



Half Yearly Report

***Condensed Interim Financial Information
For The Half Year Ended December 31, 2013***

Company Information

BOARD OF DIRECTORS	<p>MOHOMED BASHIR ZAIN BASHIR ZIAD BASHIR MOHAMMED ZAKI BASHIR ABDUL AZIZ YOUSUF S.M. NADIM SHAFIQULLAH ABDUL RAZAK BRAMCHARI DR. AMJAD WAHEED ADNAN AFRIDI</p>	<p>- Chairman & Chief Executive - Non Executive Director - Executive Director - Executive Director - Executive Director - Independent Non Executive Director - Non Executive Director - Independent Non Executive Director - Independent Non Executive Director</p>
CHIEF FINANCIAL OFFICER	MOHAMMED SALEEM SATTAR	
COMPANY SECRETARY	MOHAMMED SALIM GHAFFAR	
AUDIT COMMITTEE	<p>S.M. NADIM SHAFIQULLAH ZAIN BASHIR MOHAMMED ZAKI BASHIR MOHAMMED SALIM GHAFFAR</p>	<p>- Chairman & Member - Member - Member - Secretary</p>
HUMAN RESOURCE AND REMUNERATION COMMITTEE	<p>ZAIN BASHIR S.M. NADIM SHAFIQULLAH ABDUL AZIZ YOUSUF MOHAMMED SALIM GHAFFAR</p>	<p>- Chairman & Member - Member - Member - Secretary</p>
BANKERS	<p>ALLIED BANK LIMITED BANK AL HABIB LIMITED ASKARI BANK LIMITED AL BARAKA BANK (PAKISTAN) LIMITED BARCLAYS BANK PLC PAKISTAN BANK ALFALAH LIMITED - ISLAMIC BANKING BANK ALFALAH LIMITED BANKISLAMI PAKISTAN LIMITED BURJ BANK LIMITED CITIBANK, N.A. DUBAI ISLAMIC BANK PAKISTAN LIMITED FAYSAL BANK LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED HSBC BANK MIDDLE EAST LIMITED MCB BANK LIMITED MEEZAN BANK LIMITED NATIONAL BANK OF PAKISTAN NIB BANK LIMITED SAMBA BANK LIMITED SILKBANK LIMITED STANDARD CHARTERED BANK (PAKISTAN) LIMITED UNITED BANK LIMITED</p>	
AUDITORS	<p>HYDER BHIMJI & CO. Chartered Accountants</p>	
INTERNAL AUDITORS	<p>ANJUM ASIM SHAHID RAHMAN Chartered Accountants</p>	
LEGAL ADVISORS	<p>A.K. BROHI & CO ADVOCATES</p>	
REGISTERED OFFICE	<p>PLOT NO.82 MAIN NATIONAL HIGHWAY LANDHI, KARACHI-75120</p>	
SHARE REGISTRAR	<p>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</p>	
MILLS	<p>LANDHI INDUSTRIAL AREA KARACHI-75120</p>	
E-MAIL	finance@gulahmed.com	
URL	www.gulahmed.com	



Directors' Review

Directors of Gul Ahmed Textile Mills Limited are pleased to present a review of the Company for the half year ended December 31, 2013.

Economic and Industrial overview

The year 2013 ended on a mixed note for the economy of Pakistan. Positive indicators included sharp appreciation in real-estate and capital markets, increase in industrial activity and Government's commitment to the program of IMF. Local business sentiment also showed positive signs though increase in private sector credit off-take. However, challenges of energy shortage, law and order, rising inflation, lower tax to GDP ratio continue to be major obstacles to sustainable growth. Overall commitment and fiscal restructuring is needed to keep economy on the track.

Overall agricultural sector posted 3.3% against the target of 4% due to slowdown in the major crops except sugarcane. Cotton arrival to date in the current FY 2014 is 12.9 million bales as compared 13.1 million bales in the whole of FY 2013. Growth in manufacturing sector is 4.4% which is highest in last five years. Low foreign exchange reserves are exerting pressure on rupee and increase in discount rate to 10% by State Bank of Pakistan (SBP) has increased the financial cost. The CPI inflation in December 2013 was recorded at 9.2% (YoY basis) whereas it was 7.9% (YoY basis) in December 2012. Substantial increase in gas prices has further increased the cost of production of textile industry adversely impacting its global competitiveness.

As per the Annual Report 2013 of State Bank of Pakistan, exports of the country has grown by 3.5% in FY 2013 as compared to the decline of 4.4% in last year, which was largely due to the waiver of duty on 75 products of mainly textile items to European Union (EU) market and increased demand of yarn and fabric to China and Hong Kong. Only textile exports have grown by 5.9% as compared to the decline of 10.6% in FY 2012.

We welcome the granting of GSP plus Status to Pakistan by EU. These trade concessions will benefit the country's exports including textile madeups by enabling its products to compete with other countries who have similar concessions.

Financial Performance

Your Company has produced encouraging results which are represented by growth in sales by 19% over the corresponding period. A significant growth was noted in gross profit which is 47% over the corresponding period, amounting to Rs. 2,923 million. The Company has earned profit before tax of Rs. 672 million versus profit before tax of Rs. 230 million in the same period of 2012. Profit after tax for the period is Rs. 570 million as compared to profit after tax of Rs. 171 million in the previous period. Earnings per share is Rs. 3.12 as compared to Rs. 0.94 in the corresponding period.

