

FINANCE DIVISION  
Plot No. HT/3A, Landhi,  
Karachi-75120  
Pakistan

Telephones : (9221) 111-485-485  
Fax No. : (9221) 3501 8836 & 38  
Email : finance@gulahmed.com

GUL/SD/PSX /2/2016

February 25, 2016

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
KARACHI.

Dear Sir,

**SUBJECT: FINANCIAL RESULTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015  
AND DECLARATION OF INTERIM CASH DIVIDEND AND RIGHT SHARES**

We have to inform you that the Board of Directors of our Company in their meeting held on Thursday, February 25, 2016 at 3:00 p.m. at Plot No. 37-G, Block-6, P.E.C.H.S., Karachi has approved the following Half Yearly Accounts for the Half Year ended December 31, 2015 and recommended the following.

**CASH DIVIDEND:**

An Interim Cash Dividend for the Half Year Ended December 31, 2015 @ Re. 1/= per share i.e. 10%

**RIGHT SHARES:**

The Board of Directors has also recommended to issue 30% Right Shares at a premium of Rs.7.50 per share (Total Rs.17.50/- per share) in proportion of 30 (Thirty) Right Shares for every 100 (Hundred) shares.

In this respect, we are enclosing herewith following documents as required for the purpose of Right Issue.

1. The Statement regarding purpose of right issue, benefit to the Company, use of funds and financial projections for three years duly signed by all the directors who were present in the meeting.
2. Board of Directors resolution for the issue of Right Shares.

The financial results of the Company for the half year ended December 31, 2015 are as under:-

**The unconsolidated condensed interim profit and loss account of the Company is as follows:-**

	<u>Rs.000s</u>			
	<u>FOR THE HALF YEAR ENDED</u>		<u>FOR THE QUARTER ENDED</u>	
	<u>July to December 2015</u>	<u>July to December 2014</u>	<u>October to December 2015</u>	<u>October to December 2014</u>
Sales	13,756,912	16,259,935	7,815,479	9,585,104
Cost of sales	10,558,467	13,520,069	5,869,145	7,705,033
Gross profit	3,198,445	2,739,866	1,946,334	1,880,071
Operating expenses	2,318,726	1,779,855	1,227,200	954,094
	879,719	960,011	719,134	925,977
Other income	47,398	91,275	(16,807)	(28,178)
Operating profit	927,117	1,051,286	702,327	897,799
Finance cost	478,641	730,416	200,884	450,793
Profit before taxation	448,476	320,870	501,443	447,006
Provision for taxation	25,875	68,665	(12,165)	17,708
Profit after taxation	422,601	252,205	513,608	429,298
Earnings per share – basic and diluted (Rs.)	<b>1.85</b>	<b>1.10</b>	<b>2.25</b>	<b>1.88</b>



The consolidated condensed interim profit and loss account of the Company is as follows

	Rs.000s			
	FOR THE HALF YEAR ENDED July to December 2015	July to December 2014	FOR THE QUARTER ENDED October to December 2015	October to December 2014
Sales	14,217,036	16,719,186	8,052,079	9,793,889
Cost of sales	10,836,666	13,817,390	6,008,277	7,841,018
Gross profit	3,380,370	2,901,796	2,043,802	1,952,871
Operating expenses	2,453,117	1,943,267	1,294,815	1,034,147
	927,253	958,529	748,987	918,724
Other income	47,398	91,275	(16,807)	(28,178)
Operating profit	974,651	1,049,804	732,180	890,546
Finance cost	487,843	748,107	209,117	455,462
Profit before taxation	486,808	301,697	523,063	435,084
Provision for taxation	26,330	68,775	(12,160)	17,708
Profit after taxation	460,478	232,922	535,223	417,376
Earnings per share – basic and diluted (Rs.)	<b>2.02</b>	<b>1.02</b>	<b>2.34</b>	<b>1.83</b>

The Share Transfer Books of the Company will remain closed from March 18, 2016 to April 1, 2016 (both days inclusive) for determining entitlements to the Interim Cash Dividend and Right Shares.

Transfers received at the Share Registrar of the Company FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi at the close of business on March 17, 2016 will be treated in time for the purpose of above entitlements to the transferees.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you.

