



Quarterly Report

***Condensed Interim Financial Information
For The Nine Months Ended March 31, 2015***

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 GHAFAR	
AUDIT COMMITTEE	S.M. NADIM SHAFIQULLAH MOHOMED BASHIR ADNAN AFRIDI MOHAMMED SALIM GHAFAR	- Chairman & Member - Member - Member - Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	MOHOMED BASHIR ZAIN BASHIR S.M. NADIM SHAFIQULLAH MOHAMMED SALIM GHAFAR	- 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 MCB BANK LIMITED MEEZAN BANK LIMITED NATIONAL BANK OF PAKISTAN NIB BANK LIMITED SAMBA BANK LIMITED SILKBANK LIMITED STANDARD CHARTERED BANK (PAKISTAN) LIMITED SONERI BANK LIMITED UNITED BANK LIMITED	
AUDITORS	KRESTON HYDER BHIMJI & CO. Chartered Accountants	
INTERNAL AUDITORS	GRANT THORNTON ANJUM RAHMAN Chartered Accountants	
LEGAL ADVISORS	A.K. BROHI & CO ADVOCATES	
REGISTERED OFFICE	PLOT NO.82 MAIN NATIONAL HIGHWAY LANDHI, KARACHI-75120	
SHARE REGISTRAR	FAMCO ASSOCIATES (PRIVATE) LIMITED 8-F , NEXT TO HOTEL FARAN, NURSERY, BLOCK 6, P.E.C.H.S., SHAHRAH-E-FAISAL, KARACHI. PHONE NO. (+92-021) 34380101-5 FAX NO. (+92-021) 34380106	
MILLS	LANDHI INDUSTRIAL AREA KARACHI-75120	
E-MAIL	finance@gulahmed.com	
URL	www.gulahmed.com	



Directors' Review

The Directors of Gul Ahmed Textile Mills Limited are pleased to present review of the affairs of the Company for the nine months ended March 31, 2015.

Economic and Industrial Review

A combination of improving macroeconomic indicators and monetary easing along with the worldwide decline in commodity prices, particularly oil, has put the economy of Pakistan in a favorable situation. Real GDP is projected to reach 4.3% slightly missing the target of 4.4% for the current Fiscal Year (FY). Decrease in oil prices has reduced the import bill, but exports have also reduced due to lower cotton prices and loss of competitiveness due to unfavorable exchange rate. Average CPI inflation is recorded at 5.12% for the period July to March of FY 2015 as compared to 8.64% of the corresponding period. Resultantly, policy rate was reduced by 50 basis points to 8% by State Bank of Pakistan in March 2015. Overall the policy rate has been reduced by 200 basis points since September 2014.

Looking at the risks side; security conditions remain complicated due to the ongoing military operation, non – implementation of structural reforms including tax administration, energy tariff adjustments, new power production projects, central bank independence, and greater exchange rate flexibility.

Overall Large Scale Manufacturing (LSM) sector has shown growth of 2% during July-February 2014-15 when compared with the same period of last year. Textile sector's growth is only 0.02% during this period as against 0.56% in the corresponding period.

The textile sector is continuously facing problems of high input cost of Gas and unavailability of a consistent energy source. This coupled with an unfavorable PKR/USD parity are affecting industry profitability. Indeed, the real effective exchange rate has continued to appreciate. The overall appreciation of the dollar against other currencies and a high inflation differential relative to trading partners has caused a further loss of Pakistan's export competitiveness in export markets. Euro and GBP have depreciated by 21% and 12% respectively against USD since June 2014. However, PKR/USD parity has been artificially maintained resulting in loss of exports more particularly to the European markets which are Pakistan's major trading partners. Also other currencies have depreciated against the USD resulting in loss of competitiveness.

Financial Performance

In spite of the tough business environment, the Company posted sales of Rs. 24,876 million as compared to Rs. 23,982 million in the corresponding period - an increase of 4%. Local sales have nominally decreased by 3% as compared to the corresponding period mainly due to lower yarn sales. Overall local sales have missed the target by 10% due to reduced demand. Export sales have increased by 8% as compared to the corresponding period.

The Company has earned profit before tax of Rs. 601 million and Profit after tax of Rs. 451 million as compared to Rs. 1,183 million and Rs. 1,003 million, respectively in the previous period. This decrease in profitability is due to the losses in spinning segment of the Company, missed local sales target and slight reduction of export orders from the European region due to steep devaluation of Euro and GBP without any corresponding change in PKR/USD parity.

Description	Units	Nine Months Ended	
		July to March	July to March
		2015	2014
Export Sales	Rs. in millions	16,040	14,893
Local Sales	Rs. in millions	8,836	9,089
Total Sales	Rs. in millions	24,876	23,982
Gross Profit	Rs. in millions	4,301	4,596
Profit before tax (PBT)	Rs. in millions	601	1,183
Profit after tax (PAT)	Rs. in millions	451	1,003
EBITDA	Rs. in millions	2,346	2,811
EPS (Restated)	Rupees	1.97	4.39
Debt to equity	Time	0.37	0.34
Current ratio	Time	1.05	1.06
Break-up-value per share	Rupees	30.76	36.43

Future Prospects

Pakistan's exports have declined to USD 17.93 billion during the period July 2014 to March 2015 as compared to USD 19.07 billion in the corresponding period posting a negative growth of 6%. Textile exports have also declined - by 5% in February 2015 and 16% in March 2015 over the corresponding previous months. The competitiveness of textile industry in the region can only be restored by ensuring realistic Rupee value against the USD, uninterrupted energy supply at competitive rates prevailing in the region and liquidation of sales tax refunds. Imposing GIDC at the rates proposed by the Government will make the industry highly unsustainable going forward.

