



Half Yearly Report

*Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended December 31, 2012*

Company Information

| | | |
|--------------------------------|---|--|
| BOARD OF DIRECTORS | MOHOMED BASHIR ZAIN BASHIR ZIAD BASHIR MOHAMMED ZAKI BASHIR ABDUL AZIZ YOUSUF S.M. NADIM SHAFIQULLAH ABDUL RAZAK BRAMCHARI DR. AMJAD WAHEED ADNAN AFRIDI | - 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 |
| CHIEF FINANCIAL OFFICER | MOHAMMED SALEEM SATTAR | |
| COMPANY SECRETARY | MOHAMMED SALIM GHAFFAR | |
| AUDIT COMMITTEE | S.M. NADIM SHAFIQULLAH ZAIN BASHIR MOHAMMED ZAKI BASHIR MOHAMMED SALIM GHAFFAR | - Chairman & Member - Member - Member - Secretary |
| BANKERS | ALLIED BANK LIMITED BANK AL HABIB LIMITED BARCLAYS BANK PLC PAKISTAN BANK ALFALAH LIMITED - ISLAMIC BANKING 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 1ST FLOOR, STATE LIFE BUILDING NO. 1-A OFF: I.I. CHUNDRIGAR ROAD, KARACHI-74000 PHONE NO. (021)32427012,32426597 & 32425467 FAX NO. (021)32426752 | |
| MILLS | LANDHI INDUSTRIAL AREA KARACHI-75120 | |
| E-MAIL | finance@gulahmed.com | |
| URL | www.gulahmed.com | |



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, 2012 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, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

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, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi:
February 27, 2013

HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
ENGAGEMENT PARTNER: SHAIKH MOHAMMAD TANVIR

Condensed Interim Balance Sheet
As at December 31, 2012

| | Un-audited December 31, 2012 | Audited June 30, 2012 |
|---|------------------------------------|--------------------------|
| | ------(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>1,500,000</u> |
| Issued, subscribed and paid-up capital | 1,269,571 | 1,269,571 |
| Reserves | 3,180,000 | 3,430,000 |
| Unappropriated profit/(accumulated loss) | <u>194,201</u> | <u>(227,062)</u> |
| | <u>4,643,772</u> | <u>4,472,509</u> |
| Right shares application money | <u>139,959</u> | - |
| | <u>4,783,731</u> | <u>4,472,509</u> |
| NON-CURRENT LIABILITIES | | |
| Long term financing | 1,965,453 | 2,096,432 |
| Deferred Liabilities | | |
| Deferred taxation | <u>270,969</u> | <u>273,969</u> |
| Staff Retirement benefits | <u>21,188</u> | <u>23,894</u> |
| | <u>292,157</u> | <u>297,863</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | <u>3,653,469</u> | <u>2,702,707</u> |
| Accrued Mark-up | <u>240,847</u> | <u>185,895</u> |
| Short term borrowings | <u>10,442,629</u> | <u>7,289,065</u> |
| Current maturity of long term financing | <u>610,986</u> | <u>664,636</u> |
| Provision for Income tax - net of payment | <u>-</u> | <u>9,651</u> |
| | <u>14,947,931</u> | <u>10,851,954</u> |
| TOTAL EQUITY AND LIABILITIES | <u>21,989,272</u> | <u>17,718,758</u> |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 6,750,843 | 6,828,920 |
| Intangible assets | 25,112 | 26,535 |
| Long term investment | 58,450 | 58,450 |
| Long term loans and advances | 1,873 | 2,900 |
| Long term deposits | <u>50,231</u> | <u>47,801</u> |
| | <u>6,886,509</u> | <u>6,964,606</u> |
| CURRENT ASSETS | | |
| Stores,spares and loose tools | <u>809,879</u> | <u>739,986</u> |
| Stock-in-trade | <u>9,875,660</u> | <u>7,415,451</u> |
| Trade debts | <u>3,299,506</u> | <u>2,074,159</u> |
| Loans and advances | <u>358,333</u> | <u>169,612</u> |
| Income tax payments less provision | <u>40,578</u> | - |
| Short term prepayments | <u>96,346</u> | <u>27,361</u> |
| Other receivables | <u>251,789</u> | <u>182,699</u> |
| Tax refunds due from government | <u>59,631</u> | <u>24,871</u> |
| Cash and bank balances | <u>311,041</u> | <u>120,013</u> |
| | <u>15,102,763</u> | <u>10,754,152</u> |
| TOTAL ASSETS | <u>21,989,272</u> | <u>17,718,758</u> |