December December
2013 2012
Rupees in millions

Sales	15,613	13,173
Gross profit	2,923	1,992
Profit before tax after providing depreciation / amortization of Rs 407 million (2012: Rs. 371 million)	672	230
Profit after tax	570	171

Future Prospects

We expect a steady improvement in the macroeconomic indicators in the long term based on inflows from International Financial Institutions, privatization of non performing public entities, determination to cut subsidies. Exports are also expected to perform better due to GSP plus status granted to Pakistan. SBP has forecasted 6% increase in exports in the remaining FY 2014 due to the GSP plus status and Government's decision to divert gas to industrial sector to reap benefits of said status.

Your Company is optimistic to find avenues for growth focusing to avail benefits under the GSP plus scheme. Not limited to this we strictly follow our strategy to expand and gain a competitive edge over our competitors. Your Company aims to execute through best possible initiatives targeted towards key motivators and customers, through new business development and through effective cost and margin management.

Consolidated Financial Statements

Consolidated financial statements for the half year ended December 31, 2013 of FY 2012-13 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
January 27, 2014

Mohomed Bashir
Chairman and Chief Executive

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

INTRODUCTION:

We have reviewed the accompanying condensed interim balance sheet of **Gul Ahmed Textile Mills Limited** as at December 31, 2013 and the related 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 together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

SCOPE OF REVIEW:

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi
January 27, 2014

HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner: Shaikh Mohammad Tanvir

Condensed Interim Balance Sheet As at December 31, 2013

	Note	Un-audited	Audited
		December 31, 2013	June 30, 2013
------(Rupees '000s)-----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 200,000,000 ordinary shares of Rs.10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital		1,828,182	1,523,486
Reserves		3,580,000	3,180,000
Unappropriated profit		590,364	725,016
		<u>5,998,546</u>	<u>5,428,502</u>
NON-CURRENT LIABILITIES			
Long term financing		2,330,207	2,154,999
Deferred Liabilities			
Deferred taxation - net		318,812	316,028
Staff Retirement benefits		38,027	33,637
		<u>356,839</u>	<u>349,665</u>
CURRENT LIABILITIES			
Trade and other payables		3,699,620	4,211,618
Accrued Mark-up		303,476	191,792
Short term borrowings - secured		11,906,778	8,290,416
Current maturity of long term financing		606,437	561,938
		<u>16,516,311</u>	<u>13,255,764</u>
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		<u><u>25,201,903</u></u>	<u><u>21,188,930</u></u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,626,841	7,132,112
Intangible assets	6	26,251	23,130
Long term investment		58,450	58,450
Long term loans and advances		5,903	2,061
Long term deposits		67,028	51,312
		<u>7,784,473</u>	<u>7,267,065</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		847,513	723,435
Stock-in-trade		12,168,464	9,555,224
Trade debts		2,602,469	2,573,268
Loans and advances		564,756	346,429
Short term prepayments		206,197	28,172
Other receivables		205,984	173,714
Tax refunds due from government		514,964	229,454
Income tax refundable-payments less provision		88,122	190,248
Cash and bank balances		218,961	101,921
		<u>17,417,430</u>	<u>13,921,865</u>
TOTAL ASSETS		<u><u>25,201,903</u></u>	<u><u>21,188,930</u></u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

Condensed Interim Profit and Loss Account (Un-audited)
For The Half Year Ended December 31, 2013

	Quarter ended		Half year ended	
	October to December	October to December	July to December	July to December
	2013	2012	2013	2012
----- (Rupees '000s) -----				
Sales	8,561,914	7,355,902	15,612,951	13,172,828
Cost of sales				
Opening stock of finished goods	7,829,288	5,622,173	6,832,592	4,945,924
Cost of goods manufactured	5,996,440	5,419,757	11,620,702	10,198,742
Purchases and processing charges	1,205,286	1,720,402	2,400,598	2,490,473
Closing stock of finished goods	(8,164,101)	(6,453,998)	(8,164,101)	(6,453,998)
	6,866,913	6,308,334	12,689,791	11,181,141
Gross profit	1,695,001	1,047,568	2,923,160	1,991,687
Distribution cost	459,726	356,434	813,621	658,790
Administrative expenses	321,519	277,743	627,904	525,595
Other operating expenses	116,034	3,388	153,728	29,263
	897,279	637,565	1,595,253	1,213,648
	797,722	410,003	1,327,907	778,039
Other income	72,685	15,790	79,803	22,120
Operating profit	870,407	425,793	1,407,710	800,159
Finance cost	406,224	305,024	735,642	569,896
Profit before taxation	464,183	120,769	672,068	230,263
Provision for taxation	49,712	15,459	102,023	59,000
Profit after taxation	414,471	105,310	570,045	171,263
Earnings per share - basic and diluted (Rs.)	2.27	0.58	3.12	Re-stated 0.94

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Statement Of Comprehensive Income (Un-audited)
For The Half Year Ended December 31, 2013**

	Quarter ended		Half year ended	
	October to December 2013	October to December 2012	July to December 2013	July to December 2012
	------(Rupees '000s)-----			
Profit after taxation	414,471	105,310	570,045	171,263
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>414,471</u>	<u>105,310</u>	<u>570,045</u>	<u>171,263</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director



