



Quarterly Report

*Condensed Interim Financial Information
For The Nine Months Ended March 31, 2014*

Company Information

BOARD OF DIRECTORS	MOHOMED BASHIR ZAIN BASHIR MOHAMMED ZAKI BASHIR ZIAD BASHIR S.M. NADIM SHAFIQULLAH DR. AMJAD WAHEED ADNAN AFRIDI	- Chairman - Vice Chairman/Executive Director - Chief Executive Officer - Non Executive - Independent - Independent - Independent
CHIEF FINANCIAL OFFICER	MOHAMMED SALEEM SATTAR	
COMPANY SECRETARY	MOHAMMED SALIM GHAFFAR	
AUDIT COMMITTEE	S.M. NADIM SHAFIQULLAH MOHOMED BASHIR ADNAN AFRIDI MOHAMMED SALIM GHAFFAR	- Chairman & Member - Member - Member - Secretary
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 CITIBANK, N.A. DUBAI ISLAMIC BANK PAKISTAN LIMITED FAYSAL BANK LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED HSBC BANK MIDDLE EAST LIMITED MCB BANK LIMITED MEEZAN BANK LIMITED NATIONAL BANK OF PAKISTAN NIB BANK LIMITED SAMBA BANK LIMITED SILKBANK LIMITED STANDARD CHARTERED BANK (PAKISTAN) LIMITED UNITED BANK LIMITED	
AUDITORS	HYDER BHIMJI & CO. Chartered Accountants	
INTERNAL AUDITORS	ANJUM ASIM SHAHID RAHMAN Chartered Accountants	
LEGAL ADVISORS	A.K. BROHI & CO ADVOCATES	
REGISTERED OFFICE	PLOT NO.82 MAIN NATIONAL HIGHWAY LANDHI, KARACHI-75120	
SHARE REGISTRAR	FAMCO ASSOCIATES (PRIVATE) LIMITED 8-F , NEXT TO HOTEL FARAN, NURSERY, BLOCK 6, P.E.C.H.S., SHAHRAH-E-FAISAL, KARACHI. PHONE NO. (+92-021) 34380101-5 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, 2014.

Economic and Industrial Review

During the quarter significant economic events have taken place - USD 1.5 billion gift by a friendly country and the successful launch of dual tranche Eurobonds worth USD 2 billion. Now the next budget for fiscal year (FY) 2015 is anxiously awaited to see whether the required structural changes are made to support the momentum gained as a result of the increase in foreign reserves and dramatic appreciation of upto 10% in Pakistani Rupee against US Dollar. Despite the positive sentiments, challenges for the economy continue to remain the same. Law and order concerns, energy shortages and low tax to GDP ratio are the major obstacles.

Overall, major economic indicators have improved. Real GDP growth in the first half of this fiscal year is 4% as compared to 3.6% at the end of FY13 and CPI inflation was posted as 7.9% (YoY basis) in February 2014 as compared to the 9.2% in the month of December 2013. Keeping in view the lowering of inflation, strengthening of the Rupee and increase in foreign currency reserves, it was expected that the State Bank of Pakistan will reduce the policy rate. However the rate has been maintained at 10% which shall keep the financial cost on the higher side. Cumulative growth in LSM was 6.8% during July to December of FY 2014 as compared to growth of 2.3% during the same period of last year.

The textile sector performed well as it posted cumulative growth of 1.6% till January of the current FY 2014 as compared to 0.5% of the corresponding period. Export of textile and garments was recorded at USD 9.16 billion during July to February of current FY 2014 as compared to exports of USD 8.46 billion in the corresponding period.

Financial Performance

Despite the various challenges the economy is facing which are unfavorably impacting the business environment the Company has witnessed encouraging results. During the nine months ended March 31, 2014, sales have increased by 12% as compared to the corresponding period realizing net profit after tax in excess of Rs. 1 billion showing a growth of 169%.

	March 2014	March 2013	Increase / Decrease	
	Rs. In million			%
Sales	23,944	21,310	2,634	12
Gross profit	4,568	3,286	1,280	39
Profit before tax after providing depreciation / amortization of Rs. 628 million (2013: Rs. 563 million)	1,183	501	682	136
Profit after tax	1,003	373	630	169
EPS (Rs.)	5.49	2.04	3.45	169

Directors

Election of the Directors was held at the Extra Ordinary General Meeting on March 19, 2014. The new Board of Directors consists of the following seven members:

S.NO.	NAME	DESIGNATION
1.	Mr. Mohamed Bashir	Chairman
2.	Mr. Zain Bashir	Vice Chairman/Executive Director
3.	Mr. Mohammed Zaki Bashir	Chief Executive Officer
4.	Mr. Ziad Bashir	Non-Executive
5.	Mr. S. M. Nadim Shafiqullah	Independent
6.	Dr. Amjad Waheed	Independent
7.	Mr. Adnan Afridi	Independent

The term of the new Board will end on March 31, 2017.