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

Condensed Interim Profit and Loss Account (Un-audited)
For The Half Year Ended December 31, 2012

| | Quarted ended | | Half year ended | |
|---|--------------------------------|--------------------------------|-----------------------------|-----------------------------|
| | October to December 2012 | October to December 2011 | July to December 2012 | July to December 2011 |
| ------(Rupees '000s)----- | | | | |
| Sales | 7,363,929 | 5,962,807 | 13,163,171 | 11,658,362 |
| Cost of sales | | | | |
| Opening stock of finished goods | 5,622,173 | 6,356,139 | 4,945,924 | 6,216,883 |
| Cost of goods manufactured | 5,452,567 | 4,263,158 | 10,259,690 | 8,883,660 |
| Purchases and processing charges | 1,720,402 | 414,466 | 2,490,473 | 907,166 |
| Closing stock of finished goods | (6,453,998) | (5,861,624) | (6,453,998) | (5,861,624) |
| | 6,341,144 | 5,172,139 | 11,242,089 | 10,146,085 |
| Gross profit | 1,022,785 | 790,668 | 1,921,082 | 1,512,277 |
| Distribution cost | 344,826 | 299,745 | 640,698 | 536,579 |
| Administrative expenses | 256,541 | 225,635 | 482,739 | 439,304 |
| Other operating expenses | 11,415 | - | 19,606 | - |
| | 612,782 | 525,380 | 1,143,043 | 975,883 |
| | 410,003 | 265,288 | 778,039 | 536,394 |
| Other operating income | 15,790 | 4,049 | 22,120 | 9,764 |
| Operating profit | 425,793 | 269,337 | 800,159 | 546,158 |
| Finance cost | 305,024 | 338,031 | 569,896 | 667,822 |
| Profit/(loss) before taxation | 120,769 | (68,694) | 230,263 | (121,664) |
| Provision for taxation | 15,459 | 58,441 | 59,000 | 115,454 |
| Profit/(loss) after taxation | 105,310 | (127,135) | 171,263 | (237,118) |
| ------(Rupees)----- | | | | |
| Earnings/(loss) per share - basic and diluted (Rs.) | 0.83 | (1.00) | 1.35 | (1.87) |

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

**Condensed Interim Statement Of Comprehensive Income (Un-audited)
For The Half Year Ended December 31, 2012**

| | Quarted ended | | Half year ended | |
|------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|
| | October to December 2012 | October to December 2011 | July to December 2012 | July to December 2011 |
| | ------(Rupees '000s)----- | | | |
| Profit/(loss) after taxation | 105,310 | (127,135) | 171,263 | (237,118) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 105,310 | (127,135) | 171,263 | (237,118) |

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

Condensed Interim Cash Flow Statement (Un-audited) For The Half Year Ended December 31, 2012

| | Half year ended | |
|--|----------------------|----------------------|
| | December 31, 2012 | December 31, 2011 |
| ------(Rupees '000s)----- | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before taxation | 230,263 | (121,664) |
| Adjustments for: | | |
| Depreciation | 365,398 | 355,861 |
| Amortisation | 5,593 | 6,818 |
| Provision for gratuity | 5,055 | 1,503 |
| Finance cost | 569,896 | 667,822 |
| Provision for slow moving/obsolete items | 6,144 | 5,152 |
| Provision for doubtful debts | 14,913 | 14,600 |
| Profit on sale of property, plant and equipment | (15,563) | (5,690) |
| | 1,181,699 | 924,402 |
| Changes in working capital: | | |
| (Increase)/decrease in current assets | | |
| Stores, spares and loose tools | (76,036) | (19,155) |
| Stock-in-trade | (2,460,209) | 862,357 |
| Trade debts | (1,240,260) | (414,339) |
| Loans and advances | (188,721) | (185,088) |
| Prepayments | (68,985) | (56,928) |
| Other receivables | (69,090) | (37,606) |
| Tax refunds due from government | (34,760) | (3,809) |
| | (4,138,061) | 145,432 |
| Increase in current liabilities | | |
| Trade and other payables | 950,762 | 474,997 |
| | (3,187,299) | 620,429 |
| Cash (used in)/generated from operations | (2,005,600) | 1,544,831 |
| Payments for: | | |
| Gratuity | (7,761) | (3,023) |
| Finance cost | (514,944) | (651,821) |
| Income tax paid | (112,229) | (85,761) |
| Long term loans and advances | 1,027 | (597) |
| Long term deposits | (2,430) | (7,791) |
| Net cash (used in)/generated from operating activities | (2,641,937) | 795,838 |

| Half year ended | |
|---------------------------|----------------------|
| December 31, 2012 | December 31, 2011 |
| ------(Rupees '000s)----- | |

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|---|-----------|-----------|
| Addition to property, plant and equipment | (336,824) | (369,386) |
| Addition to intangible assets | (4,170) | (2,020) |
| Proceeds from sale of property, plant and equipment | 65,065 | 15,058 |
| Net cash used in investing activities | (275,929) | (356,348) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | | |
|-------------------------------|-----------|-----------|
| Long term loans acquired | 164,367 | 166,909 |
| Repayments of long term loans | (348,996) | (306,552) |
| Right shares subscription | 139,959 | - |

| | | |
|---------------------------------------|----------|-----------|
| Net cash used in financing activities | (44,670) | (139,643) |
|---------------------------------------|----------|-----------|

| | | |
|--|--------------------|---------|
| Net (decreas)/increase in cash and cash equivalents | (2,962,536) | 299,847 |
|--|--------------------|---------|

| | | |
|---|--------------------|-------------|
| Cash and cash equivalents - at the beginning of the period | (7,169,052) | (9,675,835) |
|---|--------------------|-------------|

| | | |
|---|---------------------|-------------|
| Cash and cash equivalents - at the end of the period | (10,131,588) | (9,375,988) |
|---|---------------------|-------------|