The situation has led to serious repercussions on the entire textile value chain including large scale unemployment. The overall scenario of textile industry is not up to expectations. The government needs to take corrective actions without any delay to mitigate the problems faced by textile industry and make it competitive with regional players in terms of input costs such as gas, rebates, timely refunds, and a fair exchange rate.

Your Company has taken significant measures to mitigate heavy exchange losses and expects better performance in last quarter of current FY. The Company is adopting the best global practices in manufacturing efficiencies and lean management to try and counter the increased costs as a result of Government policy.

Consolidated Financial Statements

Consolidated financial statements for the nine months ended March 31, 2015 of FY 2014-15 of the Company and its subsidiaries Gul Ahmed International Limited (FZC) UAE, GTM (Europe) Limited UK and GTM USA Corporation 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

Karachi
April 29, 2015

Mohammed Zaki Bashir
Chief Executive Officer

**Condensed Interim Un-Consolidated
Balance Sheet
As at March 31, 2015**

	Note	Un-Audited March 2015 Rupees in thousand	Audited June 2014
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 400,000,000 ordinary shares of Rs.10 each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up capital 228,522,773 ordinary shares (2014: 182,818,218) of Rs. 10 each		<u>2,285,228</u>	<u>1,828,182</u>
Revenue reserves		<u>4,230,000</u>	<u>3,580,000</u>
Unappropriated profit		<u>514,386</u>	<u>1,251,721</u>
		<u>7,029,614</u>	<u>6,659,903</u>
NON-CURRENT LIABILITIES			
Long term financing - Secured		<u>2,584,414</u>	<u>2,239,239</u>
Deferred liabilities			
Deferred taxation - net		<u>337,553</u>	<u>332,921</u>
Staff retirement benefits		<u>42,296</u>	<u>39,512</u>
		<u>379,849</u>	<u>372,433</u>
CURRENT LIABILITIES			
Trade and other payables		<u>5,243,059</u>	<u>6,303,992</u>
Accrued mark-up/profit		<u>190,955</u>	<u>177,164</u>
Short term borrowings		<u>11,309,763</u>	<u>7,829,770</u>
Current maturity of long term financing		<u>722,018</u>	<u>694,706</u>
		<u>17,465,795</u>	<u>15,005,632</u>
CONTINGENCIES AND COMMITMENTS			
	4	<u>27,459,672</u>	<u>24,277,207</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>8,874,076</u>	<u>8,209,553</u>
Intangible asset	6	<u>11,958</u>	<u>20,365</u>
Long term investment		<u>58,450</u>	<u>58,450</u>
Long term loans and advances		<u>14,743</u>	<u>11,901</u>
Long term deposits		<u>93,062</u>	<u>81,034</u>
		<u>9,052,289</u>	<u>8,381,303</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		<u>823,300</u>	<u>855,530</u>
Stock-in-trade		<u>12,374,119</u>	<u>11,914,365</u>
Trade debts		<u>2,167,715</u>	<u>1,366,694</u>
Loans and advances		<u>512,773</u>	<u>395,953</u>
Short term prepayments		<u>410,045</u>	<u>72,778</u>
Other receivables		<u>487,535</u>	<u>342,300</u>
Tax refunds due from Government		<u>561,819</u>	<u>653,481</u>
Income tax refundable-payments less provision		<u>350,491</u>	<u>179,849</u>
Short Term Investments		<u>494,877</u>	<u>-</u>
Cash and bank balances		<u>224,709</u>	<u>114,954</u>
		<u>18,407,383</u>	<u>15,895,904</u>
		<u>27,459,672</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 Nine Months Ended March 31, 2015**

	Un-Audited			
	Nine months ended		Quarter ended	
	July to March	July to March	January to March	January to March
	2015	2014	2015	2014
	Rupees in thousand			
Sales	24,876,390	23,981,642	8,616,455	8,343,560
Cost of sales				
Opening stock of finished goods	8,658,343	6,832,592	9,089,752	8,164,101
Cost of goods manufactured	16,736,064	17,407,114	5,625,182	5,780,727
Purchases and processing charges	4,380,163	3,994,779	1,539,567	1,594,181
Closing stock of finished goods	(9,199,661)	(8,848,712)	(9,199,661)	(8,848,712)
	20,574,909	19,385,773	7,054,840	6,690,297
Gross profit	4,301,481	4,595,869	1,561,615	1,653,263
Distribution cost	1,658,838	1,383,113	639,329	575,177
Administrative expenses	1,147,989	961,358	411,851	334,404
Other operating expenses	45,265	162,608	21,057	112,733
	2,852,092	2,507,079	1,072,237	1,022,314
	1,449,389	2,088,790	489,378	630,949
Other income	188,557	93,988	97,282	118,103
Operating profit	1,637,946	2,182,778	586,660	749,052
Finance cost	1,036,801	999,888	306,385	239,115
Profit before taxation	601,145	1,182,890	280,275	509,937
Provision for taxation				
- Current	145,843	174,723	55,150	56,392
- Deferred	4,632	5,000	26,660	2,216
	150,475	179,723	81,810	58,608
Profit after taxation	450,670	1,003,167	198,465	451,329
		Re-stated		Re-stated
Earnings per share - basic and diluted (Rs.)	1.97	4.39	0.87	1.97

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 Nine Months Ended March 31, 2015**