Future Prospects

We hope that the Government will introduce major policy reforms in the coming budget and take policy measures to facilitate businesses so that they can contribute their share in the GDP growth of the country.

The rapid devaluation of the USD against PKR is a matter of concern for ALL exporters - textile and non textile. Current PKR/USD parity of Rs. 98 is even lower than the parity as on June 30, 2013 which was Rs. 99.50. Since June 2013, many factors have contributed in cost increase; minimum wage has been increased by 25%, similarly energy cost has increased by around 22% to 25% and prices of all other operational costs have also increased substantially. With the declining export proceeds in terms of Rupees, it is difficult for exporters to meet these increased costs. There is need to allow the PKR/USD parity to find its own level or alternatively compensate the loss in exports.

The Company took significant measures to mitigate heavy exchange losses that would have occurred had we not been prudent in hedging our export proceeds. Hence, we foresee minimal impact on our profitability.

Your Company is moving on capitalizing on possible opportunities and strengthening its resources to mitigate risks and avoid threats. We continue to focus on customer satisfaction having strong quality management systems with the strategy of diversification of products and expanding in target markets.

Our core focus will be on increasing the domestic sales (excluding yarn sales). We are benefiting from the very strong demand of our products in the local market and we foresee that the demand will continue to grow. We are optimistic that the Company's performance will continue to improve both in sales and profitability.

The Company has also successfully launched its export apparel business which will contribute significantly to the gross profit from the next fiscal year.

We see weak demand for yarn and will continue to rely on our robust composite structure to mitigate losses in yarn where possible.

Consolidated Financial Statements

Consolidated financial statements for the nine months ended March 31, 2014 of FY 2013-14 of the Company and its subsidiaries Gul Ahmed International Limited (FZC) UAE, GTM (Europe) Limited UK and GTM USA Corporation USA are attached.

Acknowledgement

The Chairman takes this opportunity to thank all the members of the outgoing Board Mr. Zain Bashir, Mr. Ziad Bashir, Mr. Mohammed Zaki Bashir, Mr. Abdul Aziz Yousuf, Mr. S.M. Nadim Shafiqullah, Mr. Abdul Razak Bramchari, Dr. Amjad Waheed and Mr. Adnan Afridi. The Chairman also acknowledges their valuable contribution and guidance as a result of which the Company has made very good progress.

The Chairman also welcomes the members of the new Board and looks forward to their active participation in the Board meetings.

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

For and on behalf of the Board

Mohammed Zaki Bashir
Chief Executive Officer

Karachi
April 28, 2014



Condensed Interim Balance Sheet
As at March 31, 2014

	Note	<u>Un-Audited</u> March 31, 2014	<u>Audited</u> June 30, 2013
------(Rupees '000s)-----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 400,000,000 ordinary shares of Rs.10 each		<u>4,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital		<u>1,828,182</u>	1,523,486
Reserves		<u>3,580,000</u>	3,180,000
Un-appropriated profit		<u>1,023,487</u>	725,016
		<u>6,431,669</u>	5,428,502
NON-CURRENT LIABILITIES			
Long term financing		2,263,304	2,154,999
Deferred liabilities			
Deferred taxation - net		<u>321,028</u>	316,028
Staff retirement benefits		<u>37,848</u>	33,637
		<u>358,876</u>	349,665
CURRENT LIABILITIES			
Trade and other payables		<u>5,978,734</u>	4,211,618
Accrued mark-up		<u>200,004</u>	191,792
Short term borrowings		<u>11,541,741</u>	8,290,416
Current maturity of long term financing		<u>631,511</u>	561,938
		<u>18,351,990</u>	13,255,764
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		<u>27,405,839</u>	<u>21,188,930</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>7,755,592</u>	7,132,112
Intangible assets	6	<u>23,308</u>	23,130
Long term investment		<u>58,450</u>	58,450
Long term loans and advances		<u>10,127</u>	2,061
Long term deposits		<u>74,462</u>	51,312
		<u>7,921,939</u>	7,267,065
CURRENT ASSETS			
Stores,spares and loose tools		<u>963,746</u>	723,435
Stock-in-trade		<u>13,501,820</u>	9,555,224
Trade debts		<u>2,780,485</u>	2,573,268
Loans and advances		<u>657,319</u>	346,429
Short term prepayments		<u>270,817</u>	28,172
Income tax refundable-payments less provision		<u>118,141</u>	190,248
Other receivables		<u>301,402</u>	173,714
Tax refunds due from Government		<u>591,181</u>	229,454
Cash and bank balances		<u>298,989</u>	101,921
		<u>19,483,900</u>	13,921,865
TOTAL ASSETS		<u>27,405,839</u>	<u>21,188,930</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

Condensed Interim Profit and Loss Account (Un-audited)
For The Nine Months Ended March 31, 2014