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of :

| | | |
|------------------------|---------------------|--------------------|
| Cash and bank balances | 311,041 | 75,140 |
| Short term borrowings | (10,442,629) | (9,451,128) |
| | (10,131,588) | (9,375,988) |

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

Condensed Interim Statement of Changes in Equity (Un-audited)
For the Half Year Ended December 31, 2012

| | Share capital | Revenue reserve | Capital reserve | Reserve for Issue of bonus share | Un-appropriated profit | Total |
|---|------------------|------------------|-----------------|----------------------------------|------------------------|------------------|
| (Rupees '000s) | | | | | | |
| Balance as at June 30, 2011 | 634,785 | 2,430,000 | 450,446 | - | 1,197,642 | 4,712,873 |
| Transfer to reserve for issue of bonus shares | - | - | (450,446) | 634,786 | (184,340) | - |
| Transfer to revenue reserve | - | 1,000,000 | - | - | (1,000,000) | - |
| Transaction with owners | | | | | | |
| Issuance of bonus shares for the year ended June 30, 2011 | 634,786 | - | - | (634,786) | - | - |
| Total comprehensive income | | | | | | |
| Loss for the half year ended December 31, 2011 | - | - | - | - | (237,118) | (237,118) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (237,118) | (237,118) |
| Balance as at December 31, 2011 | 1,269,571 | 3,430,000 | - | - | (223,816) | 4,475,755 |
| Total comprehensive income | | | | | | |
| Loss for the year | - | - | - | - | (3,246) | (3,246) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (3,246) | (3,246.00) |
| Balance as at June 30, 2012 | 1,269,571 | 3,430,000 | - | - | (227,062) | 4,472,509 |
| Transfer to revenue reserve | - | (250,000) | - | - | 250,000 | - |
| Total comprehensive income | | | | | | |
| Profit for the half year ended December 31, 2012 | - | - | - | - | 171,263 | 171,263 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 171,263 | 171,263 |
| Balance as at December 31, 2012 | 1,269,571 | 3,180,000 | - | - | 194,201 | 4,643,772 |
| Right shares application money | | | | | | 139,959 |
| | | | | | | 4,783,731 |

The annexed notes 1 to 10 form an integral part of these condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

Notes To The Condensed Interim Financial Information (Un-audited) For The Half Year Ended December 31, 2012

1. THE COMPANY 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, 2012 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, 2012 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, 2012 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, 2012 as the same is not subjected to review.

The comparatives balance sheet, presented in these condensed interim financial information, as at June 30, 2012 has been extracted from the audited financial statements of the Company for the year ended June 30, 2012 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, 2011 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, 2011 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, 2012.

4. CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2012 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.267 million (June-2012: Rs.260 million) were outstanding.
- (b) Post dated cheques Rs. 171 million (June-2012: Rs. 153 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 886 million (June-2012: Rs. 1,731 million)
- (d) Corporate guarantee of Rs. 104.085 million (June-2012: Rs. 96.420 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, 2012

Commitments

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

| | December 31, 2012 | June 30, 2012 |
|--|---------------------------|------------------|
| | ------(Rupees '000s)----- | |
| - Capital expenditure | 545,791 | 196,876 |
| - Non capital expenditure items under letters of credits | 2,195,047 | 373,728 |
| | 2,740,838 | 570,604 |

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets

Opening book value 6,606,533 6,582,082

Additions during the period:

| | | |
|--|----------------|----------------|
| Buildings and structures on leasehold land | 3,025 | 98,876 |
| Plant and machinery | 421,964 | 531,789 |
| Office equipment | 8,138 | 51,563 |
| Furniture and fixtures | 1,978 | 6,490 |
| Vehicles | 31,508 | 99,020 |
| | 466,613 | 787,738 |

Book values of assets disposed-off during the period

| | | |
|---------------------|-----------------|-----------------|
| Plant and machinery | (46,661) | (4,200) |
| Office equipment | (32) | (2,440) |
| Vehicles | (2,809) | (14,668) |
| | (49,502) | (21,308) |

Depreciation charge for the period (365,398) (741,979)

Book value of operating fixed assets **6,658,246** **6,606,533**

Capital work in progress

Opening **222,387** **71,643**

| | | |
|----------------------|----------------|----------------|
| Addition - Machinery | 219,499 | 716,067 |
| - Building | 29,793 | 64,895 |
| - Others | 12,844 | 9,302 |
| | 262,136 | 790,264 |

| | | |
|-------------------------|------------------|------------------|
| Transferred - Machinery | (391,926) | (540,890) |
| - Building | - | (82,617) |
| - Others | - | (16,013) |
| | (391,926) | (639,520) |

Closing **92,597** **222,387**

Book Value of property, plant and equipment **6,750,843** **6,828,920**

6. INTANGIBLE ASSETS

| | | |
|------------------------------------|---------------|---------------|
| Opening book value | 26,535 | 38,630 |
| Additions during the period | 4,170 | 746 |
| Amortisation charge for the period | (5,593) | (12,841) |
| Closing net book value | 25,112 | 26,535 |

Notes To The Condensed Interim Financial Information (Un-audited) For The Half Year Ended December 31, 2012

7. SEGMENT INFORMATION

The Company has the following two reportable business segments:

- Spinning:** Production of different qualities of yarn using both natural and artificial fibers
- Processing:** Production of 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 | |
|--|------------------|------------------|------------------|------------------|---|------------------|-------------------|------------------|
| | December 2012 | December 2011 | December 2012 | December 2011 | December 2012 | December 2011 | December 2012 | December 2011 |
| For the half year ended | | | | | | | | |
| ------(Rupees '000s)----- | | | | | | | | |
| Sales | 5,187,057 | 4,850,003 | 8,921,505 | 9,146,668 | (945,391) | (2,338,309) | 13,163,171 | 11,658,362 |
| Cost of Sales | 4,755,351 | 4,872,806 | 7,432,129 | 7,611,588 | (945,391) | (2,338,309) | 11,242,089 | 10,146,085 |
| Gross Profit | 431,706 | (22,803) | 1,489,376 | 1,535,080 | - | - | 1,921,082 | 1,512,277 |
| Administrative & selling expenses | 119,159 | 57,939 | 1,004,278 | 917,944 | | | 1,123,437 | 975,883 |
| Profit/(loss) before tax and before charging following | 312,547 | (80,742) | 485,098 | 617,136 | - | - | 797,645 | 536,394 |
| Financial charges | | | | | | | 569,896 | 667,822 |
| Other operating expenses | | | | | | | 19,606 | - |
| Other operating income | | | | | | | (22,120) | (9,764) |
| Taxation | | | | | | | 59,000 | 115,454 |
| Profit/(loss) after taxation | | | | | | | 171,263 | (237,118) |

7.2 Segment assets and liabilities

| | SPINNING | | PROCESSING | | UNALLOCATED | | TOTAL | |
|-------------|------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| | December 2012 | June 2012 | December 2012 | June 2012 | December 2012 | June 2012 | December 2012 | June 2012 |
| Assets | 6,471,642 | 5,214,791 | 13,661,190 | 11,008,064 | 1,856,440 | 1,495,903 | 21,989,272 | 17,718,758 |
| Liabilities | 1,534,315 | 1,181,037 | 4,455,164 | 3,429,356 | 11,216,062 | 8,635,856 | 17,205,541 | 13,246,249 |

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

Notes To The Condensed Interim Financial Information (Un-audited) For The Half Year Ended December 31, 2012

7.4 Information by geographical area

| | Revenue | | Non-current assets | |
|----------------------|-------------------|-------------------|--------------------|------------------|
| | December 2012 | December 2011 | December 2012 | June 2012 |
| | (Rupees '000s) | | | |
| Pakistan | 5,241,299 | 4,561,305 | 6,828,059 | 6,906,156 |
| Germany | 1,385,568 | 1,270,521 | - | - |
| United Kingdom | 1,172,951 | 1,469,234 | - | - |
| United States | 917,460 | 802,136 | - | - |
| China | 862,709 | 841,446 | - | - |
| France | 563,788 | 447,560 | - | - |
| Netherland | 537,671 | 496,989 | - | - |
| United Arab Emirates | 102,413 | 242,117 | 58,450 | 58,450 |
| Other Countries | 2,379,312 | 1,527,054 | - | - |
| | 13,163,171 | 11,658,362 | 6,886,509 | 6,964,606 |

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, 2012 | December 31, 2011 |
|---|--|------------------------------|--------------------------|
| | | (Rupees '000s) | |
| Subsidiaries | Purchase of goods | 120 | 381 |
| | Sale of goods | 457,632 | 802,943 |
| Associated Companies & other related parties | Purchase of goods | 29,712 | 22,153 |
| | Sale of goods | 650 | 1,283 |
| | Rent paid | 3,600 | 2,910 |
| | Fees paid | 1,250 | 1,000 |
| | Commission / Rebate received | 2,603 | 1,688 |
| | Bills discounted | 270,057 | 367,813 |
| | Commission / Bank charges paid | 9,810 | 11,719 |
| | Mark up / Interest charged | 56,498 | 57,626 |
| | Provident Fund Contribution | 26,337 | 24,699 |
| | | December 31, 2012 | June 30, 2012 |
| Outstanding Balances | Nature of balances | | |
| Subsidiaries | Corporate guarantee issued in favour of Subsidiary Company | 104,085 | 96,420 |
| | Trade & other payable | 14,606 | 2,858 |
| | Long term investment | 58,450 | 58,450 |
| | Trade debts | 215,469 | 139,703 |
| | Advance from customer | - | 15,897 |
| Associated Companies & other related parties | Deposit with bank | 206,023 | 44,498 |
| | Borrowing from bank | 1,113,900 | 1,144,905 |
| | Bank guarantee | 203,472 | 203,472 |
| | Trade & other payable | 5,874 | 12,615 |
| | Accrued Mark up | 27,312 | 26,430 |
| | Trade debts | 1,001 | 759 |
| | Loans to key management personnel | 3,174 | 5,183 |

Notes To The Condensed Interim Financial Information (Un-audited) For The Half Year Ended December 31, 2012

There are no transactions with directors of the Company and key management personnel other than those under the terms of employment for the period ending Dec 2012 amounting to Rs. 206 million (Dec 2011: Rs. 191 million) on account of remuneration.

9. DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on February 27, 2013 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.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director



Consolidated Accounts

*Consolidated Condensed Interim Financial Statements (Un-Audited)
For The Half Year Ended December 31, 2012*

Consolidated Condensed Interim Balance Sheet
As at December 31, 2012

| | Un-audited December 31, 2012 | Audited June 30, 2012 |
|---|------------------------------------|-----------------------------|
| | ------(Rupees '000s)----- | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorised capital 200,000,000 ordinary shares of Rs.10 each | 2,000,000 | 1,500,000 |
| Issued, subscribed and paid-up capital | 1,269,571 | 1,269,571 |
| Reserves | 3,266,004 | 3,507,237 |
| Unappropriated profit/ (accumulated loss) | 303,695 | (123,758) |
| | 4,839,270 | 4,653,050 |
| Right shares application money | 139,959 | - |
| | 4,979,229 | 4,653,050 |
| NON-CURRENT LIABILITIES | | |
| Long term financing | 1,965,453 | 2,096,432 |
| Deferred Liabilities | | |
| Deferred taxation | 281,467 | 284,467 |
| Staff Retirement benefits | 25,139 | 27,952 |
| | 306,606 | 312,419 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 3,735,857 | 2,703,860 |
| Accrued Mark-up | 240,847 | 185,895 |
| Short term borrowings | 10,458,951 | 7,349,525 |
| Current maturity of long term financing | 610,986 | 664,636 |
| Provision for Income tax - net of payment | - | 11,293 |
| | 15,046,640 | 10,915,209 |
| TOTAL EQUITY AND LIABILITIES | 22,297,928 | 17,977,110 |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 6,760,947 | 6,839,436 |
| Intangible assets | 28,050 | 29,465 |
| Long term loans and advances | 1,873 | 2,900 |
| Long term deposits | 50,231 | 47,801 |
| | 6,841,102 | 6,919,602 |
| CURRENT ASSETS | | |
| Stores,spares and loose tools | 809,879 | 739,986 |
| Stock-in-trade | 10,017,750 | 7,481,834 |
| Trade debts | 3,372,802 | 2,272,265 |
| Loans and advances | 363,408 | 175,611 |
| Income tax payments less provision | 40,578 | - |
| Short term prepayments | 108,341 | 39,487 |
| Other receivables | 256,072 | 182,699 |
| Tax refunds due from government | 84,450 | 25,903 |
| Cash and bank balances | 403,547 | 139,723 |
| | 15,456,827 | 11,057,508 |
| TOTAL ASSETS | 22,297,928 | 17,977,110 |

The annexed notes 1 to 10 form an integral part of these consolidated condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

**Consolidated Condensed Interim
Profit And Loss Account (Un-audited)
For The Half Year Ended December 31, 2012**

| | Quarted ended | | Half year ended | |
|--|--------------------------------|--------------------------------|-----------------------------|-----------------------------|
| | October to December 2012 | October to December 2011 | July to December 2012 | July to December 2011 |
| ------(Rupees '000s)----- | | | | |
| Sales | 7,469,907 | 6,117,234 | 13,332,235 | 11,865,878 |
| Cost of sales | | | | |
| Opening stock of finished goods | 5,713,741 | 6,475,378 | 5,012,308 | 6,312,737 |
| Cost of goods manufactured | 5,452,567 | 4,263,158 | 10,259,690 | 8,883,660 |
| Purchases and processing charges | 1,823,464 | 474,017 | 2,654,875 | 1,005,530 |
| Closing stock of finished goods | (6,596,088) | (5,939,949) | (6,596,088) | (5,939,949) |
| | 6,393,684 | 5,272,604 | 11,330,784 | 10,261,978 |
| Gross profit | 1,076,223 | 844,630 | 2,001,451 | 1,603,900 |
| Distribution cost | 348,922 | 304,383 | 649,501 | 545,403 |
| Administrative expenses | 285,832 | 252,378 | 541,849 | 488,735 |
| Other operating expenses | 11,413 | - | 19,606 | - |
| | 646,166 | 556,761 | 1,210,955 | 1,034,138 |
| | 430,057 | 287,869 | 790,495 | 569,762 |
| Other operating income | 15,635 | 4,045 | 22,120 | 10,270 |
| Operating profit | 445,692 | 291,914 | 812,615 | 580,032 |
| Finance cost | 310,744 | 347,552 | 576,146 | 687,779 |
| Profit/(loss) before taxation | 134,948 | (55,638) | 236,469 | (107,747) |
| Provision for Taxation | 15,460 | 60,360 | 59,016 | 117,766 |
| Profit/(loss) after taxation | 119,488 | (115,998) | 177,453 | (225,513) |
| ------(Rupees)----- | | | | |
| Earning/(loss) per share - basic and diluted (Rs.) | 0.94 | (0.91) | 1.40 | (1.78) |

The annexed notes 1 to 10 form an integral part of these consolidated condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

**Consolidated Condensed Interim
Statement Of Comprehensive Income (Un-audited)
For The Half Year Ended December 31, 2012**

| | Quarted ended | | Half year ended | |
|------------------------------|--------------------------------|--------------------------------|-----------------------------|-----------------------------|
| | October to December 2012 | October to December 2011 | July to December 2012 | July to December 2011 |
| | ------(Rupees '000s)----- | | | |
| Profit/(loss) after taxation | 119,488 | (115,998) | 177,453 | (225,513) |
| Other comprehensive income | 4,362 | 3,812 | 8,767 | 15,047 |
| Total comprehensive income | 123,850 | (112,186) | 186,220 | (210,466) |

The annexed notes 1 to 10 form an integral part of these consolidated condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

**Consolidated Condensed Interim
Cash Flow Statement (Un-audited)
For The Half Year Ended December 31, 2012**

| | December 31, 2012 | December 31, 2011 |
|--|---------------------------|----------------------|
| | ------(Rupees '000s)----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | 236,469 | (107,747) |
| Adjustments for: | | |
| Depreciation | 367,435 | 357,354 |
| Amortisation | 6,647 | 7,707 |
| Provision for gratuity | 4,948 | 2,110 |
| Finance cost | 576,146 | 687,779 |
| Provision for slow moving/obsolete items | 6,144 | 5,152 |
| Provision for doubtful debts | 14,913 | 14,600 |
| Profit on sale of property, plant and equipment | (15,563) | (6,196) |
| | 1,197,139 | 960,759 |
| Changes in working capital: | | |
| (Increase)/decrease in current assets | | |
| Stores, spares and loose tools | (76,036) | (19,155) |
| Stock-in-trade | (2,535,916) | 879,834 |
| Trade debts | (1,115,450) | (390,342) |
| Loans and advances | (189,506) | (189,210) |
| Prepayments | (68,854) | (57,182) |
| Other receivables | (73,373) | (37,606) |
| Tax refunds due from government | (58,547) | (3,019) |
| | (4,117,682) | 183,320 |
| Increase in current liabilities | | |
| Trade and other payables | 1,031,996 | 439,260 |
| | (3,085,685) | 622,580 |
| Cash (used in)/generated from operations | (1,888,546) | 1,583,339 |
| Payments for: | | |
| Gratuity | (7,761) | (3,023) |
| Finance cost | (521,194) | (671,778) |
| Income tax paid | (112,178) | (85,728) |
| Long term loans and advances | 1,027 | (597) |
| Long term deposits | (2,430) | (7,791) |
| Net cash (used in)/generated from operating activities | (2,531,082) | 814,422 |

**Consolidated Condensed Interim
Cash Flow Statement (Un-audited)
For The Half Year Ended December 31, 2012**

| | Half year ended | |
|---|----------------------------|---------------------------|
| | December 31, 2012 | December 31, 2011 |
| | ------(Rupees '000s)----- | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Addition to property, plant and equipment | (338,449) | (372,456) |
| Addition to intangible assets | (5,232) | (2,020) |
| Proceeds from sale of property, plant and equipment | 65,065 | 17,171 |
| Net cash used in investing activities | (278,616) | (357,305) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term loans acquired | 164,367 | 166,909 |
| Repayments of long term loans | (348,996) | (306,552) |
| Right shares subscription | 139,959 | - |
| Net cash used in financing activities | (44,670) | (139,643) |
| Exchange difference on translation of foreign subsidiaries | 8,767 | 15,047 |
| Net (decrease)/ increase in cash and cash equivalents | (2,845,601) | 332,521 |
| Cash and cash equivalents - at the beginning of the period | (7,209,802) | (9,731,717) |
| Cash and cash equivalents - at the end of the period | <u>(10,055,403)</u> | <u>(9,399,196)</u> |
| CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents comprises of : | | |
| Cash and bank balances | 403,547 | 93,400 |
| Short term borrowings | (10,458,951) | (9,492,596) |
| | <u>(10,055,403)</u> | <u>(9,399,196)</u> |

The annexed notes 1 to 10 form an integral part of these consolidated condensed interim financial information.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

**Consolidated Condensed Interim
Statement Of Changes In Equity (Un-audited)
For The Half Year Ended December 31, 2012**

| | Share capital | Revenue reserve | Exchange difference on translation of foreign subsidiaries | Capital reserve | Statutory reserve | Reserve for issue of bonus share | Un-appropriated profit | Total |
|--|------------------|------------------|--|-----------------|-------------------|----------------------------------|------------------------|------------------|
| (Rupees '000s) | | | | | | | | |
| Balance as at June 30, 2011 | 634,785 | 2,430,000 | 44,788 | 450,446 | 8,290 | - | 1,278,023 | 4,846,332 |
| Transfer to reserve for issue of bonus shares | - | - | - | (450,446) | - | 634,786 | (184,340) | - |
| Transfer to revenue reserve | - | 1,000,000 | - | - | - | - | (1,000,000) | - |
| Transaction with owners | | | | | | | | |
| Issuance of bonus shares for the year | 634,786 | - | - | - | - | (634,786) | - | - |
| Total comprehensive income | | | | | | | | |
| Loss for the half year ended December 31, 2011 | - | - | - | - | - | - | (225,513) | (225,513) |
| Other comprehensive income | - | - | 15,047 | - | - | - | - | 15,047 |
| Total comprehensive income for the period | - | - | 15,047 | - | - | - | (225,513) | (210,466) |
| Balance as at December 31, 2011 | 1,269,571 | 3,430,000 | 59,835 | - | 8,290 | - | (131,830) | 4,635,866 |
| Transfer to statutory reserve | - | - | - | - | 1,856 | - | (1,856) | - |
| Total comprehensive income | | | | | | | | |
| Profit for the period ended June 30, 2012 | - | - | - | - | - | - | 9,928 | 9,928 |
| Other comprehensive income | - | - | 7,256 | - | - | - | - | 7,256 |
| Total comprehensive income for the year | - | - | 7,256 | - | - | - | 9,928 | 17,184 |
| 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 period | - | - | 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 |
| Right shares application money | | | | | | | | 139,959 |
| | | | | | | | | <u>4,979,229</u> |

The annexed notes 1 to 10 form an integral part of these consolidated condensed interim financial information

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

GulAhmed Half Yearly Report 2012

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**Consolidated Condensed Interim
Notes To The Accounts (Un-audited)
For The Half Year Ended December 31, 2012**

1 THE GROUP 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 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.

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.

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 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, 2012 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.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For The Half Year Ended December 31, 2012

These consolidated condensed interim financial information of the Group for the half year ended December 31, 2012 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 December 31, 2012 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, 2012.

The comparative balance sheet, presented in these consolidated condensed interim financial information, as at June 30, 2012 has been extracted from the audited financial statements of the Group for the year ended June 30, 2012 whereas the comparative consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim cash flow statement and consolidated condensed interim statement of changes in equity are for the half year ended December 31, 2012 have been extracted from the consolidated condensed interim financial information of the Group for the half year ended December 31, 2011.

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, 2012

4. CONTINGENCIES AND COMMITMENTS

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2012 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.267 million (June-2012: Rs.260 million) were outstanding.
- (b) Post dated cheques Rs. 171 million (June-2012: Rs.153 million) issued to various Government Agencies.
- (c) Bills discounted Rs. 886 million (June-2012: Rs. 1,731 million)
- (d) Corporate guarantee of Rs. 104.085 million (June-2012: Rs. 96.420) has been issued to a bank in favour of subsidiary company.

Commitments

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

| | December 31, 2012 | June 30, 2012 |
|--|------------------------------|--------------------------|
| | ------(Rupees '000s)----- | |
| - Capital expenditure | 545,791 | 196,876 |
| - Non capital expenditure items under letters of credits | 2,195,047 | 373,728 |
| | 2,740,838 | 570,604 |

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For The Half Year Ended December 31, 2012**

| | December 31, 2012 | June 30, 2012 |
|---|---------------------------|------------------|
| | ------(Rupees '000s)----- | |
| 5. PROPERTY, PLANT AND EQUIPMENT | | |
| Operating assets | | |
| Opening book value | 6,613,267 | 6,589,869 |
| Additions during the period | | |
| Building on leasehold land | 8,225 | 98,876 |
| Plant and machinery | 421,962 | 531,789 |
| Office equipment | 8,283 | 51,693 |
| Furniture and fixtures | 2,040 | 6,490 |
| Transport equipment | 31,509 | 102,605 |
| | 472,019 | 791,453 |
| Book values of assets disposed-off during the period | | |
| Plant and machinery | (46,661) | (4,200) |
| Office equipment | (32) | (2,440) |
| Vehicles | (2,809) | (16,276) |
| | (49,502) | (22,916) |
| Depreciation charge for the period | (367,435) | (745,139) |
| Book value of operating fixed assets | 6,668,349 | 6,613,267 |
| Capital work in progress | | |
| Opening | 226,169 | 71,643 |
| Addition | | |
| - Machinery | 219,499 | 716,067 |
| - Building | 29,793 | 68,677 |
| - Others | 12,844 | 9,302 |
| Transferred | | |
| - Machinery | (391,926) | (540,890) |
| - Building | (3,782) | (82,617) |
| - Others | - | (16,013) |
| Closing | 92,597 | 226,169 |
| Book value of property, plant and equipment | 6,760,947 | 6,839,436 |
| 6 INTANGIBLE ASSETS | | |
| Opening book value | 29,465 | 42,322 |
| Addition during the period | 5,232 | 1,811 |
| Amortization charge for the period | (6,647) | (14,668) |
| Closing net book value | 28,050 | 29,465 |

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For The Half Year Ended December 31, 2012**

7. SEGMENT INFORMATION

The Group has the following three reportable business segments:

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

Transactions among the business segments are recorded at cost.

7.1 Segmental Profitability

| | SPINNING | | PROCESSING | | GUL AHMED INTERNATIONAL LIMITED FZC- UAE | | GTM (EUROPE) LIMITED UK | | GTM USA CORP. | | ELIMINATION OF INTER SEGMENT TRANSACTION | | TOTAL COMPANY | |
|--|-------------------|---------------|---------------|---------------|--|---------------|-------------------------|---------------|---------------|---------------|--|---------------|---------------|---------------|
| | December 2012 | December 2011 | December 2012 | December 2011 | December 2012 | December 2011 | December 2012 | December 2011 | December 2012 | December 2011 | December 2012 | December 2011 | December 2012 | December 2011 |
| | For the half year | | | | | | | | | | | | | |
| | (Rs. 000s) | | | | | | | | | | | | | |
| Sales | 5,187,057 | 4,850,004 | 8,921,505 | 9,146,668 | 229,100 | 230,085 | 447,518 | 776,126 | 5,555 | - | (1,458,499) | (3,137,005) | 13,332,235 | 11,865,878 |
| Cost of Sales | 4,755,351 | 4,872,806 | 7,432,129 | 7,611,588 | 183,903 | 185,988 | 425,777 | 737,035 | - | - | (1,466,376) | (3,145,439) | 11,330,784 | 10,261,978 |
| Gross profit | 431,706 | (22,802) | 1,489,376 | 1,535,080 | 45,197 | 44,097 | 21,741 | 39,091 | 5,555 | - | 7,877 | 8,434 | 2,001,451 | 1,603,900 |
| Administrative & selling expenses | 119,159 | 57,939 | 1,004,278 | 917,944 | 35,916 | 31,391 | 25,141 | 26,864 | 6,855 | - | - | - | 1,191,349 | 1,034,138 |
| Profit/(loss) before tax and before charging following | 312,547 | (80,741) | 485,098 | 617,136 | 9,281 | 12,706 | (3,400) | 12,227 | (1,300) | - | 7,877 | 8,434 | 810,102 | 569,762 |
| Financial charges | | | | | | | | | | | | | | 576,146 |
| Other operating expenses | | | | | | | | | | | | | | 19,606 |
| Other operating income | | | | | | | | | | | | | | (22,120) |
| Taxation | | | | | | | | | | | | | | 59,016 |
| Profit/(loss) after taxation | | | | | | | | | | | | | | 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 | |
|-------------|---------------|-----------|---------------|------------|--|-----------|-------------------------|-----------|---------------|-----------|---------------|-----------|---------------|------------|
| | December 2012 | June 2012 | December 2012 | June 2012 | December 2012 | June 2012 | December 2012 | June 2012 | December 2012 | June 2012 | December 2012 | June 2012 | December 2012 | June 2012 |
| Assets | 6,471,642 | 5,214,791 | 13,559,770 | 10,811,953 | 262,830 | 208,829 | 140,093 | 236,046 | 8,862 | 9,588 | 1,854,731 | 1,495,903 | 22,297,928 | 17,977,110 |
| Liabilities | 1,534,315 | 1,181,037 | 4,444,916 | 3,409,313 | 41,760 | 15,056 | 82,014 | 80,173 | 1,341 | 2,625 | 11,214,353 | 8,635,856 | 17,318,699 | 13,324,060 |

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

**Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For The Half Year Ended December 31, 2012**

7.4 Information by geographical area

| | Revenue | | Non-current assets | |
|----------------------|------------------------|-------------------|--------------------|------------------|
| | December 2012 | December 2011 | December 2012 | June 2012 |
| | ----- (Rs. 000s) ----- | | | |
| Pakistan | 5,295,235 | 4,561,692 | 6,828,059 | 6,906,156 |
| Germany | 1,385,568 | 1,270,521 | - | - |
| United Kingdom | 1,157,007 | 1,302,912 | 2,750 | 3,621 |
| United States | 917,460 | 802,136 | 4,564 | 3,782 |
| China | 862,709 | 841,446 | - | - |
| France | 567,486 | 496,989 | - | - |
| Netherland | 537,671 | 550,302 | - | - |
| United Arab Emirates | 219,842 | 391,418 | 5,729 | 6,043 |
| Other Countries | 2,389,257 | 1,648,462 | - | - |
| Total | 13,332,235 | 11,865,878 | 6,841,102 | 6,919,602 |

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 transaction | December 31, 2012 | December 31, 2011 |
|---|-----------------------------------|------------------------------|--------------------------|
| | | ----- (Rupees '000s) ----- | |
| Associated Companies & other related parties | Purchase of goods | 29,712 | 22,153 |
| | Sale of goods | 650 | 1,283 |
| | Rent paid | 3,600 | 2,910 |
| | Fees paid | 1,250 | 1,000 |
| | Commission / Rebate received | 2,603 | 1,688 |
| | Bills discounted | 270,057 | 367,813 |
| | Commission / Bank charges paid | 9,810 | 11,719 |
| | Mark up / Interest charged | 56,498 | 57,626 |
| | Provident Fund Contribution | 26,337 | 24,699 |
| Outstanding Balances | Nature of balances | December 31, 2012 | June 30, 2012 |
| Associated Companies & other related parties | Deposit with bank | 206,023 | 44,498 |
| | Borrowing from bank | 1,113,900 | 1,144,905 |
| | Bank guarantee | 203,472 | 203,472 |
| | Trade & other payable | 5,874 | 12,615 |
| | Accrued Mark up | 27,312 | 26,430 |
| | Trade debts | 1,001 | 759 |
| | Loans to key management personnel | 3,174 | 5,183 |

There are no transactions with directors of the Group and key management personnel other than those under the terms of employment for the period ending Dec-2012 amounting to Rs. 222 million (Dec-2011: Rs. 205 million) on account of remuneration.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For The Half Year Ended December 31, 2012

9. DATE OF AUTHORISATION

These consolidated condensed interim financial information were authorised for issue on February 27, 2013 by the Board of Directors of the Group.

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.

MOHOMED BASHIR
Chairman and Chief Executive

ZIAD BASHIR
Director