	Un-Audited			
	Nine months ended		Quarter ended	
	July to March	July to March	January to March	January to March
	2015	2014	2015	2014
	Rupees in thousand			
Profit after taxation	450,670	1,003,167	198,465	451,329
Other comprehensive income	-	-	-	-
Total comprehensive income	450,670	1,003,167	198,465	451,329

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 Nine Months Ended March 31, 2015**

	Un-Audited	
	March 2015	March 2014
	Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	601,145	1,182,890
Adjustments for:		
Depreciation	699,401	619,453
Amortisation	8,407	8,310
Provision for gratuity	33,661	20,980
Finance cost	1,036,801	962,328
Net unrealized gain on revaluation of Short Term Investments	5,123	-
Provision for slow moving/obsolete items	11,258	11,258
Provision for doubtful debts	22,369	23,319
Gain on sale of property, plant and equipment - net	(24,662)	(85,454)
	1,792,358	1,560,194
Cash flows from operating activities before adjustments of working capital	2,393,503	2,743,084
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	20,972	(251,569)
Stock-in-trade	(459,754)	(3,946,596)
Trade debts	(823,390)	(230,536)
Loans and advances	(116,820)	(310,890)
Short term prepayments	(337,267)	(242,645)
Other receivables	(145,235)	(127,688)
Tax refunds due from Government	91,662	(361,727)
	(1,769,832)	(5,471,651)
(Decrease) in current liabilities		
Trade and other payables	(1,060,933)	1,767,116
	(2,830,765)	(3,704,535)
Cash used in operations	(437,262)	(961,451)
Adjustments for:		
Gratuity paid	(30,877)	(16,769)
Finance cost paid	(1,023,010)	(954,116)
Income tax paid	(316,485)	(102,616)
Long term loans and advances disbursed - net	(2,842)	(8,066)
Long term deposits paid - net	(12,028)	(23,150)
	(1,385,242)	(1,104,717)
Net cash used in operating activities	(1,822,504)	(2,066,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,387,922)	(1,261,229)
Addition to intangible assets	-	(8,488)
Proceeds from sale of property, plant and equipment	48,660	103,750
Short term investments made during the year	(500,000)	-
Net cash used in investing activities	(1,839,262)	(1,165,967)

**Condensed Interim Un-Consolidated
Cash Flow Statement
For The Nine Months Ended March 31, 2015**

		Un-Audited	
	Note	March 2015	March 2014
		Rupees in thousand	
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		847,457	547,173
Repayments of long term financing		(474,970)	(369,295)
Dividend paid		(80,959)	-
Net cash generated from financing activities		291,528	177,878
Net decrease in cash and cash equivalents		(3,370,238)	(3,054,257)
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	7	(11,085,054)	(11,242,752)

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 Nine Months Ended March 31, 2015**

	Share Capital	Revenue reserve	Un-appropriated profit	Total
Rupees in thousand				
Balance as at June 30, 2013	1,523,486	3,180,000	725,016	5,428,502
Transfer to revenue reserve	-	400,000	(400,000)	-
Transaction with owners				
Issue of Bonus shares	304,696	-	(304,696)	-
Total comprehensive income for the nine months ended March 31, 2014 (un-audited)				
Profit after taxation	-	-	1,003,167	1,003,167
Other comprehensive income	-	-	-	-
	-	-	1,003,167	1,003,167
Balance as at March 31, 2014	1,828,182	3,580,000	1,023,487	6,431,669
Total comprehensive income for the period from April, 2014 to June 30, 2014				
Profit after taxation	-	-	231,631	231,631
Other comprehensive income	-	-	(3,397)	(3,397)
	-	-	228,234	228,234
Balance as at June 30, 2014	1,828,182	3,580,000	1,251,721	6,659,903
Transfer to revenue reserve	-	650,000	(650,000)	-
Transaction with owners				
Dividend paid	-	-	(80,959)	(80,959)
Issue of Bonus shares	457,046	-	(457,046)	-
Total comprehensive income for the nine months ended March 31, 2015 (un-audited)				
Profit after taxation	-	-	450,670	450,670
Other comprehensive income	-	-	-	-
	-	-	450,670	450,670
Balance as at March 31, 2015	2,285,228	4,230,000	514,386	7,029,614

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
Financial Information (Un-audited)
For The Nine Months Ended March 31, 2015**

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 and owns 67.45% shares of the Company.

2 BASIS OF PREPERATION

These condensed interim un-consolidated financial information of the Company for the nine months ended March 31, 2015 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 un-consolidated financial information comprise of the condensed interim un-consolidated balance sheet as at March 31, 2015 and the condensed interim un-consolidated profit and loss account, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated cash flow statement and condensed interim un-consolidated statement of changes in equity for the nine months ended March 31, 2015.

The comparatives balance sheet, presented in these condensed interim un-consolidated financial information, as at June 30, 2014 has been extracted from the audited un-consolidated financial statements of the Company for the year ended June 30, 2014, whereas the comparative condensed interim un-consolidated profit and loss account, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated cash flow statement and condensed interim un-consolidated statement of changes in equity for the nine months ended March 31, 2015 have been extracted from the condensed interim un-consolidated financial information of the Company for the nine months then ended March 31, 2014.

These condensed interim unconsolidated financial information do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the un-consolidated financial statements for the year ended June 30, 2014.

3 ACCOUNTING POLICIES

Same accounting policies and methods of computation are adopted for the preparation of these condensed interim un-consolidated financial information as those applied in the preparation of un-consolidated financial statements for the year ended June 30, 2014.

4 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2014, the condensed interim financial information for the quarter ended September 30, 2014 the condensed interim financial information for the half year ended December 31, 2014 except as stated below, remained unchanged during the current period.