	Quarter ended		Nine months ended	
	January to March 2014	January to March 2013	July to March 2014	July to March 2013
	(Rupees '000s)			
Sales	8,331,131	8,144,857	23,944,082	21,310,165
Cost of sales				
Opening stock of finished goods	8,164,101	6,453,998	6,832,592	4,945,924
Cost of goods manufactured	5,776,242	6,138,132	17,396,944	16,345,568
Purchases and processing charges	1,594,181	1,738,566	3,994,779	4,229,039
Closing stock of finished goods	(8,848,712)	(7,496,729)	(8,848,712)	(7,496,729)
	6,685,812	6,833,967	19,375,603	18,023,802
Gross profit	1,645,319	1,310,890	4,568,479	3,286,363
Distribution cost	579,662	391,471	1,393,283	1,044,923
Administrative expenses	334,404	282,896	961,358	805,135
Other operating expenses	112,733	20,083	162,608	41,826
	1,026,799	694,450	2,517,249	1,891,884
	618,520	616,440	2,051,230	1,394,479
Other income	118,103	2,848	93,988	24,968
Operating profit	736,623	619,288	2,145,218	1,419,447
Finance cost	226,686	348,320	962,328	918,216
Profit before taxation	509,937	270,968	1,182,890	501,231
Provision for taxation	58,608	68,983	179,723	127,983
Profit after taxation	451,329	201,985	1,003,167	373,248
Earnings per share - basic and diluted (Rs.)	2.47	Re-stated 1.10	5.49	Re-stated 2.04

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

**Condensed Interim Statement Of Comprehensive Income (Un-audited)
For The Nine Months Ended March 31, 2014**

	Quarter ended		Nine months ended	
	January to March 2014	January to March 2013	July to March 2014	July to March 2013
	------(Rupees '000s)-----			
Profit after taxation	451,329	201,985	1,003,167	373,248
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>451,329</u>	<u>201,985</u>	<u>1,003,167</u>	<u>373,248</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Cash Flow Statement (Un-audited)
For The Nine Months Ended March 31, 2014**

	Nine months ended	
	March 31, 2014	March 31, 2013
	------(Rupees '000s)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,182,890	501,231
Adjustments for:		
Depreciation	619,453	554,465
Amortisation	8,310	9,006
Provision for gratuity	20,980	15,060
Finance cost	962,328	918,216
Provision for slow moving/obsolete items	11,258	9,216
Provision for doubtful debts	23,319	22,369
Profit on sale of property, plant and equipment	(85,454)	(16,168)
Cash flows from operating activities before adjustments of working capital changes	<u>2,743,084</u>	<u>2,013,395</u>
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(251,569)	(23,966)
Stock-in-trade	(3,946,596)	(4,587,008)
Trade debts	(230,536)	(984,684)
Loans and advances	(310,890)	(330,784)
Short term prepayments	(242,645)	(72,825)
Other receivables	(127,688)	3,167
Tax refunds due from Government	(361,727)	(85,183)
	<u>(5,471,651)</u>	<u>(6,081,283)</u>
Increase in current liabilities		
Trade and other payables	1,767,116	1,053,115
	<u>(3,704,535)</u>	<u>(5,028,168)</u>
Cash used in operations	<u>(961,451)</u>	<u>(3,014,773)</u>
Gratuity paid	(16,769)	(12,254)
Finance cost paid	(954,116)	(852,306)
Income tax paid	(102,616)	(240,217)
(Increase)/decrease in long term loans and advances	(8,066)	1,309
Increase in long term deposits	(23,150)	(1,715)
Net cash used in operating activities	<u>(2,066,168)</u>	<u>(4,119,956)</u>

Nine months ended
March 31, **March 31,**
2014 **2013**
------(Rupees '000s)-----

CASH FLOWS FROM INVESTING ACTIVITIES

Addition to property, plant and equipment	(1,261,229)	(868,313)
Addition to intangible assets	(8,488)	(5,289)
Proceeds from sale of property, plant and equipment	103,750	66,470
Net cash used in investing activities	(1,165,967)	(807,132)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long term financing	547,173	532,791
Repayment of long term financing	(369,295)	(550,895)
Proceeds from issue of right shares	-	253,914
Net cash generated from financing activities	177,878	235,810

Net decrease in cash and cash equivalents **(3,054,257)** (4,691,278)

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 **(11,242,752)** (11,860,330)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of :

Cash and bank balances	298,989	146,276
Short term borrowings	<u>(11,541,741)</u>	<u>(12,006,606)</u>
	<u>(11,242,752)</u>	<u>(11,860,330)</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Statement of Changes in Equity (Un-audited)
For The Nine Months Ended March 31, 2014**

	Share capital	Revenue reserve	Capital reserve	Reserve for Issue of bonus share	Un-appropriated profit/ (Accumulated loss)	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	-
<u>Transaction with owners</u>						
Issue of right Shares for the year ended June 30, 2012	253,915	-	-	-	-	253,915
Total comprehensive income for the nine months ended March 31, 2013	-	-	-	-	373,248	373,248
Balance as at March 31, 2013	1,523,486	3,180,000	-	-	396,186	5,099,672
Total comprehensive income for the period from April 1, 2013 to June 30, 2013	-	-	-	-	328,830	328,830
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)	-
<u>Transaction with owners</u>						
Issue of bonus shares for the year ended June 30, 2013	304,696	-	-	-	(304,696)	-
Total comprehensive income for the nine months ended March 31, 2014	-	-	-	-	1,003,167	1,003,167
Balance as at March 31, 2014	1,828,182	3,580,000	-	-	1,023,487	6,431,669

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

Notes To The Condensed Interim Financial Information (Un-audited) For The Nine Months Ended March 31, 2014

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 nine months ended March 31, 2014 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial information comprise of the condensed interim balance sheet as at March 31, 2014 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the nine months ended March 31, 2014.

