014	Sep - 2013	Sep - 2014	Jun - 2014
	----- (Rs. 000s) -----			
Pakistan	2,029,825	2,583,098	8,478,451	8,322,853
Germany	1,163,800	1,226,198	-	-
United Kingdom	439,523	421,221	2,092	2,018
China	728,204	651,199	5,855	72
United States	273,418	593,584	-	-
Netherland	514,467	306,191	-	-
France	414,167	307,074	-	-
Brazil	85,128	121,379	-	-
United Arab Emirates	196,311	165,171	8,153	9,919
Other Countries	1,080,454	824,522	-	-
Total	6,925,297	7,199,637	8,494,551	8,334,862

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 related parties.

Relationship with the Company	Nature of transactions	Sep-14	Sep - 2013
		----- (Rs. 000s) -----	
Associated Companies and other related parties	Purchase of goods	17,148	21,327
	Sale of goods	1,760	-
	Rent paid	1,950	1,800
	Fees paid	1,500	1,250
	Commission / rebate	3,638	1,332
	Bills discounted	523,895	649,973
	Commission / bank charges paid	5,513	2,632
	Mark up / Interest charged	19,218	20,163
	Provident fund contribution	21,212	15,975
Relationship with the Company	Nature of outstanding balances	Un-Audited Sep - 2014	Audited Jun- 2014
Associated companies and others related parties	Deposit with bank	43,866	3,504
	Borrowing from bank	1,163,148	1,213,072
	Bank guarantee	567,241	567,241
	Trade & other payable	5,359	11,284
	Trade & other receivable	1,760	-
	Accrued Mark up	22,947	18,619
	Advances to suppliers	38	4,763
	Loans to key management personnel & executives	17,572	15,680
	Payable to employees' provident fund	7,019	9,016

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-2014 amounting to Rs. 154 million (Sep-2013: Rs. 147 million) on account of remuneration.

9 DATE OF AUTHORISATION

These financial statements were authorised for issue on October 30, 2014 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.

11 CORRESPONDING FIGURES

For better presentation, reclassification made in financial statements is as follows:

<u>Reclassification from component</u>	<u>Reclassification to component</u>	Amount Rs.000
Sales	Financial Charges	
Export Sales	Bank charges	9,902

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