In the matter of the Gas Infrastructure Development Cess (GIDC) disclosed in the note no 13.5 of the financial statements for the year ended June 30, 2014: the Government of Pakistan during the period under review has promulgated the Gas Infrastructure Development Cess Ordinance 2014 against which the Company has filed suit in the Honorable Sindh High Court 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 Company so no provision in this respect is made in these Financial Statements which amounts to Rs. 882 million (June-2014: Rs. 344 million)



Guarantees

- (a) The guarantees issued by banks on behalf of company as at period end for Rs. 656 million (June-2014: Rs. 636 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 587 million (June-2014: Rs. 567 million).
- (b) Post dated cheques Rs. 510 million (June-2014: Rs. 535 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 2,124 million (June-2014: Rs. 2,900 million).
- (d) Corporate guarantee of Rs. 93 million (June-2014: Rs. 109 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
	March	June
	2015	2014
	Rupees in thousand	
Capital expenditure	445,394	468,557
Non capital expenditure items under letters of credits	1,895,967	2,220,970
	<u>2,341,361</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
	March	June
	2015	2014
Note	Rupees in thousand	
Not more than one year	395,197	323,120
More than one year but not more than five years	1,466,225	1,242,552
More than five years	887,315	730,377
	<u>2,748,737</u>	<u>2,296,049</u>

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	5.1, 5.2 & 5.3	8,660,439	7,712,257
Capital work in progress - at cost	5.4 & 5.1.1	213,637	497,296
		<u>8,874,076</u>	<u>8,209,553</u>

Un-Audited	
Nine months ended	Nine months ended
March 31, 2015	March 31, 2014
Rupees in thousand	

5.1 Additions during the period

Buildings and structures on leasehold land	521,688	52,121
Plant and machinery	1,033,465	955,709
Furniture and fixtures	681	26,633
Office equipment	37,323	2,109
Vehicles	78,424	130,749
	<u>1,671,581</u>	<u>1,167,321</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. 433.160 million, Rs. 899.090 million and Rs. 5.014 million respectively. (Mar-2014: 45 million, Rs. 797 million and Rs.4 million respectively).

			Un-Audited	
			Nine months ended March 31, 2015	Nine months ended March 31, 2014
			Rupees in thousand	
5.2 Disposals - operating fixed assets (at net book value)				
Buildings and structures on leasehold land			-	6,543
Plant and machinery			9,076	3,434
Vehicles			14,922	8,319
			<u>23,998</u>	<u>18,296</u>
5.3 Depreciation charge during the period			<u>699,401</u>	<u>619,453</u>
5.4 Additions - capital work in progress (at cost)				
Machinery			661,552	835,155
Building			379,545	94,531
Others			12,508	10,167
			<u>1,053,605</u>	<u>939,853</u>
			Un-Audited	Audited
			March	June
			2015	2014
6 INTANGIBLE ASSET			Rupees in thousand	
Intangible - net book value	6.1 & 6.2		<u>11,958</u>	<u>20,365</u>
			Un-Audited	
			Nine months ended March 31, 2015	Nine months ended March 31, 2014
			Rupees in thousand	
6.1 Additions - intangibles (at cost)				
Computer Software			-	8,488
6.2 Amortization charge during the period			<u>8,407</u>	<u>8,310</u>
			Un-Audited	
			March	March
			2015	2014
7 CASH AND CASH EQUIVALENTS			Rupees in thousand	
Cash and cash equivalents comprises of:				
Cash and bank balances			224,709	298,989
Short term borrowings			(11,309,763)	(11,541,741)
			<u>(11,085,054)</u>	<u>(11,242,752)</u>



8 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.

8.1 Segmental profitability

Segmental profitability

	Spinning		Processing		Elimination Of Inter Segment Transaction		Total Company	
	-----For the nine months ended (Un-audited) -----							
	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014
	Rupees in thousand							
Sales	6,867,553	7,616,937	21,707,706	19,849,965	(3,698,869)	(3,485,260)	24,876,390	23,981,642
Cost of Sales	6,581,485	6,961,928	17,692,294	15,909,105	(3,698,869)	(3,485,260)	20,574,909	19,385,773
Gross Profit	286,069	655,009	4,015,412	3,940,860	-	-	4,301,481	4,595,869
Distribution and Administrative expenses	155,161	175,103	2,651,666	2,169,368	-	-	2,806,827	2,344,471
Profit/(loss) before tax and before charging following	130,907	479,906	1,363,746	1,771,492	-	-	1,494,654	2,251,398
Financial charges							1,036,801	999,888
Other operating expenses							45,265	162,608
Other income							(188,557)	(93,988)
							893,509	1,068,508
Profit Before Taxation							601,145	1,182,890
Taxation							150,475	179,723
Profit after taxation							450,670	1,003,167

8.2 Segment assets and liabilities

	Spinning		Processing		Unallocated		Total Company	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Mar - 2015	Jun - 2014	Mar - 2015	Jun - 2014	Mar - 2015	Jun - 2014	Mar - 2015	Jun - 2014
	Rupees in thousand							
Assets	5,589,951	5,134,995	18,274,930	16,305,487	3,594,791	2,836,725	27,459,672	24,277,207
Liabilities	1,693,944	2,032,155	5,856,826	5,729,788	12,879,288	9,855,361	20,430,058	17,617,304

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

8.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 7,963 million (Mar-2014: Rs. 6,594 million).