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 nine months ended March 31, 2013 have been extracted from the condensed interim financial information of the Company for the nine months then ended.

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.

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. However since there is no effect of actuarial gain/loss in the provision for gratuity for both the current and comparative period so the impact of the change is not material on these condensed interim financial information.

Notes To The Condensed Interim Financial Information (Un-audited) For The Nine Months Ended March 31, 2014

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. 626 million (June-2013: Rs. 332 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 557 million (June-2013: Rs. 269 million).
- (b) Post dated cheques Rs. 469 million (June-2013: Rs. 182 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 1,560 million (June-2013: Rs. 2,216 million).
- (d) Corporate guarantee of Rs. 107.988 million (June-2013: Rs. 102.260 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:

Note	<u>Un-Audited</u> <u>March 31,</u> <u>2014</u>	<u>Audited</u> <u>June 30,</u> <u>2013</u>
	------(Rupees '000s)-----	
- Capital expenditure	625,049	410,025
- Non capital expenditure items under letters of credits	2,351,081	578,754
	<u>2,976,130</u>	<u>988,779</u>

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

Not more than one year	295,351	262,090
More than one year but not more than five years	1,179,455	994,498
More than five years	672,418	600,930
	<u>2,147,224</u>	<u>1,857,518</u>

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets

Operating assets - net book value	5.1 & 5.2	7,436,357	6,906,799
Capital work in progress - at cost	5.4	319,235	225,313
		<u>7,755,592</u>	<u>7,132,112</u>

		Un-audited	
		Nine months ended March 31, 2014	Nine months ended March 31, 2013
		------(Rupees '000s)-----	
5.1	Additions during the period:		
	Buildings and structures on leasehold land	52,121	6,140
	Plant and machinery	955,709	490,884
	Office equipment	26,633	14,482
	Furniture and fixtures	2,109	2,748
	Vehicles	130,746	57,489
		1,167,318	571,743

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. 45 million, Rs. 797 million and Rs. 4 million (March 31, 2013: Rs. Nil ,Rs. 426 million and Rs. Nil).

		Un-audited	
Note		Nine months ended March 31, 2014	Nine months ended March 31, 2013
		------(Rupees '000s)-----	
5.2	Disposals - operating fixed assets (at net book value)		
	Land	6,543	-
	Plant and machinery	3,434	46,661
	Office equipment	-	32
	Vehicles	8,319	3,609
		18,296	50,302

5.3 Depreciation charge during the period

619,453	554,465
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5.4	Additions - capital work in progress (at cost)		
	Machinery	835,155	631,804
	Building	94,531	75,821
	Others	10,167	14,843
		939,853	722,468

Un-Audited	Audited
March	June
2014	2013
------(Rupees '000s)-----	

6. INTANGIBLE ASSETS

6.1	Intangible - net book value	6.2 & 6.3	23,308	23,130
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		Un-audited	
		Nine months ended March 31, 2014	Nine months ended March 31, 2013
		------(Rupees '000s)-----	
6.2	Additions - intangibles (at cost)		
	Computer Software	8,488	5,289
6.3	Amortisation charge during the period	8,310	9,006

Notes To The Condensed Interim Financial Information (Un-audited) For The Nine Months Ended March 31, 2014

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 grey 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	
	For the nine months ended							
	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013
	------(Rupees '000s)-----							
Sales	7,616,937	7,876,359	19,827,261	14,752,292	(3,500,116)	(1,318,487)	23,944,082	21,310,164
Cost of sales	6,961,928	7,055,178	15,913,791	12,287,110	(3,500,116)	(1,318,487)	19,375,603	18,023,801
Gross profit	655,009	821,181	3,913,470	2,465,182	-	-	4,568,479	3,286,363
Distribution and Administrative expenses	175,103	199,360	2,179,538	1,650,698			2,354,641	1,850,058
Profit before tax and before charging following	479,906	621,821	1,733,932	814,484	-	-	2,213,838	1,436,305
Financial charges							962,328	918,216
Other operating expenses							162,608	41,826
Other operating income							(93,988)	(24,968)
Taxation							179,723	127,983
Profit after taxation							1,003,167	373,248

7.2 Segment assets and liabilities

	SPINNING		PROCESSING		UNALLOCATED		TOTAL	
	March 2014	June 2013	March 2014	June 2013	March 2014	June 2013	March 2014	June 2013
Assets	7,210,595	5,574,899	17,678,384	13,668,112	2,516,860	1,945,919	27,405,839	21,188,930
Liabilities	1,084,855	815,183	6,229,205	4,680,756	13,660,110	10,264,489	20,974,170	15,760,248

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. 6,594 million (March-2013 Rs. 3,709 million).