Yours faithfully,





DIRECTOR



Encl: As above

February 25, 2016

**STATEMENT OF PURPOSE, BENEFITS, USE OF FUNDS AND FINANCIAL PROJECTIONS**

Purpose of Right Issue	The funds generated from right issue will be used for improving the cost efficiencies of the business, especially in energy, expansion and automation.																				
Benefits to the Company	Increased market share in both export and domestic market along with improved margins.																				
Use of Funds	The funds generated from right issue will be used to procure state of the art plant and equipment, and expand the domestic footprints of the Company.																				
Financial Projections	<p align="center"><b><u>Rupees in millions</u></b></p> <table border="1"> <thead> <tr> <th><u>Y E A R</u></th> <th><u>2016</u></th> <th><u>2017</u></th> <th><u>2018</u></th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>32,448.053</td> <td>37,061.753</td> <td>42,293.517</td> </tr> <tr> <td>Profits</td> <td>1,542.354</td> <td>2,036.808</td> <td>2,530.696</td> </tr> <tr> <td>EPS (Rupees)</td> <td>5.19</td> <td>6.86</td> <td>8.52</td> </tr> <tr> <td>Paid up share Capital</td> <td>2,970.796</td> <td>2,970.796</td> <td>2,970.796</td> </tr> </tbody> </table>	<u>Y E A R</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	Sales	32,448.053	37,061.753	42,293.517	Profits	1,542.354	2,036.808	2,530.696	EPS (Rupees)	5.19	6.86	8.52	Paid up share Capital	2,970.796	2,970.796	2,970.796
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Note:	<p>Based on current performance and future outlook, the Company is confident about its future prospects in both the export and domestic market. The investment envisioned through the capital raised by the right issue will go a long way in achieving the desired revenue growth and profits.</p> <p>The financial projections provided herein above are based on the perception of the Directors regarding the performance of business in the current business environment. The Company or its directors do not accept any liability for any investment decisions by any person on the basis of the above financial projections.</p>																				

1. Mr. Mohomed Bashir 
2. Mr. Zain Bashir 
3. Mr. Mohammed Zaki Bashir 
4. Mr. Ziad Bashir 
5. Mr. S.M. Nadim Shafiqullah 

NOT PRESENT.
6. Dr. Amjad Waheed 
7. Mr. Adnan Afridi 

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**RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF GUL AHMED  
TEXTILE MILLS LIMITED IN THEIR MEETING HELD ON FEBRUARY 25, 2016 AT PLOT NO. 37-G,  
BLOCK-6, P.E.C.H.S, KARACHI**

**Resolved** that the ordinary paid up share capital of Gul Ahmed Textile Mills Limited (the "Company") be and is hereby increased from Rs. 2,285,227,720 to Rs. 2,970,796,040 by issue of further 68,556,832 ordinary shares to be offered as Right Shares at Rs. 17.50/- per share inclusive of Rs. 7.50/- as premium per share in the ratio of 30 Right Shares for every 100 existing ordinary share of Rs. 10/- each (i.e. 30%) and that these Ordinary Right Shares be and are hereby offered to the Company's existing ordinary shareholders as provided under Section 86 of the Companies Ordinance, 1984 against payment of value of shares to the Company up to the date as per Right Allotment letters to be issued. These shares shall rank *paripassu* in all respect with the existing ordinary shares of the Company.

**Further Resolved**

**That** the following are the purpose of the Right issue, use of the proceeds of the Right issue and its benefits to the Company and the risk factors associated with the Right issue:

**Purpose of the Right issue**

The funds generated from right issue will be used for improving the cost efficiencies of the business, especially in energy, expansion and automation.

**Use of funds**

The funds generated from right issue will be used to procure state of the art plant and equipment, and expand the domestic footprints of the Company.

**Benefits to the Company**

Increased market share in both export and domestic market along with improved margins.

**Risk Factors associated with the Right issue**

There is no risk relating to Subscription / under subscription in prevailing circumstances, further directors will decide regarding allotment of shares in case of under subscription;

**That** the aforesaid offer shall be valid for payment up to such date as agreed with the Pakistan Stock Exchange;

**That** the fractional entitlements will be consolidated in the name of the Company Secretary and sold on the Pakistan Stock Exchange. The proceeds of such sale will be distributed to the members in accordance with their entitlements;

**That** the Chief Executive be and is hereby authorized to appoint the Banker to collect the amount of subscription towards right shares;



That the Chief executive be and is hereby authorized to appoint consultant/ advisor for Right Issue, announce book closure dates or any change therein and to prepare the schedule for issue of right shares and to make any amendment in the said schedule and to take all necessary actions required by Securities and Exchange Commission of Pakistan/ Pakistan Stock Exchange Limited/ Central Depository Company of Pakistan Limited or any other authority and to take all necessary action as may be require in this regard;

That the Chairman and Chief Executive be and are hereby jointly as well as singly authorized to dispose off the unsubscribed Right shares (if any) declined by the existing shareholders in the manner as he may deem fit;

That the Chief Executive be and is hereby authorized to negotiate with underwriters for allotment of unsubscribed portion of Right Shares to any/or all of the underwriter(s) if needed; and

That Bank Accounts for the purpose of right subscription be opened and operated by the Chairman and Chief Executive jointly as well as singly and to transfer the proceeds from said accounts to the other bank account operated by the Company"

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