8.5 Information by geographical area

	Revenue		Non-current assets	
	For the nine months ended (Un-audited)		Un-Audited	Audited
	Mar - 2015	Mar - 2014	Mar - 2015	Jun - 2014
	Rupees in thousand			
Pakistan	8,384,781	8,243,304	8,993,839	8,322,853
Germany	4,468,100	4,728,988	-	-
United Kingdom	1,371,182	1,700,866	-	-
United States	2,345,294	1,891,354	-	-
China	1,389,816	1,502,607	-	-
Netherland	1,514,286	1,185,047	-	-
France	1,479,894	966,072	-	-
United Arab Emirates	112,715	164,767	58,450	58,450
Other Countries	3,810,323	3,598,636	-	-
	24,876,390	23,981,642	9,052,289	8,381,303

9 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Company	Nature of transactions	Un-Audited	
		Mar - 2015	Mar - 2014
		Rupees in thousand	
Subsidiaries	Sale of goods	200,221	135,743
	Commission paid	99,528	77,364
Associated Companies and other related parties	Purchase of goods	36,619	76,462
	Sale of goods	3,436	-
	Rent paid	5,850	5,400
	Fees paid	1,500	1,375
	Commission / Rebate	5,532	2,787
	Donation paid	6,000	-
	Bills discounted	2,003,909	2,219,193
	Commission / Bank charges paid	26,430	27,749
	Mark up / Interest charged	67,394	65,190
	Provident fund contribution	66,403	51,346
	Dividend paid	147	-
Relationship with the Company	Nature of outstanding balances	Un-Audited	Audited
		Mar - 2015	Jun - 2014
		Rupees in thousand	
Subsidiaries	Corporate guarantee issued in favour of Subsidiary Company	93,025	109,398
	Trade & other payable	-	17,517
	Long term investment	58,450	58,450
	Trade & other receivable	139,378	40,558
Associated companies and others related parties	Deposit with bank	40,522	3,504
	Borrowing from bank	1,428,238	1,213,072
	Bank guarantee	587,241	567,241
	Trade & other payable	6,256	11,284
	Trade & other receivable	1,745	-
	Accrued Mark up	20,587	18,619
	Advances to suppliers	-	4,763
	Loans to key management personnel & executives	19,936	15,680
	Payable to employees' provident fund	7,364	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 Mar-2015 amounting to Rs. 460 million (Mar-2014: Rs. 403 million) on account of remuneration.

10 DATE OF AUTHORISATION

These interim financial statements were authorised for issue on April 29, 2015 by the Board of Directors of the Company.

11 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.

12 CORRESPONDING FIGURES

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

<u>Reclassification from component</u>	<u>Reclassification to component</u>	Amount Rupees in thousand
Sales	Financial Charges	
Export Sales	Bank charges	37,560
Distribution cost	Cost of goods manufactured	
Freight and shipment expenses	Other manufacturing expenses	10,170

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



Consolidated Accounts

***Consolidated Condensed Interim Financial Information
For The Nine Months Ended March 31, 2015***

**Condensed Interim Consolidated
Balance Sheet
As at March 31, 2015**

	Note	Un-Audited March 31 2015	Audited June 2014
Rupees in thousand			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 400,000,000 ordinary shares of Rs.10 each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid-up capital 228,522,773 ordinary shares (2014: 182,818,218) of Rs. 10 each		<u>2,285,228</u>	<u>1,828,182</u>
Reserves		<u>4,350,108</u>	<u>3,688,803</u>
Unappropriated profit		<u>591,933</u>	<u>1,336,209</u>
		<u>7,227,269</u>	<u>6,853,194</u>
NON-CURRENT LIABILITIES			
Long term financing		<u>2,584,414</u>	<u>2,239,239</u>
Deferred Liabilities			
Deferred taxation - net		<u>343,568</u>	<u>338,936</u>
Staff retirement benefits		<u>46,832</u>	<u>44,816</u>
		<u>390,400</u>	<u>383,752</u>
CURRENT LIABILITIES			
Trade and other payables		<u>5,365,436</u>	<u>6,428,420</u>
Accrued mark-up/profit		<u>190,955</u>	<u>177,164</u>
Short term borrowings		<u>11,309,763</u>	<u>7,829,770</u>
Current maturity of long term financing		<u>722,018</u>	<u>694,706</u>
		<u>17,588,172</u>	<u>15,130,060</u>
CONTINGENCIES AND COMMITMENTS			
	4	<u>27,790,255</u>	<u>24,606,245</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>8,884,244</u>	<u>8,217,907</u>
Intangible asset	6	<u>14,669</u>	<u>24,020</u>
Long term loans and advances		<u>14,743</u>	<u>11,901</u>
Long term deposits		<u>93,062</u>	<u>81,034</u>
		<u>9,006,718</u>	<u>8,334,862</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		<u>823,300</u>	<u>855,530</u>
Stock-in-trade		<u>12,565,667</u>	<u>12,129,702</u>
Trade debts		<u>2,331,346</u>	<u>1,482,683</u>
Loans and advances		<u>521,526</u>	<u>404,734</u>
Short term prepayments		<u>432,740</u>	<u>95,018</u>
Other receivables		<u>447,383</u>	<u>346,027</u>
Tax refunds due from government		<u>562,205</u>	<u>655,664</u>
Short term Investments		<u>494,877</u>	<u>-</u>
Income tax refundable - payment less provision		<u>350,491</u>	<u>177,812</u>
Cash and bank balances		<u>254,002</u>	<u>124,213</u>
		<u>18,783,537</u>	<u>16,271,383</u>
		<u>27,790,255</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 Officer