**Notes To The Condensed Interim Financial Information (Un-audited)
For The Nine Months Ended March 31, 2014**

7.5 Information by geographical area

	Revenue		Non-current assets	
	March 2014	March 2013	March 2014	June 2013
	(Rupees '000s)			
Pakistan	8,243,304	8,893,175	7,863,489	7,208,615
Germany	4,728,988	2,166,656	-	-
United Kingdom	1,700,866	2,287,229	-	-
United States	1,891,354	1,413,856	-	-
China	1,502,607	1,478,952	-	-
France	1,185,047	827,314	-	-
Netherland	966,072	768,682	-	-
United Arab Emirates	164,767	187,061	58,450	58,450
Other Countries	3,561,077	3,287,240	-	-
	23,944,082	21,310,165	7,921,939	7,267,065

8. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Company	Nature of transactions	March 31, 2014	March 31, 2013
		(Rupees '000s)	
Subsidiaries	Purchase of goods	-	42,996
	Sale of goods	135,743	619,597
	Commission paid	77,364	39,364
Associated Companies & other related parties	Purchase of goods	76,462	54,302
	Sale of goods	-	650
	Rent paid	5,400	5,400
	Fees paid	1,375	1,250
	Commission / Rebate received	2,787	2,603
	Bills discounted	2,219,193	918,806
	Commission / Bank charges paid	27,749	18,466
	Mark-up / Interest charged	65,190	84,706
	Provident fund contribution	51,346	41,390
Relationship with the Company	Nature of Outstanding Balances	March 31, 2014	June 30, 2013
Subsidiaries	Corporate guarantee issued in favour of subsidiary Company	107,988	102,260
	Trade & other payables	19,858	62,440
	Trade & other receivables	2,548	-
	Long term investment	58,450	58,450
	Trade debts	23,699	35,147
Associated Companies & other related parties	Deposit with bank	114,012	35,341
	Borrowing from bank	908,880	1,238,406
	Bank guarantee	557,241	268,628
	Trade & other payables	13,965	11,389
	Accrued mark-up	6,281	17,942
	Advances to suppliers	3,688	1,534
	Loans to key management personnel	15,128	2,074

Notes To The Condensed Interim Financial Information (Un-audited) For The Nine Months Ended March 31, 2014

There are no transactions with the Directors of the Company and key management personnel other than those under the terms of employment for the period ended Mar-2014 amounting to Rs. 18 million and Rs. 385 million (Mar-2013: Rs. 19 million and Rs. 293 million) respectively on account of remuneration.

9. DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on April 28, 2014 by the Board of Directors of the Company.

10. GENERAL

Allocations for the workers' profit participation fund, workers' welfare fund and taxation are provisional and final liability including liability for deferred taxation will be determined on the basis of annual results.

Figures have been rounded off to the nearest thousand rupees.

11. CORRESPONDING FIGURES

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

Reclassification from component	Reclassification to component	Amount (Rupees '000s)
Cost Of Sales	Distribution Cost	
Staff Cost	Staff Cost	20,089
Cost Of Sales	Administrative Expenses	
Fuel, power and water	Utilities	54,270
Sales	Other Operating Expenses	
Direct export	Exchange loss on realisation of export receivables	2,137

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



Consolidated Accounts

***Consolidated Condensed Interim Financial Information
For The Nine Months Ended March 31, 2014***

**Condensed Interim Consolidated
Balance Sheet
As at March 31, 2014**

	Note	Un-Audited March 31, 2014	Audited June 30, 2013
----- (Rs. 000s) -----			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 400,000,000 ordinary shares of Rs.10 each		4,000,000	2,000,000
Issued, subscribed and paid-up capital		1,828,182	1,523,486
Reserves		3,684,903	3,268,511
Unappropriated profit		1,120,443	824,837
		6,633,528	5,616,834
NON-CURRENT LIABILITIES			
Long term financing		2,263,304	2,154,999
Deferred Liabilities			
Deferred taxation - net		331,526	326,526
Staff retirement benefits		42,550	40,303
		374,076	366,829
CURRENT LIABILITIES			
Trade and other payables		6,056,749	4,248,013
Accrued mark-up		200,004	191,792
Short term borrowings - secured		11,541,741	8,290,416
Current maturity of long term financing		631,511	561,938
		18,430,005	13,292,159
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		27,700,913	21,430,821
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	7,765,224	7,144,238
Intangible assets	6	26,280	27,242
Long term loans and advances		10,127	2,061
Long term deposits		74,462	51,312
		7,876,093	7,224,853
CURRENT ASSETS			
Stores, spare parts and loose tools		963,746	723,435
Stock-in-trade		13,656,350	9,673,821
Trade debts		2,926,573	2,702,373
Loans and advances		672,598	352,058
Short term prepayments		273,363	46,718
Income tax refundable - payment less provision		118,141	189,596
Other receivables		302,104	177,592
Tax refunds due from Government		592,020	231,018
Cash and bank balances		319,925	109,357
		19,824,820	14,205,968
TOTAL ASSETS		27,700,913	21,430,821