**Condensed Interim Cash Flow Statement (Un-audited)
For The Half Year Ended December 31, 2013**

	Half year ended	
	December 31, 2013	December 31, 2012
	------(Rupees '000s)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	672,068	230,263
Adjustments for:		
Depreciation	401,431	365,398
Amortisation	5,367	5,593
Provision for gratuity	13,667	5,055
Finance cost	735,642	569,896
Provision for slow moving/obsolete items	7,505	6,144
Provision for doubtful debts	15,862	14,913
Profit on sale of property, plant and equipment	(74,336)	(15,563)
Cash flows from operating activities before adjustments of working capital changes	1,777,206	1,181,699
Changes in working capital:		
Increase in current assets		
Stores, spare parts and loose tools	(131,583)	(76,036)
Stock-in-trade	(2,613,240)	(2,460,209)
Trade debts	(45,063)	(1,240,260)
Loans and advances	(218,327)	(188,721)
Short term Prepayments	(178,025)	(68,985)
Other receivables	(32,270)	(69,090)
Tax refunds due from government	(285,510)	(34,760)
	(3,504,018)	(4,138,061)
Increase/(decrease) in current liabilities		
Trade and other payables	(511,998)	950,762
	(4,016,016)	(3,187,299)
Cash used in operations	(2,238,810)	(2,005,600)
Gratuity paid	(9,277)	(7,761)
Finance cost paid	(623,958)	(514,944)
Income tax paid	(40,250)	(112,229)
Income tax refund	43,137	-
(Increase)/decrease in long term loans and advances	(3,842)	1,027
Increase in long term deposits	(15,716)	(2,430)
Net cash used in operating activities	(2,888,716)	(2,641,937)

Condensed Interim Cash Flow Statement (Un-audited)
For The Half Year Ended December 31, 2013

	Half year ended	
	December 31, 2013	December 31, 2012
	------(Rupees '000s)-----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(906,950)	(336,824)
Addition to intangible assets	(8,488)	(4,170)
Proceeds from sale of property, plant and equipment	85,125	65,065
Net cash used in investing activities	(830,313)	(275,929)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	516,073	164,367
Repayments of long term financing	(296,366)	(348,996)
Proceeds from issue of right shares	-	139,959
Net cash generated from/(used in) financing activities	219,707	(44,670)
Net decrease in cash and cash equivalents	(3,499,322)	(2,962,536)
Cash and cash equivalents - at the beginning of the period	(8,188,495)	(7,169,052)
Cash and cash equivalents - at the end of the period	(11,687,817)	(10,131,588)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprises of :		
Cash and bank balances	218,961	311,041
Short term borrowings	(11,906,778)	(10,442,629)
	<u>(11,687,817)</u>	<u>(10,131,588)</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director



**Condensed Interim Statement of Changes in Equity (Un-audited)
For the Half Year Ended December 31, 2013**

	Share capital	Revenue reserve	Capital reserve	Reserve for Issue of bonus share	(Accumulated loss) / Unappropriated profit	Total
(Rupees '000s)						
Balance as at June 30, 2012	1,269,571	3,430,000	-	-	(227,062)	4,472,509
Transfer from revenue reserve	-	(250,000)	-	-	250,000	-
Total comprehensive income for the half year ended December 31, 2012	-	-	-	-	171,263	171,263
Balance as at December 31, 2012	1,269,571	3,180,000	-	-	194,201	4,643,772
Transaction with owners						
Issuance of right shares for the year ended June 30, 2012	253,915	-	-	-	-	253,915
Total comprehensive income for the period from January, 2013 to June 30, 2013	-	-	-	-	530,815	530,815
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 half year ended December 31, 2013	-	-	-	-	570,045	570,045
Balance as at December 31, 2013	1,828,182	3,580,000	-	-	590,365	5,998,546

The annexed notes 1 to 11 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

Notes To The Condensed Interim Financial Information (Un-audited) For The Half Year Ended December 31, 2013

1. LEGAL STATUS AND ITS OPERATIONS

Gul Ahmed Textile Mills Limited was incorporated in 1953 in Pakistan as a private limited company, converted into public limited company in 1955 and was listed on Karachi and Lahore Stock Exchanges in 1970 and 1971 respectively. Gul Ahmed is a composite textile mill and is engaged in the manufacture and sale of textile products.

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

2. BASIS OF PREPARATION

These condensed interim financial information of the Company for the half year ended December 31, 2013 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial information comprise of the condensed interim balance sheet as at December 31, 2013 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year ended December 31, 2013 which have been subjected to a review in accordance with the listing regulations but not audited. These condensed interim financial information also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2013 and the same is not subjected to review.

The comparatives balance sheet, presented in these condensed interim financial information, as at June 30, 2013 has been extracted from the audited financial statements of the Company for the year ended June 30, 2013 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are for the half year ended December 31, 2012 have been extracted from the condensed interim financial information of the Company for the half year then ended, which were subjected to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2012 is also included in these condensed interim financial information.

3. ACCOUNTING POLICIES

Accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of financial statements for the year ended June 30, 2013 except following:

3.1 Change in accounting policy

During the period, the Company has adopted Revised IAS 19 - 'Employee Benefits'. As per revised standard, actuarial gains and losses for defined benefit plans are recognized in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability) are recognized in other comprehensive income with no subsequent recycling to profit and loss.

The adoption of above revised standard has resulted in change in accounting policy of the Company related to recognition of actuarial gains and losses to recognize actuarial gains and losses in total in other comprehensive income in the period in which they occur. Previously the company accounted for the actuarial gain/loss with respect to actuarial valuation of its retirement benefit plan immediately in the relevant period. Since the company has already accounted for the actuarial gain / loss and the liability was fully recorded hence there is no impact of it in the condensed interim balance sheet. Further there is no consequential effect in the condensed interim profit and loss account or condensed interim statement of other comprehensive income as the provision in this behalf was incorporated on the basis of management's estimate in the condensed interim half yearly financial information and impact of actuarial gain / loss was considered immaterial.

4. CONTINGENCIES AND COMMITMENTS

Contingencies

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

- (a) Guarantees issued by Bank on behalf of the Company as at period end for Rs.486 million (June-2013: Rs.332 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs.417 million (June-2013: Rs.269 million).
- (b) Post dated cheques Rs. 302 million (June-2013: Rs. 182 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 2,039 million (June-2013: Rs. 2,216 million).
- (d) Corporate guarantee of Rs. 115.890 million (June-2013: Rs. 102.260 million) has been issued to a bank in favour of subsidiary company.