**Condensed Interim Consolidated
Profit And Loss Account
For The Nine Months Ended March 31, 2015**

	Un-Audited			
	Nine months ended		Quarter ended	
	July to March	July to March	January to March	January to March
	2015	2014	2015	2014
	Rupees in thousand			
Sales	25,515,654	24,498,653	8,796,468	8,557,225
Cost of sales				
Opening stock of finished goods	8,873,680	6,947,622	9,241,257	8,308,416
Cost of goods manufactured	16,736,064	17,407,114	5,625,182	5,780,727
Purchases and processing charges	4,749,699	4,366,147	1,675,614	1,731,901
Closing stock of finished goods	(9,391,209)	(9,003,242)	(9,391,209)	(9,003,242)
	20,968,234	19,717,641	7,150,844	6,817,802
Gross profit	4,547,420	4,781,012	1,645,624	1,739,423
Distribution cost	1,694,539	1,386,317	651,592	565,315
Administrative expenses	1,348,756	1,134,068	472,644	388,147
Other operating expenses	45,265	162,726	21,057	8,879
	3,088,560	2,683,111	1,145,293	962,341
	1,458,860	2,097,901	500,331	777,082
Other income	188,557	93,988	97,282	14,185
Operating profit	1,647,417	2,191,889	597,613	791,267
Finance cost	1,053,098	1,011,778	304,991	240,929
Profit before taxation	594,319	1,180,111	292,622	550,338
Provision for taxation				
- Current	145,958	174,809	55,155	75,483
- Deferred	4,632	5,000	26,660	2,216
- Prior	-	-	-	-
	150,590	179,809	81,815	77,699
Profit after taxation	443,729	1,000,302	210,807	472,639
Earning per share - basic and diluted (Rs.)	1.94	Re-stated 4.38	0.92	Re-stated 2.07

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 Nine Months Ended March 31, 2015**

	Un-Audited			
	Nine months ended		Quarter ended	
	July to March 2015	July to March 2014	January to March 2015	January to March 2014
	Rupees in thousand			
Profit after taxation	443,729	1,000,302	210,807	472,639
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit and loss	-	-	-	-
Foreign currency translation differences - Foreign operations	11,305	16,392	391	(5,885)
Total comprehensive income	455,034	1,016,694	211,198	466,754

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 Nine Months Ended March 31, 2015**

	Un-Audited	
	March 2015	March 2014
	Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	594,319	1,180,111
Adjustments for:		
Depreciation	703,439	624,500
Amortisation	9,351	10,137
Provision for gratuity	33,661	19,016
Finance cost	1,053,098	974,218
Net unrealized loss / (gain) on revaluation of Investments	5,123	-
Provision for slow moving/obsolete items	11,258	11,258
Provision for doubtful debts	22,369	23,319
Gain on sale of property, plant and equipment-net	(24,662)	(85,336)
	1,813,637	1,577,112
Cash flows from operating activities before adjustments of working capital	2,407,956	2,757,223
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spares and loose tools	20,972	(251,570)
Stock-in-trade	(435,965)	(3,982,529)
Trade debts	(871,032)	(247,520)
Loans and advances	(116,792)	(320,540)
Short term prepayments	(337,722)	(226,645)
Other receivables	(101,356)	(124,512)
Tax refunds due from government	93,459	(361,002)
	(1,748,436)	(5,514,318)
Decrease in current liabilities		
Trade and other payables	(1,062,984)	1,808,736
	(2,811,420)	(3,705,582)
Cash used in operations	(403,464)	(948,359)
Adjustment for:		
Gratuity paid	(31,645)	(16,769)
Finance cost paid	(1,039,307)	(966,006)
Income tax (paid)/refund	(318,637)	(103,354)
Long term loans and advances disbursed - net	(2,842)	(8,066)
Long term deposits paid - net	(12,028)	(23,150)
	(1,404,459)	(1,117,345)
Net cash used in operating activities	(1,807,923)	(2,065,704)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,393,774)	(1,264,098)
Addition to intangible assets	-	(9,175)
Proceeds from sale of property, plant and equipment	48,660	103,948
Short term investments made during the year	(500,000)	-
Net cash used in investing activities	(1,845,114)	(1,169,325)

**Condensed Interim Consolidated
Cash Flow Statement
For The Nine Months Ended March 31, 2015**

Note	Un-Audited	
	March 2015	March 2014
	Rupees in thousand	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	847,457	547,173
Repayments of long term financing	(474,970)	(369,295)
Dividend paid	(80,959)	-
Net cash generated from financing activities	291,528	177,878
Exchange difference on translation of foreign subsidiaries	11,305	16,392
Net decrease in cash and cash equivalents	(3,350,204)	(3,040,758)
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	7 (11,055,761)	(11,221,817)

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 Nine Months Ended March 31, 2015**

	Share capital	Revenue reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve	(Accumulated loss) / Unappropriated profit	Total
Rupees in thousand						
Balance as at June 30, 2013	1,523,486	3,180,000	78,156	10,355	824,837	5,616,834
Transfer from revenue reserve	-	400,000	-	-	(400,000)	-
Transaction with owners						
Issue of Bonus shares	304,696	-	-	-	(304,696)	-
Total comprehensive income for the nine months ended March 31, 2014 (un-audited)						
Profit after taxation	-	-	-	-	1,000,302	1,000,302
Other comprehensive income	-	-	16,392	-	-	16,392
	-	-	16,392	-	1,000,302	1,016,694
Balance as at March 31, 2014	1,828,182	3,580,000	94,548	10,355	1,120,443	6,633,528
Transfer to statutory reserve	-	-	-	1,546	(1,546)	-
Total comprehensive income for the period from April, 2014 to June 30, 2014						
Profit after taxation	-	-	-	-	220,709	220,709
Other comprehensive income	-	-	2,354	-	(3,397)	(1,043)
	-	-	2,354	-	217,312	219,666
Balance as at June 30, 2014	1,828,182	3,580,000	96,902	11,901	1,336,209	6,853,194
Transfer to revenue reserve	-	650,000	-	-	(650,000)	-
Transaction with owners						
Issue of Bonus shares	457,046	-	-	-	(457,046)	-
Dividend paid	-	-	-	-	(80,959)	(80,959)
Total comprehensive income for the nine months ended March 31, 2015 (un-audited)						
Profit after taxation	-	-	-	-	443,729	443,729
Other comprehensive income	-	-	11,305	-	-	11,305
	-	-	11,305	-	443,729	455,034
Balance as at March 31, 2015	2,285,228	4,230,000	108,207	11,901	591,933	7,227,269