The annexed notes 1 to 11 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 (Un-audited)
For The Nine Months Ended March 31, 2014**

	Quarter ended		Nine months ended	
	January to March 2014	January to March 2013	July to March 2014	July to March 2013
	(Rupees '000s)			
Sales	8,544,796	8,234,328	24,461,093	21,576,220
Cost of sales				
Opening stock of finished goods	8,308,416	6,596,088	6,947,622	5,012,308
Cost of goods manufactured	5,776,242	6,146,826	17,396,944	16,345,567
Purchases and processing charges	1,731,901	1,765,346	4,366,147	4,420,221
Closing stock of finished goods	(9,003,242)	(7,619,734)	(9,003,242)	(7,619,734)
	6,813,317	6,888,526	19,707,471	18,158,362
Gross profit	1,731,479	1,345,802	4,753,622	3,417,858
Distribution cost	569,800	392,910	1,396,487	1,060,503
Administrative expenses	388,147	316,602	1,134,068	901,307
Other operating expenses	8,879	12,563	162,726	41,826
	966,826.00	722,075	2,693,281	2,003,636
	764,653	623,727	2,060,341	1,414,222
Other income	14,185	3,007	93,988	25,127
Operating profit	778,838	626,734	2,154,329	1,439,349
Finance cost	228,500	347,575	974,218	923,721
Profit before taxation	550,338	279,159	1,180,111	515,628
Provision for taxation	77,699	70,138	179,809	129,154
Profit after taxation	472,639	209,021	1,000,302	386,474
Earning per share - basic and diluted (Rs.)	2.59	Re-Stated 1.14	5.47	Re-Stated 2.11

The annexed notes 1 to 11 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 (Un-audited)
For The Nine Months Ended March 31, 2014**

	Quarted ended		Nine months ended	
	January to March 2014	January to March 2013	July to March 2014	July to March 2013
	------(Rupees '000s)-----			
Profit after taxation	472,639	209,021	1,000,302	386,474
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit and loss				
Foreign currency translation differences - Foreign operations	(5,885)	367	16,392	9,134
Total comprehensive income	466,754	209,388	1,016,694	395,608

The annexed notes 1 to 11 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 (Un-audited)
For The Nine Months Ended March 31, 2014**

	Nine months ended	
	March 31, 2014	March 31, 2013
	----- (Rs. 000s) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,180,111	515,628
Adjustments for:		
Depreciation	624,500	558,043
Amortisation	10,137	10,625
Provision for gratuity	19,016	14,992
Finance cost	974,218	923,721
Provision for slow moving/obsolete items	11,258	9,216
Provision for doubtful debts	23,319	22,369
Profit on sale of property, plant and equipment	(85,336)	(16,327)
Cash flows from operating activities before adjustments of working capital changes	2,757,223	2,038,267
Changes in working capital:		
Increase in current assets		
Stores, spares and loose tools	(251,570)	(23,966)
Stock-in-trade	(3,982,529)	(4,643,630)
Trade debts	(247,520)	(876,696)
Loans and advances	(320,540)	(332,237)
Short term prepayments	(226,645)	(74,795)
Other receivables	(124,512)	(1,176)
Tax refunds due from government	(361,002)	(85,983)
	(5,514,318)	(6,038,483)
Increase in current liabilities		
Trade and other payables	1,808,736	1,068,635
	(3,705,582)	(4,969,848)
Cash used in operations	(948,359)	(2,931,581)
Gratuity paid	(16,769)	(12,254)
Finance cost paid	(966,006)	(857,811)
Income tax paid	(103,354)	(241,875)
(Increase)/decrease in long term loans and advances	(8,066)	1,309
Increase in long term deposits	(23,150)	(1,715)
Net cash used in operating activities	(2,065,704)	(4,043,927)



	Nine months ended	
	March 31, 2014	March 31, 2013
------(Rupees '000s)-----		
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,264,098)	(872,752)
Addition to intangible assets	(9,175)	(6,363)
Proceeds from sale of property, plant and equipment	103,948	66,629
Net cash used in investing activities	(1,169,325)	(812,486)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	547,173	532,791
Repayments of long term financing	(369,295)	(550,895)
Proceeds from issue of right shares	-	253,914
Net cash generated from financing activities	177,878	235,810
Exchange difference on translation of foreign subsidiaries	16,392	9,134
Net decrease in cash and cash equivalents	(3,040,758)	(4,611,469)
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	(11,221,817)	(11,821,271)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprises of :		
Cash and bank balances	319,924	185,335
Short term borrowings	(11,541,741)	(12,006,606)
	<u>(11,221,817)</u>	<u>(11,821,271)</u>

The annexed notes 1 to 11 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 (Un-audited)
For The Nine Months Ended March 31, 2014**

	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	-
Transaction with owners						
Issuance of Right shares for the year ended June 30, 2012	253,915	-	-	-	-	253,915
Total comprehensive income						
Profit for the nine months ended March 31, 2013	-	-	-	-	386,474	386,474
Other comprehensive income	-	-	9,134	-	-	9,134
Total comprehensive income for the period	-	-	9,134	-	386,474	395,608
Balance as at March 31, 2013	1,523,486	3,180,000	76,225	10,146	512,716	5,302,573
Transfer to statutory reserve	-	-	-	209	(209)	-
Total comprehensive income						
Profit for the period April 1, 2013 to June 30, 2013	-	-	-	-	312,330	312,330
Other comprehensive income	-	-	1,931	-	-	1,931
Total comprehensive income for the period	-	-	1,931	-	312,330	314,261
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 for the year ended June 30, 2013	304,696	-	-	-	(304,696)	-
Total comprehensive income						
Profit for the nine months ended March 31, 2014	-	-	-	-	1,000,302	1,000,302
Other comprehensive income	-	-	16,392	-	-	16,392
Total comprehensive income for the period	-	-	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

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

Notes to the Condensed Interim Consolidated Accounts (Un-audited) For The Nine Months Ended March 31, 2014

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 March 31, 2014 and the related consolidated profit and loss account, consolidated cash flow statement and statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.



These consolidated condensed interim financial information of the Group for the nine months ended March 31, 2014 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These consolidated condensed interim financial information comprise of the consolidated condensed interim balance sheet as at March 31, 2014 and the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity for the nine months ended March 31, 2014.

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 nine months ended March 31, 2014 have been extracted from the consolidated condensed interim financial information of the Group for the nine months ended March 31, 2013.

3 ACCOUNTING POLICIES

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

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. However since there is no effect of actuarial gain/loss in the provision for gratuity for both the current and comparative period so the impact of the change is not material on these condensed interim financial information.



**Notes to the Condensed Interim Consolidated Accounts (Un-audited)
For The Nine Months Ended March 31, 2014**

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. 626 million (June-2013: Rs. 332 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 557 million (June-2013: Rs. 269 million)
- (b) Post dated cheques Rs. 469 million (June-2013: Rs.182 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 1,560 million (June-2013: Rs. 2,216 million)
- (d) Corporate guarantee of Rs. 107.988 million (June-2013: Rs. 102.260 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:

Note	Un-Audited	Audited
	March 2014	June 2013
----- (Rs. 000s) -----		
- Capital expenditure	625,049	410,025
- Non capital expenditure items under letters of credits	2,351,081	578,754
	<u>2,976,130</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	295,351	262,090
More than one year but not more than five years	1,179,455	994,498
More than five years	672,418	600,930
	<u>2,147,224</u>	<u>1,857,518</u>

Un-Audited	Audited
March 2014	June 2013
----- (Rs. 000s) -----	

5 PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	5.1 & 5.2	7,445,989	6,918,925
Capital work in progress - at cost	5.4	319,235	225,313
		<u>7,765,224</u>	<u>7,144,238</u>

	Un-audited	
	Nine months ended March 31, 2014	Nine months ended March 31, 2013
	------(Rupees '000s)-----	
5.1 Additions during the period:		
Buildings and structures on leasehold land	52,121	6,140
Plant and machinery	955,709	490,886
Office equipment	26,700	20,282
Furniture and fixtures	2,584	4,310
Vehicles	133,062	58,350
	1,170,176	579,968

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. 45 million, Rs. 797 million and Rs. 4 million (March 31, 2013: Rs. 4 million, Rs. 426 million and Rs. Nil)

	Note	Un-audited	
		Nine months ended March 31, 2014	Nine months ended March 31, 2013
		------(Rupees '000s)-----	
5.2 Disposals - operating fixed assets (at net book value)			
Land		6,543	-
Plant and machinery		3,434	46,661
Office equipment		-	32
Vehicles		8,635	3,609
		18,612	50,302

5.3 Depreciation charge during the period		624,500	558,043
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5.4 Additions - capital work in progress (at cost)			
Machinery		835,155	631,804
Building		94,531	75,821
Others		10,167	14,843
		939,853	722,468

	Un-Audited	Audited
	March	June
	2014	2013
	----- (Rs. 000s) -----	

6 INTANGIBLE ASSETS

6.1 Intangible - net book value	6.2 & 6.3	26,280	27,242
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	Un-audited	
	Nine months ended March 31, 2014	Nine months ended March 31, 2013
	------(Rupees '000s)-----	
6.2 Additions - intangibles (at cost)		
Computer Software	9,175	6,363
6.3 Amortisation charge during the period	10,137	10,625

7 SEGMENT INFORMATION

The Group has the following three reportable business segments:

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

Transactions among the business segments are recorded at cost.

7.1 Segmental Profitability

	SPINNING		PROCESSING		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		ELIMINATION OF INTER SEGMENT TRANSACTION		TOTAL COMPANY	
	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013	March 2014	March 2013
	For the nine months ended													
	(Rs. 000s)													
Sales	7,616,937	7,876,359	19,827,260	14,752,293	551,163	384,893	72,117	570,127	26,004	11,452	(3,632,388)	(2,018,904)	24,461,093	21,576,220
Cost of Sales	(6,961,928)	(7,055,178)	(15,913,791)	(12,287,111)	(446,771)	(310,181)	(15,358)	(528,548)	(4,828)	-	3,635,205	2,022,656	(19,707,471)	(18,158,362)
Gross Profit	655,009	821,181	3,913,469	2,465,182	104,392	74,712	56,759	41,579	21,176	11,452	2,817	3,752	4,753,622	3,417,858
Distribution and Administrative expenses	175,103	199,360	2,179,538	1,650,698	92,408	60,763	76,221	39,175	30,561	11,814	(23,276)	-	2,530,555	1,961,810
Profit before tax and before charging following	479,906	621,821	1,733,931	814,484	11,984	13,949	(19,462)	2,404	(9,385)	(362)	26,093	3,752	2,223,067	1,456,048
Financial charges													974,218	923,721
Other operating expenses													162,726	41,826
Other Income													(93,988)	(25,127)
Taxation													179,809	129,154
													1,222,765	1,069,574
Profit after taxation													1,000,302	386,474

7.2 Segment assets and liabilities

	Spinning		Processing		Gul Ahmed International Limited		GTM (Europe) Limited UK		GTM USA Corp.		UNALLOCATED		Total Company	
	March 2014	June 2013	March 2014	June 2013	March 2014	June 2013	March 2014	June 2013	March 2014	June 2013	March 2014	June 2013	March 2014	June 2013
	(Rs. 000s)													
Assets	7,210,595	5,574,661	17,597,966	13,572,109	355,650	298,233	6,616	31,394	13,227	8,254	2,516,859	1,946,170	27,700,913	21,430,821
Liabilities	1,065,122	817,448	6,229,207	4,618,003	105,923	80,422	5,578	38,908	1,447	2,032	13,660,108	10,257,174	21,067,385	15,813,987

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

7.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 4,091 million (March 2013 Rs. 2,346 million).

7.5 Information by geographical area

	Revenue		Non-current assets	
	March	March	March	June
	2014	2013	2014	2013
	------(Rs. 000s)-----			
Pakistan	8,320,668	9,753,144	7,862,913	7,208,615
Germany	4,728,988	2,166,656	-	-
United Kingdom	1,703,571	2,280,148	3,081	3,895
United States	1,891,238	1,413,856	334	3,161
China	1,502,607	1,478,952	-	-
Netherland	1,185,047	768,682	-	-
France	966,072	831,000	-	-
United Arab Emirates	601,825	391,529	9,765	9,182
Other Countries	3,561,077	2,492,253	-	-
Total	24,461,093	21,576,220	7,876,093	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	March 31,	March 31,
		2014	2013
		------(Rupees '000s)-----	
Associated Companies and Other related parties	Purchase of goods	76,462	54,302
	Sales of goods	-	650
	Rent paid	5,400	5,400
	Fees paid	1,375	1,250
	Commission / Rebate received	2,787	2,603
	Bills discounted	2,219,193	918,806
	Commission / Bank charges paid	27,749	18,466
	Mark-up / Interest charged	65,190	84,706
	Provident fund contribution	51,346	41,390
Relationship with the Company	Nature of Outstanding Balances	March 31,	June 30,
		2014	2013
Associated companies and others related parties	Deposit with bank	114,012	35,341
	Borrowing from Bank	908,880	1,238,406
	Bank guarantee	557,241	268,628
	Trade & other payables	13,965	11,389
	Accrued mark up	6,281	17,942
	Advances to suppliers	3,688	1,534
	Loans to key management personnel	15,128	2,074

There are no transactions with the Directors of the Group and key management personnel other than those under the terms of employment for the period ended March-2014 amounting to Rs. 18 million and Rs. 449 million (March-2013: Rs. 19 million and Rs. 344 million) respectively on account of remuneration.

9 DATE OF AUTHORISATION

These condensed interim consolidated financial information were authorised for issue on April 28, 2014 by the Board of Directors of the Group.

10 GENERAL

Allocations for the workers' profit participation fund, workers' welfare fund and taxation are provisional and final liability including liability for deferred taxation will be determined on the basis of annual results.

Figures have been rounded off to the nearest thousand rupees.

11 CORRESPONDING FIGURES

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

Reclassification from component	Reclassification to component	Amount Rs.000
Cost Of Sales	Distribution Cost	
Staff Cost	Staff Cost	20,089
Cost Of Sales	Administrative Expenses	
Fuel, power and water	Utilities	54,270
Sales	Other Operating Expenses	
Direct export	Exchange loss on realisation of export receivables	2,137

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