Notes To The Condensed Interim Financial Information (Un-audited) For The Half Year Ended December 31, 2013

Commitments

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

	Note	<u>Un-Audited</u> <u>December 31,</u> <u>2013</u>	<u>Audited</u> <u>June 30,</u> <u>2013</u>
		------(Rupees '000s)-----	
- Capital expenditure		358,914	410,025
- Non capital expenditure items under letters of credits		<u>2,284,173</u>	<u>578,754</u>
		<u><u>2,643,087</u></u>	<u><u>988,779</u></u>

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

Not more than one year	266,407	262,090
More than one year but not more than five years	1,019,287	994,498
More than five years	<u>678,055</u>	<u>600,930</u>
	<u><u>1,963,749</u></u>	<u><u>1,857,518</u></u>

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	5.1 & 5.2	7,452,534	6,906,799
Capital work in progress - at cost	5.4	<u>174,308</u>	<u>225,313</u>
		<u><u>7,626,842</u></u>	<u><u>7,132,112</u></u>
		<u>Six months</u> <u>period ended</u> <u>December 31,</u> <u>2013</u>	<u>Six months</u> <u>period ended</u> <u>December 31,</u> <u>2012</u>
		------(Rupees '000s)-----	
5.1 Additions during the period:			
Buildings and structures on leasehold land		30,184	3,025
Plant and machinery		827,613	421,964
Office equipment		17,248	8,138
Furniture and fixtures		1,012	1,978
Vehicles		<u>81,898</u>	<u>31,508</u>
		<u><u>957,955</u></u>	<u><u>466,613</u></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. 737.188 million, Rs. 37.194 million and Rs.1.094 million (December 31, 2012: Rs. Nil, Rs.392 million and Rs. Nil) respectively.		
5.2 Disposals - operating fixed assets (at net book value)			
Land		6,543	-
Plant and machinery		1,519	46,661
Office equipment		-	32
Vehicles		<u>2,727</u>	<u>2,809</u>
		<u><u>10,789</u></u>	<u><u>49,502</u></u>
5.3	Depreciation charge during the period	<u><u>401,431</u></u>	<u><u>365,398</u></u>

**Notes To The Condensed Interim Financial Information (Un-audited)
For The Half Year Ended December 31, 2013**

		Six months period ended December 31, 2013	Six months period ended December 31, 2012
		------(Rupees '000s)-----	
5.4	Additions - capital work in progress (at cost)		
	Machinery	654,260	219,499
	Building	65,249	29,793
	Others	4,965	12,844
		<u>724,474</u>	<u>262,136</u>
		December 31, 2013	June 30, 2013
		------(Rupees '000s)-----	
6.	INTANGIBLE ASSETS		
6.1	Intangible - net book value	26,251	23,130
		Six months period ended December 31, 2013	Six months period ended December 31, 2012
		------(Rupees '000s)-----	
6.2	Additions - intangibles (at cost)		
	Computer Software	8,488	4,170
6.3	Amortisation charge during the period	5,367	5,593



**Notes To The Condensed Interim Financial Information (Un-audited)
For The Half Year Ended December 31, 2013**

7. SEGMENT INFORMATION

The Company has the following two 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 to manufacture home textile products
Transactions among the business segments are recorded at cost.

7.1 Segmental profitability

	SPINNING		PROCESSING		ELIMINATION OF INTER SEGMENT TRANSACTION		TOTAL	
	December 2013	December 2012	December 2013	December 2012	December 2013	December 2012	December 2013	December 2012
For the half year ended								
------(Rupees '000s)-----								
Sales	5,285,617	5,187,057	12,209,549	8,931,162	(1,882,215)	(945,391)	15,612,951	13,172,828
Cost of Sales	4,880,807	4,755,351	9,691,199	7,371,181	(1,882,215)	(945,391)	12,689,791	11,181,141
Gross profit	404,810	431,706	2,518,350	1,559,981	-	-	2,923,160	1,991,687
Distribution and Administrative expenses	131,738	132,363	1,309,788	1,052,022	-	-	1,441,525	1,184,385
Profit before tax and before charging following	273,073	299,343	1,208,562	507,959	-	-	1,481,635	807,302
Financial charges							735,642	569,896
Other operating expenses							153,728	29,263
Other operating income							(79,803)	(22,120)
Taxation							102,023	59,000
							911,590	636,039
Profit after taxation							570,045	171,263

7.2 Segment assets and liabilities

	SPINNING		PROCESSING		ELIMINATION OF INTER SEGMENT TRANSACTION		TOTAL	
	December 2013	June 2013	December 2013	June 2013	December 2013	June 2013	December 2013	June 2013
Assets	6,624,622	5,574,899	16,264,954	13,668,112	2,312,326	1,945,920	25,201,903	21,188,930
Liabilities	993,004	815,183	5,706,803	4,680,756	12,503,550	10,264,490	19,203,357	15,760,428

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

7.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 4,091 million (December-2012 Rs. 2,346 million)

**Notes To The Condensed Interim Financial Information (Un-audited)
For The Half Year Ended December 31, 2013**

7.4 Information by geographical area

	Revenue		Non-current assets	
	December	December	December	June
	2013	2012	2013	2013
	------(Rupees '000s)-----			
Pakistan	5,533,892	5,241,299	7,726,023	7,208,615
Germany	2,618,847	1,385,568	-	-
United Kingdom	1,131,951	1,172,951	-	-
United States	1,217,110	917,460	-	-
China	1,221,942	862,709	-	-
Netherland	632,599	537,671	-	-
France	739,564	563,788	-	-
United Arab Emirates	82,120	102,413	58,450	58,450
Other Countries	2,434,926	2,388,969	-	-
Total	15,612,951	13,172,828	7,784,473	7,267,065

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Company	Nature of transaction	December 31, 2013	December 31, 2012
		------(Rupees '000s)-----	
Subsidiaries	Purchase of goods	-	120
	Sale of goods	81,228	457,632
Associated Companies & other related parties	Purchase of goods	51,412	29,712
	Sale of goods	-	650
	Rent paid	3,600	3,600
	Fees paid	1,250	1,250
	Commission / Rebate received	1,679	2,603
	Bills discounted	1,562,634	270,057
	Commission / Bank charges paid	20,449	9,810
	Mark up / Interest charged	45,659	56,498
	Provident Fund Contribution	32,436	26,337
Relationship with the Company	Nature of Outstanding Balances	December 31, 2013	June 30, 2013
Subsidiaries	Corporate guarantee issued in favour of Subsidiary Company	115,890	102,260
	Trade & other payable	125	62,440
	Long term investment	58,450	58,450
	Trade debts	64,513	35,147
Associated Companies & other related parties	Deposit with bank	60,668	35,341
	Borrowing from bank	532,228	1,238,406
	Bank guarantee	417,241	268,628
	Trade & other payable	16,067	11,389
	Accrued Mark up	4,717	17,942
	Advances to suppliers	2,394	1,534
	Advances from customer	312	-
	Loans to key management personnel	8,187	2,074

Notes To The Condensed Interim Financial Information (Un-audited) For The Half Year Ended December 31, 2013

There are no transactions with directors of the Company and key management personnel other than those under the terms of employment for the period ended Dec 2013 amounting to Rs.12 million and Rs. 240 million (Dec 2012: Rs. 13 million and Rs. 193 million) respectively on account of remuneration.

9. DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on January 27, 2014 by the Board of Directors of the Company.

10. GENERAL

Allocations for the workers' profit participation fund, workers' welfare fund and taxation are interim and final liability 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 the financial statements is as follows:

Reclassification from component	Reclassification to component	Amount Rs.000
Cost Of Sales	Distribution Cost	
Staff Cost	Staff Cost	18,092
Cost Of Sales	Administrative Expenses	
Fuel, power and water	Utilities	42,856
Sales	Other Operating Expenses	
Direct export	Exchange gain on realisation of export receivables	9,657

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director





Consolidated Accounts

***Consolidated Condensed Interim Financial Information
For The Half Year Ended December 31, 2013***

**Condensed Interim Consolidated
Balance Sheet
As at December 31, 2013**

	Un-Audited	Audited
	December 31,	June 30,
Note	2013	2013
	----- (Rs. 000s) -----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 200,000,000 ordinary shares of Rs.10 each	<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital	<u>1,828,182</u>	<u>1,523,486</u>
Reserves	<u>3,690,788</u>	<u>3,268,511</u>
Unappropriated profit	<u>647,804</u>	<u>824,837</u>
	6,166,774	5,616,834
NON-CURRENT LIABILITIES		
Long term financing	2,330,207	2,154,999
Deferred Liabilities		
Deferred taxation - net	<u>329,310</u>	<u>326,526</u>
Staff retirement benefits	<u>42,894</u>	<u>40,303</u>
	372,204	366,829
CURRENT LIABILITIES		
Trade and other payables	<u>3,822,571</u>	<u>4,248,013</u>
Accrued mark-up	<u>303,476</u>	<u>191,792</u>
Short term borrowings - secured	<u>11,906,778</u>	<u>8,290,416</u>
Current maturity of long term financing	<u>606,437</u>	<u>561,938</u>
	16,639,262	13,292,159
CONTINGENCIES AND COMMITMENTS		
	4	
TOTAL EQUITY AND LIABILITIES	<u>25,508,447</u>	<u>21,430,821</u>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5 <u>7,636,530</u>	<u>7,144,238</u>
Intangible assets	6 <u>29,741</u>	<u>27,242</u>
Long term loans and advances	<u>5,903</u>	<u>2,061</u>
Long term deposits	<u>67,028</u>	<u>51,312</u>
	7,739,202	7,224,853
CURRENT ASSETS		
Stores, spare parts and loose tools	<u>847,513</u>	<u>723,435</u>
Stock-in-trade	<u>12,313,268</u>	<u>9,673,821</u>
Trade debts	<u>2,766,211</u>	<u>2,702,373</u>
Loans and advances	<u>564,795</u>	<u>352,058</u>
Short term prepayments	<u>204,653</u>	<u>46,718</u>
Other receivables	<u>210,482</u>	<u>177,592</u>
Tax refunds due from government	<u>516,563</u>	<u>231,018</u>
Income tax refundable - payment less provision	<u>87,789</u>	<u>189,596</u>
Cash and bank balances	<u>257,970</u>	<u>109,357</u>
	17,769,245	14,205,968
Total Assets	<u>25,508,447</u>	<u>21,430,821</u>

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Consolidated
Profit And Loss Account (Un-audited)
For the half year ended December 31, 2013**

	Quarter ended		Half year ended	
	October to December	October to December	July to December	July to December
	2013	2012	2013	2012
------(Rupees '000s)-----				
Sales	8,726,562	7,461,879	15,916,297	13,341,892
Cost of sales				
Opening stock of finished goods	7,950,550	5,713,741	6,947,622	5,012,308
Cost of goods manufactured	5,996,440	5,419,757	11,620,702	10,198,742
Purchases and processing charges	1,345,472	1,823,464	2,634,246	2,654,875
Closing stock of finished goods	(8,308,416)	(6,596,088)	(8,308,416)	(6,596,088)
	6,984,046	6,360,874	12,894,154	11,269,836
Gross profit	1,742,516	1,101,005	3,022,143	2,072,056
Distribution cost	464,439	360,530	826,687	667,593
Administrative expenses	379,528	307,034	745,921	584,705
Other operating expenses	116,036	3,386	153,847	29,263
	960,003.00	670,948	1,726,455	1,281,560
	782,513	430,057	1,295,688	790,495
Other income	72,685	15,635	79,803	22,120
Operating profit	855,198	445,692	1,375,491	812,615
Finance cost	408,181	310,744	745,718	576,146
Profit before taxation	447,017	134,948	629,773	236,469
Provision for taxation	49,714	15,460	102,110	59,016
Profit after taxation	397,303	119,488	527,663	177,453
Earning per share - basic and diluted (Rs.)	2.17	0.65	2.89	Re-Stated 0.97

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Consolidated
Statement of Comprehensive Income (Un-audited)
For the half year ended December 31, 2013**

	Quarter ended		Half year ended	
	October to December 2013	October to December 2012	July to December 2013	July to December 2012
	------(Rupees '000s)-----			
Profit after taxation	397,303	119,488	527,663	177,453
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit and loss				
Foreign currency translation differences - Foreign operations	251	4,362	22,277	8,767
Total comprehensive income	397,554	123,850	549,940	186,220

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Consolidated
Cash Flow Statement (Un-audited)
For the half year ended December 31, 2013**

	Half year ended	
	December 31, 2013	December 31, 2012
	----- (Rs. 000s) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	629,773	236,469
Adjustments for:		
Depreciation	405,266	367,435
Amortisation	6,481	6,647
Provision for gratuity	11,868	4,948
Finance cost	745,718	576,146
Provision for slow moving/obsolete items	7,505	6,144
Provision for doubtful debts	15,862	14,913
Profit on sale of property, plant and equipment	(74,217)	(15,563)
Cash flows from operating activities before adjustments of working capital changes	<u>1,748,256</u>	<u>1,197,139</u>
Changes in working capital:		
Increase in current assets		
Stores, spares and loose tools	(131,584)	(76,036)
Stock-in-trade	(2,639,448)	(2,535,916)
Trade debts	(79,701)	(1,115,450)
Loans and advances	(212,737)	(189,506)
Short term prepayments	(157,935)	(68,854)
Other receivables	(32,890)	(73,373)
Tax refunds due from government	(285,545)	(58,547)
	<u>(3,539,840)</u>	<u>(4,117,682)</u>
Increase/(decrease) in current liabilities		
Trade and other payables	(425,442)	1,031,996
	<u>(3,965,282)</u>	<u>(3,085,686)</u>
Cash used in operations	<u>(2,217,025)</u>	<u>(1,888,546)</u>
Gratuity paid	(9,277)	(7,761)
Finance cost paid	(634,034)	(521,194)
Income tax paid	(40,656)	(112,178)
Income tax refund	43,137	-
(Increase)/decrease in long term loans and advances	(3,842)	1,027
Increase in long term deposits	(15,716)	(2,430)
Net cash used in operating activities	<u>(2,877,413)</u>	<u>(2,531,082)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(908,661)	(338,449)
Addition to intangible assets	(8,980)	(5,232)
Proceeds from sale of property, plant and equipment	85,322	65,065
Net cash used in investing activities	<u>(832,319)</u>	<u>(278,616)</u>

**Condensed Interim Consolidated
Cash Flow Statement (Un-audited)
For the half year ended December 31, 2013**

	<u>December 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
	----- (Rs. 000s) -----	
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	516,073	164,367
Repayments of long term financing	(296,366)	(348,996)
Proceeds from issue of right shares	-	139,959
Net cash generated from / (used) in financing activities	219,707	(44,670)
Exchange difference on translation of foreign subsidiaries	22,277	8,767
Net decrease in cash and cash equivalents	(3,467,748)	(2,845,601)
Cash and cash equivalents - at the beginning of the period	(8,181,059)	(7,209,802)
Cash and cash equivalents - at the end of the period	(11,648,807)	(10,055,403)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents include:		
Cash and bank balances	257,971	403,547
Short term borrowings	(11,906,778)	(10,458,951)
	(11,648,807)	(10,055,403)

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

**Condensed Interim Consolidated
Statement of Changes In Equity (Un-audited)
For the half year ended December 31, 2013**

	Share capital	Revenue reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve	(Accumulated loss) / Unappropriated profit	Total
	(Rs. 000s)					
Balance as at June 30, 2012	1,269,571	3,430,000	67,091	10,146	(123,758)	4,653,050
Transfer from revenue reserve	-	(250,000)	-	-	250,000	-
Total comprehensive income						
Profit for the half year ended December 31, 2012	-	-	-	-	177,453	177,453
Other comprehensive income	-	-	8,767	-	-	8,767
Total comprehensive income for the year	-	-	8,767	-	177,453	186,220
Balance as at December 31, 2012	1,269,571	3,180,000	75,858	10,146	303,695	4,839,270
Transaction with owners						
Issuance of Right shares for the year ended June 30, 2012	253,915	-	-	-	-	253,915
Transfer to statutory reserve	-	-	-	209	(209)	-
Total comprehensive income						
Profit for the period from January 2013 to June 30, 2013	-	-	-	-	521,351	521,351
Other comprehensive income	-	-	2,298	-	-	2,298
	-	-	2,298	-	521,351	523,649
Balance as at June 30, 2013	1,523,486	3,180,000	78,156	10,355	824,837	5,616,834
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 half year ended December 31, 2013	-	-	-	-	527,663	527,663
Other comprehensive income	-	-	22,277	-	-	22,277
Total comprehensive income for the period	-	-	22,277	-	527,663	549,940
Balance as at December 31, 2013	1,828,182	3,580,000	100,433	10,355	647,804	6,166,774

The annexed notes 1 to 11 form an integral part of these condensed interim consolidated financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the half year ended December 31, 2013

1 LEGAL STATUS AND ITS OPERATIONS

1.1 Gul Ahmed Group comprises the following:

- Gul Ahmed Textile Mills Limited
- Gul Ahmed International Limited (FZC)- UAE
- GTM (Europe) Limited -UK
- GTM USA Corp. - USA

Gul Ahmed Textile Mills Limited was incorporated on 1st April 1953 Pakistan as a private limited company, converted into public limited company on 7th January 1955 and was listed on Karachi and Lahore Stock Exchanges in 1970 and 1971 respectively. Gul Ahmed is a composite textile mill and is engaged in the manufacture and sale of textile products.

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

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

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

1.2 Basis of consolidation

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

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

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent 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 subsidiary's share capital. Material intra-group balances and transactions are eliminated.

2 BASIS OF PREPARATION

The consolidated accounts comprise the consolidated balance sheet of Gul Ahmed Textile Mills Limited, its wholly owned subsidiary company Gul Ahmed International Limited (FZC), GTM (Europe) Limited which is the wholly owned subsidiary of Gul Ahmed International Limited (FZC) and GTM USA Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, as at December 31, 2013 and the related consolidated profit and loss account, consolidated cash flow statement and statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.

These consolidated condensed interim financial information of the Group for the half year ended December 31, 2013 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.



Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the half year ended December 31, 2013

These consolidated condensed interim financial information comprise of the consolidated condensed interim balance sheet as at December 31, 2013 and the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity for the half year ended December 31, 2013.

The comparatives balance sheet, presented in these consolidated condensed interim financial information, as at June 30, 2013 has been extracted from the audited financial statements of the Group for the year ended June 30, 2013 whereas the comparative consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity for the half year ended December 31, 2013 have been extracted from the consolidated condensed interim financial information of the Group for the half year ended December 31, 2012.

3 ACCOUNTING POLICIES

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

3.1 Change in accounting policy

During the period, the Group has adopted Revised IAS 19 - 'Employee Benefits'. As per revised standard, actuarial gains and losses for defined benefit plans are recognized in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability) are recognized in other comprehensive income with no subsequent recycling to profit and loss.

The adoption of above revised standard has resulted in change in accounting policy of the Group related to recognition of actuarial gains and losses to recognize actuarial gains and losses in total in other comprehensive income in the period in which they occur. Previously the company accounted for the actuarial gain/loss with respect to actuarial valuation of its retirement benefit plan immediately in the relevant period. Since the Group has already accounted for the actuarial gain / loss and the liability was fully recorded hence there is no impact of it in the condensed interim balance sheet. Further there is no consequential effect in the condensed interim profit and loss account or condensed interim statement of other comprehensive income as the provision in this behalf was incorporated on the basis of management's estimate in the condensed interim half yearly financial information and impact of actuarial gain / loss was considered immaterial.

4 CONTINGENCIES AND COMMITMENTS

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

- (a) Guarantees issued by Bank on behalf of the Group as at period end for Rs.486 million (June-2013: Rs.332 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs.417 million (June-2013: Rs.269 million)
- (b) Post dated cheques Rs. 302 million (June-2013: Rs.182 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 2,039 million (June-2013: Rs. 2,216 million)
- (d) Corporate guarantee of Rs. 115.890 million (June-2013: Rs. 102.260 million) has been issued to a bank in favour of subsidiary company.



**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended December 31, 2013**

Commitments

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

	<u>Un-Audited</u> <u>December</u> <u>2013</u>	<u>Audited</u> <u>June</u> <u>2013</u>
	----- (Rs. 000s) -----	
- Capital expenditure	358,914	410,025
- Non capital expenditure items under letters of credits	2,284,173	578,754
	<u>2,643,087</u>	<u>988,779</u>

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

Not more than one year	266,407	262,090
More than one year but not more than five years	1,019,287	994,498
More than five years	678,055	600,930
	<u>1,963,749</u>	<u>1,857,518</u>

	<u>Un-Audited</u> <u>December</u> <u>2013</u>	<u>Audited</u> <u>June</u> <u>2013</u>
	----- (Rs. 000s) -----	

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	5.1 & 5.2	7,462,222	6,918,925
Capital work in progress - at cost	5.4	174,308	225,313
		<u>7,636,530</u>	<u>7,144,238</u>

	<u>Six months</u> <u>period ended</u> <u>December 31,</u> <u>2013</u>	<u>Six months</u> <u>period ended</u> <u>December 31,</u> <u>2012</u>
	----- (Rupees '000s) -----	

5.1 Additions during the period:

Buildings and structures on leasehold land	30,184	8,225
Plant and machinery	827,614	421,962
Office equipment	17,319	8,283
Furniture and fixtures	1,380	2,040
Vehicles	83,171	31,509
	<u>959,668</u>	<u>472,019</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. 737.188 million, Rs. 37.194 million and Rs.1.094 million (December 31, 2012: Rs. Nil, Rs.392 million and Rs. Nil) respectively.

5.2 Disposals - operating fixed assets (at net book value)

Land	6,543	-
Plant and machinery	1,519	46,661
Office equipment	-	32
Vehicles	3,043	2,809
	<u>11,105</u>	<u>49,502</u>

5.3 Depreciation charge during the period

	<u>405,266</u>	<u>367,435</u>
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**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended December 31, 2013**

5.4 Additions - capital work in progress (at cost)

Machinery	654,260	219,499
Building	65,249	29,793
Others	4,965	12,844
	<u>724,474</u>	<u>262,136</u>

December 31, 2013	June 30, 2013
------------------------------	--------------------------

6 INTANGIBLE ASSETS

------(Rupees '000s)-----

6.1 Intangible - net book value 6.2 & 6.3 29,741 27,242

Six months period ended December 31, 2013	Six months period ended December 31, 2012
--	--

------(Rupees '000s)-----

6.2 Additions - intangibles (at cost)

Computer Software 8,980 5,232

6.3 Amortisation charge during the period 6,481 6,647



**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended December 31, 2013**

7 SEGMENT INFORMATION

The Group has the following three reportable business segments

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

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	
	Dec - 2013	Dec - 2012	Dec - 2013	Dec - 2012	Dec - 2013	Dec - 2012	Dec - 2013	Dec - 2012	Dec - 2013	Dec - 2012	Dec - 2013	Dec - 2012	Dec - 2013	Dec - 2012
	For the half year ended													
	(Rs. 000s)													
Sales	5,285,617	5,187,057	12,209,549	8,931,162	352,422	229,100	18,965	447,518	12,468	5,555	(1,962,724)	(1,458,500)	15,916,297	13,341,892
Cost of Sales	(4,880,807)	(4,755,351)	(9,691,199)	(7,371,181)	(275,541)	(183,903)	(20)	(425,777)	-	-	1,953,413	1,466,376	(12,894,154)	(11,269,836)
Gross Profit	404,810	431,706	2,518,350	1,559,981	76,881	45,197	18,945	21,741	12,468	5,555	(9,311)	7,876	3,022,143	2,072,056
Distribution and Administrative expenses	131,737	132,363	1,309,788	1,052,022	59,909	35,916	50,260	25,141	20,914	6,856	-	-	1,572,608	1,252,298
Profit before tax and before charging following	273,073	299,343	1,208,562	507,959	16,972	9,281	(31,315)	(3,400)	(8,446)	(1,301)	(9,311)	7,876	1,449,535	819,758
Financial charges													745,718	576,146
Other operating expenses													153,847	29,263
Other Income													(79,803)	(22,120)
Taxation													102,110	59,016
													921,872	642,305
Profit after taxation													527,663	177,453

7.2 Segment assets and liabilities

	Spinning		Processing		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		UNALLOCATED		Total Company	
	Dec - 2013	Jun- 2013	Dec - 2013	Jun- 2013	Dec - 2013	Jun- 2013	Dec - 2013	Jun- 2013	Dec - 2013	Jun- 2013	Dec - 2013	Jun- 2013	Dec - 2013	Jun- 2013
Assets	6,624,622	5,574,899	16,158,064	13,572,123	370,703	298,233	28,653	31,394	14,079	8,253	2,312,326	1,945,919	25,508,447	21,430,821
Liabilities	993,004	815,183	5,706,803	4,612,953	128,457	80,422	8,334	38,908	1,525	2,032	12,503,550	10,264,489	19,341,673	15,813,987

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

7.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 4,091 million (December-2012 Rs. 2,346 million)

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended December 31, 2013**

7.5 Information by geographical area

	Revenue		Non-current assets	
	December 2013	December 2012	December 2013	June 2013
	------(Rs. 000s)-----			
Pakistan	5,542,472	5,295,235	7,726,022	7,208,615
Germany	2,618,847	1,385,568	-	-
United Kingdom	1,116,310	1,157,007	3,081	3,895
United States	1,211,778	917,460	334	3,161
China	1,221,942	862,709	-	-
Netherland	632,599	537,671	-	-
France	739,564	567,486	-	-
United Arab Emirates	397,859	219,842	9,765	9,182
Other Countries	2,434,926	2,398,914	-	-
Total	15,916,297	13,341,892	7,739,202	7,224,853

8 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Company	Nature of transactions	December 31, 2013	December 31, 2012
		------(Rs. 000s)-----	
Associated Companies and Other related parties	Purchase of goods	51,412	29,712
	Sales of goods	-	650
	Rent paid	3,600	3,600
	Fees paid	1,250	1,250
	Commission/Rebate received	1,679	2,603
	Bills discounted	1,562,634	270,057
	Commission / bank charges paid	20,449	9,810
	Mark up / interest charged	45,659	56,498
	Provident fund contribution	32,436	26,337
Relationship with the Company	Nature of Outstanding Balances	December 31, 2013	June 30, 2013
Associated companies and others related parties	Deposit with bank	60,668	35,341
	Borrowing from Bank	532,228	1,238,406
	Bank guarantee	417,241	268,628
	Trade & other payables	16,067	11,389
	Accrued mark up	4,717	17,942
	Advances to suppliers	2,394	1,534
	Advances from customers	312	-
Loans to key management personnel	8,187	2,074	

There are no transactions with directors of the Group and key management personnel other than those under the terms of employment for the period ended Dec-2013 amounting to Rs. 12 million and Rs. 279 million (Dec-2012: Rs. 13 million and Rs. 209 million) respectively on account of remuneration.

9 DATE OF AUTHORISATION

These financial statements were authorised for issue on January 27, 2014 by the Board of Directors of the Group.

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended December 31, 2013**

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 the financial statements is as follows:

Reclassification from component	Reclassification to component	Amount Rs.000
Cost Of Sales	Distribution Cost	
Staff Cost	Staff Cost	18,092
Cost Of Sales	Administrative Expenses	
Fuel, power and water	Utilities	42,856
Sales	Other Operating Expenses	
Direct export	Exchange gain on realisation of export receivables	9,657

MOHOMED BASHIR
Chairman and Chief Executive

ZAIN BASHIR
Director