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 Financial Information (Un-audited) For The Nine Months Ended March 31, 2015

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, Karachi.

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

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

The Company is a subsidiary of Gul Ahmed Holdings (Private) Limited and owns 67.45% shares of the Company.

1.2 Basis of consolidation

The financial information include the financial information of the Group.

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

The financial information 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 companies 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. Material intra-group balances and transactions are eliminated.

2 BASIS OF PREPARATION

The condensed interim consolidated financial information comprise the consolidated balance sheet of Gul Ahmed Textile Mills Limited, its wholly owned subsidiary company Gul Ahmed International Limited (FZC), GTM (Europe) Limited which is the wholly owned subsidiary of Gul Ahmed International Limited (FZC) and GTM USA Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, as at March 31, 2015 and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.



These condensed interim consolidated financial information of the Group for the nine months ended March 31, 2015 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 consolidated financial information comprise of the condensed interim consolidated balance sheet as at March 31, 2015 and the condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity for the nine months ended March 31, 2015.

The comparatives balance sheet, presented in these condensed interim consolidated 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 condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity for the nine months ended March 31, 2015 have been extracted from the condensed interim consolidated financial information of the Group for the nine months ended March 31, 2014.

These condensed interim consolidated financial information do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2014.

3 ACCOUNTING POLICIES

Accounting policies and method of computations adopted for the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2014.

4 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2014, the condensed interim financial information for the quarter ended September 30, 2014 and the condensed interim financial information for the half year ended December 31, 2014 except as stated below, remained unchanged during the current period.

In the matter of the Gas Infrastructure Development Cess (GIDC) disclosed in the note no 13.5 of the financial statements for the year ended June 30, 2014: the Government of Pakistan during the period under review has promulgated the Gas Infrastructure Development Cess Ordinance 2014 against which the Company has filed suit in the Honorable Sindh High Court 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 Company so no provision in this respect is made in these Financial Statements which amounts to Rs. 882 million (June-2014: Rs. 344 million)

Guarantees

- (a) Guarantees issued by Bank on behalf of the Group as at period end for Rs. 656 million (June-2014: Rs. 636 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 587 million (June-2014: Rs. 567 million).
- (b) Post dated cheques Rs. 510 million (June-2014: Rs. 535 million) issued to various Government
- (c) Bills discounted Rs. 2,582 million (June-2014: Rs. 2,927 million).
- (d) Corporate guarantee of Rs. 93 million (June-2014: Rs. 109 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:

	Un-Audited	Audited
	March	June
	2015	2014
	Rupees in thousand	
- Capital expenditure	445,394	468,557
- Non capital expenditure items under letters of credits	1,895,967	2,220,970
	2,341,361	2,689,527

(b) The Group is committed for minimum rental payments for each of following period as follows:

	Un-Audited	Audited
	March	June
	2015	2014
Note	Rupees in thousand	
Not more than one year	395,197	323,120
More than one year but not more than five years	1,466,225	1,242,552
More than five years	887,315	730,377
	2,748,737	2,296,049

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	5.1 & 5.2	8,670,607	7,720,611
Capital work in progress - at cost	5.4 & 5.1.1	213,637	497,296
		8,884,244	8,217,907

Un-Audited

Nine months	Nine months
ended March	ended March 31,
31, 2015	2014
Rupees in thousand	

5.1 Additions during the period

Buildings and structures on leasehold land	521,688	52,121
Plant and machinery	1,033,465	955,709
Office equipment	37,532	26,700
Furniture and fixtures	6,323	2,584
Vehicles	78,424	133,062
	1,677,432	1,170,176

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. 433.160 million, Rs. 899.090 million and Rs. 5.014 million respectively. (Mar-2014: 45 million, Rs. 797 million and Rs.4 million respectively).

		Un-Audited	
		Nine months ended March 31, 2015	Nine months ended March 31, 2014
		Rupees in thousand	
5.2 Disposals - operating fixed assets (at net book value)			
Leasehold land		-	6,543
Plant and machinery		9,076	3,434
Vehicles		14,922	8,635
		<u>23,998</u>	<u>18,612</u>
5.3 Depreciation charge during the period		<u>703,439</u>	<u>624,500</u>
5.4 Additions - capital work in progress (at cost)			
Machinery		661,552	835,155
Building		379,545	94,531
Others		12,508	10,167
		<u>1,053,605</u>	<u>939,853</u>
		Un-Audited	Audited
		March 31, 2015	June 30, 2014
6 INTANGIBLE ASSET	Note	Rupees in thousand	
Intangible - net book value	6.1 & 6.2	<u>14,669</u>	<u>24,020</u>
		Un-Audited	
		Nine months ended March 31, 2015	Nine months ended March 31, 2014
		Rupees in thousand	
6.1 Additions - intangibles (at cost)			
Computer Software		<u>-</u>	<u>9,175</u>
6.2 Amortisation charge during the period		<u>9,351</u>	<u>10,137</u>
		Un-Audited	Un-Audited
		March 2015	March 2014
		Rupees in thousand	
7 CASH AND CASH EQUIVALENTS			
Cash and bank balances		254,002	319,924
Short term borrowings		(11,309,763)	(11,541,741)
		<u>(11,055,761)</u>	<u>(11,221,817)</u>

8 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.

8.1 Segmental Profitability

	SPINNING		PROCESSING		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		ELIMINATION OF INTER SEGMENT TRANSACTION		TOTAL COMPANY	
	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014	Mar - 2015	Mar - 2014
	Rupees in thousand													
Sales	6,867,553	7,616,937	21,707,706	19,849,965	569,463	551,163	55,520	72,117	205,974	26,004	(3,890,562)	(3,617,533)	25,515,654	24,498,653
Cost of Sales	6,581,485	6,961,928	17,692,294	15,909,105	438,366	446,771	816	15,358	156,344	4,828	(3,901,070)	(3,620,349)	20,968,234	19,717,641
Gross Profit	286,069	655,009	4,015,412	3,940,860	131,097	104,392	54,704	56,759	49,630	21,176	10,508	2,816	4,547,420	4,781,012
Distribution and Administrative expenses	155,161	175,103	2,651,666	2,169,368	104,277	92,408	65,800	76,221	66,390	30,561	-	(23,276)	3,043,295	2,520,385
Profit before tax and before charging following	130,907	479,906	1,363,746	1,771,492	26,820	11,984	(11,096)	(19,462)	(16,760)	(9,385)	10,508	26,092	1,504,125	2,260,627
Financial charges													1,053,098	1,011,778
Other operating expenses													45,265	162,726
Other Income													(188,557)	(93,988)
													909,806	1,080,516
Profit Before Taxation													594,319	1,180,111
Taxation													150,590	179,809
Profit after taxation													443,729	1,000,302

8.2 Segment assets and liabilities

	Spinning		Processing		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		UNALLOCATED		Total Company	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Mar - 2015	Jun- 2014	Mar - 2015	Jun- 2014	Mar - 2015	Jun- 2014	Mar - 2015	Jun- 2014	Mar - 2015	Jun- 2014	Mar - 2015	Jun- 2014	Mar - 2015	Jun- 2014
	Rupees in thousand													
Assets	5,589,951	5,134,995	18,077,722	16,175,646	436,849	408,213	21,207	16,823	69,734	33,843	3,594,792	2,836,725	27,790,255	24,606,245
Liabilities	1,693,944	2,032,155	5,843,897	5,666,176	142,565	189,315	3,291	7,976	-	2,067	12,879,289	9,855,362	20,562,986	17,753,051

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

8.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 7,963 million (March -2014: Rs. 6,594 million).

8.5 Information by geographical area

	Revenue		Non-current assets	
	For the nine months ended (Un-audited)		Un-Audited	Audited
	March 2015	March 2014	March 2015	June 2014
	Rupees in thousand			
Pakistan	8,484,310	8,320,668	8,993,839	8,322,853
Germany	4,468,099	4,728,988	-	-
United Kingdom	1,372,542	1,703,571	1,276	2,018
United States	2,389,369	1,891,238	4,890	72
China	1,389,816	1,502,607	-	-
Netherland	1,514,286	1,185,047	-	-
France	1,479,894	966,072	-	-
United Arab Emirates	607,015	601,825	6,713	9,919
Other Countries	3,810,323	3,598,637	-	-
Total	25,515,654	24,498,653	9,006,718	8,334,862

9 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 carries out transaction with various related parties.

Relationship with the Company	Nature of transactions	Un-Audited	
		Mar - 2015	Mar - 2014
		Rupees in thousand	
Associated Companies and Other related parties	Purchase of goods	36,619	76,462
	Sales of goods	3,436	-
	Rent paid	5,850	5,400
	Fees paid	1,500	1,375
	Commission / Rebate	5,532	2,787
	Donation paid	6,000	-
	Bills discounted	2,003,909	2,219,193
	Commission / bank charges paid	26,430	27,749
	Mark up / interest charged	67,394	65,190
	Provident fund contribution	66,403	51,346
	Dividend paid	147	-
Relationship with the Company	Nature of Outstanding Balances	Un-Audited	Audited
		Mar - 2015	Jun- 2014
		Rupees in thousand	
Associated companies and others related parties	Deposit with bank	40,522	3,504
	Borrowing from Bank	1,428,238	1,213,072
	Bank guarantee	587,241	567,241
	Trade & other payables	6,256	11,284
	Trade & other receivable	1,745	-
	Accrued mark up	20,587	18,619
	Advances to suppliers	-	4,763
	Loans to key management personnel & executives	19,936	15,680
	Payable to employees' provident fund	7,364	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 ended Mar-2015 amounting to Rs. 542 million (Mar-2014: Rs. 467 million).

10 DATE OF AUTHORISATION

These financial statements were authorised for issue on April 29, 2015 by the Board of Directors of the Group.

11 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.

12 CORRESPONDING FIGURES

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

<u>Reclassification from component</u>	<u>Reclassification to component</u>	Amount Rupees in thousand
Sales	Financial Charges	
Export Sales	Bank charges	37,560
Distribution cost	Cost of goods manufactured	
Freight and shipment expenses	Other manufacturing expenses	10,170

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive