



Half Yearly Report



*Condensed Interim Financial Information
For The Half Yearly Ended December 31, 2015*

Company Information

BOARD OF DIRECTORS	MOHOMED BASHIR ZAIN BASHIR MOHAMMED ZAKI BASHIR ZIAD BASHIR S.M. NADIM SHAFIQULLAH DR. AMJAD WAHEED ADNAN AFRIDI	- Chairman - Vice Chairman/ Executive Director - Chief Executive Officer - Non Executive - Independent - Independent - Independent
CHIEF FINANCIAL OFFICER	MOHAMMED SALEEM SATTAR	
COMPANY SECRETARY	MOHAMMED SALIM GHAFAR	
AUDIT COMMITTEE	S.M. NADIM SHAFIQULLAH MOHOMED BASHIR ADNAN AFRIDI MOHAMMED SALIM GHAFAR	- Chairman & Member - Member - Member - Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	MOHOMED BASHIR ZAIN BASHIR S.M. NADIM SHAFIQULLAH MOHAMMED SALIM GHAFAR	- Chairman & Member - Member - Member - Secretary
BANKERS	ALLIED BANK LIMITED BANK AL HABIB LIMITED ASKARI BANK LIMITED AL BARAKA BANK (PAKISTAN) LIMITED BANK ALFALAH LIMITED BANKISLAMI PAKISTAN LIMITED BURJ BANK LIMITED THE BANK OF PUNJAB DUBAI ISLAMIC BANK PAKISTAN LIMITED FAYSAL BANK LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED MCB BANK LIMITED MEEZAN BANK LIMITED NATIONAL BANK OF PAKISTAN NIB BANK LIMITED SAMBA BANK LIMITED SILKBANK LIMITED SONERI BANK LIMITED STANDARD CHARTERED BANK (PAKISTAN) LIMITED UNITED BANK LIMITED	
AUDITORS	KRESTON HYDER BHIMJI & CO. Chartered Accountants	
INTERNAL AUDITORS	GRANT THORNTON ANJUM RAHMAN Chartered Accountants	
LEGAL ADVISORS	A.K. BROHI & CO ADVOCATES	
REGISTERED OFFICE	PLOT NO.82, MAIN NATIONAL HIGHWAY, LANDHI, KARACHI-75120	
SHARE REGISTRAR	FAMCO ASSOCIATES (PRIVATE) LIMITED 8-F, NEXT TO HOTEL FARAN, NURSERY, BLOCK 6, P.E.C.H.S., SHAHRAH-E-FAISAL, KARACHI. PHONE NO. (+92-021) 34380101-5 FAX NO. (+92-021) 34380106	
MILLS	LANDHI INDUSTRIAL AREA, KARACHI-75120	
E-MAIL	finance@gulahmed.com	
URL	www.gulahmed.com	



Directors' Review

Directors of Gul Ahmed Textile Mills Limited are pleased to present review of the affairs of the Company for half year ended December 31, 2015.

Economic and Industrial overview

Continuous decline of oil and commodity prices in international market have affected average CPI inflation, which has declined to 2.1% during July to December 2015. The balance of payment position in Pakistan has also improved in the first half of this fiscal year (FY) due to persistent decline in international oil prices and steady growth in workers' remittances.

Large-scale manufacturing (LSM) grew by 4.4% during July to November 2016 as compared to 3.1% in the corresponding period. LSM mainly benefited from monetary easing, falling international prices of key inputs, increased domestic demand and expansion of construction activities. Finding major macroeconomic indicators continuously demonstrating improvement during first half of FY 2016, State Bank of Pakistan also decided to keep the policy rate unchanged at 6%.

Overall, exports of the country in first half of current FY declined by 11% over the corresponding period. Following the trend, textile exports of the country also witnessed a decline of 4.6%. The textile industry of Pakistan was able to earn USD 6.5 billion during first half of FY2016 as compared to USD 6.8 billion in the corresponding period. Cotton yarn, cotton cloth and home textile sectors posted decline in exports by 16%, 9% and 2%, respectively in July to December 2015 as compared to the corresponding period. Only the readymade garments sector could post 5% growth in the first half of current FY.

Decline in exports is due to challenging business environment for the industry including loss of competitiveness due to higher input cost and unfavorable PKR/USD parity, slowdown in purchasing by importers. These are further alienated by governmental policies to increasingly burden the business class with taxes for meeting the deficits of the country, and shortages of energy.

Company's Performance

The overall sales volume has reduced due to volume of order and change in buyers/product mix, though the local sales have increased by 4% over the corresponding period. The management strategically reduced export sales volume which helped improve the margin of profit. The gross profit has grown up from 17% to 23% over the corresponding period which exhibits the success of approach change by management. The drive to reduce imbalances, inefficiencies in processes and rationalization of cost also resulted in reduction in the cost of production without compromising the quality. Resultantly, the Company was able to earn profit before tax amounting to Rs. 448 million and profit after tax amounting to Rs. 423 million as compared to Rs. 321 million and Rs. 252 million, respectively in the corresponding period. The performance of your Company has not only improved when compared with corresponding six months of 2014 but the gross profit also improved to 24.90% from 21.07% and profit before tax to 6.42% from (0.89%) when compared with first quarter of the current year. The Earnings per Share (EPS) has also increased to Rs. 1.85 in the first half of current FY and Rs. 2.25 in the second quarter of current FY as compared to Rs. 1.10 and Rs. 1.88 in the corresponding periods, respectively.



The important financial statistics for the current and corresponding period are as under:

Description	Units	Jul-15 to Dec-15	Jul-14 to Dec-14
Export Sales	Rs. in millions	8,685	11,377
Local Sales	Rs. in millions	5,071	4,883
Total Sales	Rs. in millions	13,757	16,260
Gross Profit	Rs. in millions	3,198	2,740
Profit before tax (PBT)	Rs. in millions	448	321
Profit after tax (PAT)	Rs. in millions	423	252
EBITDA	Rs. in millions	1,439	1,507
EPS	Rupees	1.85	1.10
Debt to equity	Time	0.45	0.34
Current ratio	Time	1.04	1.05
Break-up-value per share	Rupees	31.72	29.89

Future Prospects

We are optimistic that the growth in business performance will be achieved in the remaining two quarters of FY 2016. The leverage in economic activity appears to continue beyond FY2016 on the back of energy and infrastructure projects under CPEC. Expected increase in FDI from China may help further increase in foreign exchange reserves. Monetary easing and better economic environment will further encourage firms for long term investments or expansion plans which will result in improvement of LSM.

However, exports performance is dependent on policy implementation, reversal of decision of artificially holding the exchange rate by the Government and increase in external demand. Further, easing of domestic constraints with the completion of ongoing energy projects will also help in improving export competitiveness. However, Government has to seriously consider the Rupee Dollar parity and the rebates allowed to textile currently which in no way match rebates offered by neighboring country. The ignorance may result in further reduction in export volume which will in turn reduce the foreign exchange inflow in the country.

We expect that the performance in terms of profitability will be encouraging in the remaining two quarters of FY2016 mainly on account of management initiatives as mentioned above. We will continue to strive penetrating the export and domestic market, catering the customers demand in terms of style, innovation, place and price to further enhance both the rate and volume of gross and net margins.

Acknowledgement

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

For and on behalf of the Board

Karachi
February 25, 2016

Mohammed Zaki Bashir
Chief Executive Officer



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

Introduction

We have reviewed the accompanying condensed interim balance sheet of GUL AHMED TEXTILE MILLS LIMITED ("the Company") as of December 31, 2015, 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 statements") for the half year then ended. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures for the quarters ended December 31, 2015 and December 31, 2014 in the interim financial statement have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2015.

Scope of Review

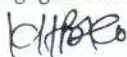
We conducted our review in accordance with the International Standard on Review engagements 2410, "Review of condensed Interim financial information Performed by the Independent Auditor of the Entity". A review of condensed Interim financial statements consists of making inquiries primarily of persons 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 statements as at and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi:

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Shaikh Mohammad Tanvir



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**Condensed Interim Un-consolidated
Balance Sheet
As at December 31, 2015**

	Note	Un-Audited December 2015	Audited June 2015
Rupees in thousand			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 400,000,000 (2014: 400,000,000) ordinary shares of Rs.10 each		4,000,000	4,000,000
Issued, subscribed and paid-up share capital 228,522,772 (2014: 228,522,772) ordinary shares of Rs. 10 each		2,285,228	2,285,228
Revenue reserves		4,480,000	4,230,000
Unappropriated profit		484,060	654,244
		7,249,288	7,169,472
NON-CURRENT LIABILITIES			
Long term financing - Secured		3,271,901	2,407,732
Deferred liabilities			
Deferred taxation - net		289,921	350,339
Staff retirement benefits		39,053	43,951
		328,974	394,290
CURRENT LIABILITIES			
Trade and other payables	4	4,567,034	5,213,190
Accrued mark-up/profit		165,205	206,481
Short term borrowings		11,894,418	8,838,174
Current maturity of long term financing		469,970	714,008
		17,096,627	14,971,853
CONTINGENCIES AND COMMITMENTS			
	5	27,946,790	24,943,347
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	9,994,803	9,038,685
Intangible assets	7	14,968	11,481
Long term investment		58,450	58,450
Long term loans and advances		15,011	12,859
Long term deposits		105,666	93,572
		10,188,898	9,215,047
CURRENT ASSETS			
Stores, spare parts and loose tools		814,772	699,062
Stock-in-trade		12,548,521	11,283,818
Trade debts		2,191,087	1,913,872
Loans and advances		860,780	354,124
Short term prepayments		113,928	96,798
Other receivables		354,449	331,399
Tax refunds due from Government		510,330	750,196
Income tax refundable-payments less provision		243,840	181,730
Cash and bank balances		120,185	117,301
		17,757,892	15,728,300
		27,946,790	24,943,347

The annexed notes form an integral part of these condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Un-Consolidated
Profit And Loss Account
For the half year ended December 31, 2015**

Note	Un-Audited			
	Half year ended		Quarter ended	
	July to December 2015	July to December 2014	October to December 2015	October to December 2014
	Rupees in thousand			
Sales	13,756,912	16,259,935	7,815,479	9,585,104
Cost of sales				
Opening stock of finished goods	8,970,687	8,658,343	9,582,009	9,291,714
Cost of goods manufactured	9,589,094	11,110,882	5,207,531	5,797,822
Purchases and processing charges	2,573,322	2,840,596	1,654,241	1,705,249
Closing stock of finished goods	(10,574,636)	(9,089,752)	(10,574,636)	(9,089,752)
	10,558,467	13,520,069	5,869,145	7,705,033
Gross profit	3,198,445	2,739,866	1,946,334	1,880,071
Distribution cost	1,402,794	1,019,509	756,034	563,278
Administrative expenses	851,087	736,138	432,336	366,617
Other operating expenses	64,845	24,208	38,830	24,199
	2,318,726	1,779,855	1,227,200	954,094
	879,719	960,011	719,134	925,977
Other income	47,398	91,275	(16,807)	(28,178)
Operating profit	927,117	1,051,286	702,327	897,799
Finance cost	478,641	730,416	200,884	450,793
Profit before taxation	448,476	320,870	501,443	447,006
Provision for taxation				
- Current	86,293	90,693	48,253	39,736
- Deferred	(60,418)	(22,028)	(60,418)	(22,028)
	25,875	68,665	(12,165)	17,708
Profit after taxation	422,601	252,205	513,608	429,298
Earnings per share - basic and diluted (Rs.)	1.85	1.10	2.25	1.88

The annexed notes form an integral part of these condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Un-Consolidated
Statement of Comprehensive Income
For the half year ended December 31, 2015**

	Un-Audited			
	Half year ended		Quarter ended	
	July to December 2015	July to December 2014	October to December 2015	October to December 2014
	Rupees in thousand			
Profit after taxation	422,601	252,205	513,608	429,298
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>422,601</u>	<u>252,205</u>	<u>513,608</u>	<u>429,298</u>

The annexed notes form an integral part of these condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Un-Consolidated
Cash Flow Statement
For the half year ended December 31, 2015**

	Un-Audited	
	December 2015	December 2014
	Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	448,476	320,870
Adjustments for:		
Depreciation	508,998	450,157
Amortisation	2,524	5,605
Provision for gratuity	19,078	18,552
Finance cost	478,641	730,416
Provision for slow moving/obsolete items	5,322	7,005
Provision for doubtful debts	8,842	15,413
Loss on sale of property, plant and equipment	31,606	427
Gain on sale of property, plant and equipment	(4,859)	(6,672)
	1,050,152	1,220,903
Cash flows from operating activities before adjustments of working capital	1,498,628	1,541,773
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	(121,032)	(22,453)
Stock-in-trade	(1,264,703)	(543,518)
Trade debts	(286,057)	(1,606,648)
Loans and advances	(506,656)	(193,029)
Short term prepayments	(17,130)	(203,672)
Other receivables	(23,050)	(135,759)
Tax refunds due from Government	421,596	132,787
	(1,797,032)	(2,572,292)
(Decrease) in current liabilities		
Trade and other payables	(650,536)	(1,537,432)
	(2,447,568)	(4,109,724)
Cash used in operations	(948,940)	(2,567,951)
Gratuity paid	(23,976)	(15,739)
Finance cost paid	(519,917)	(634,746)
Income tax paid	(330,133)	(166,441)
Net increase in long term loans and advances	(2,152)	(606)
Net increase in long term deposits	(12,094)	(2,707)
	(888,272)	(820,239)
Net cash used in operating activities	(1,837,212)	(3,388,190)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,520,976)	(994,485)
Addition to intangible assets	(6,011)	-
Proceeds from sale of property, plant and equipment	29,113	15,878
Net cash used in investing activities	(1,497,874)	(978,607)



**Condensed Interim Un-Consolidated
Cash Flow Statement
For the half year ended December 31, 2015**

	Note	Un-Audited	
		December 2015	December 2014
		Rupees in thousand	
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,722,298	824,064
Repayments of long term financing		(1,102,167)	(338,958)
Dividend paid		(338,405)	(80,959)
Net cash generated from financing activities		281,726	404,147
Net decrease in cash and cash equivalents		(3,053,360)	(3,962,650)
Cash and cash equivalents - at the beginning of the period		(8,720,873)	(7,714,816)
Cash and cash equivalents - at the end of the period	8	(11,774,233)	(11,677,466)

The annexed notes form an integral part of these condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Un-Consolidated
Statement of Changes in Equity
For the half year ended December 31, 2015**

	Share Capital	Revenue reserve	Unappropriated profit	Total
Rupees in thousand				
Balance as at June 30, 2014 (Audited)	1,828,182	3,580,000	1,251,721	6,659,903
Transfer to revenue reserve	-	650,000	(650,000)	-
Transaction with owners				
Issue of bonus shares for the year ended June 30, 2014	457,046	-	(457,046)	-
Final dividend for the year ended June 30, 2014 to minor shareholders			(80,959)	(80,959)
Total comprehensive income for the half year ended December 2014 (un-audited)				
Profit after taxation	-	-	252,205	252,205
Other comprehensive income	-	-	-	-
	-	-	252,205	252,205
Balance as at December 31, 2014 (Un-audited)	2,285,228	4,230,000	315,921	6,831,149
Total comprehensive income for the period January 01, 2015 to June 30, 2015				
Profit after taxation	-	-	352,738	352,738
Other comprehensive income	-	-	(14,415)	(14,415)
	-	-	338,323	338,323
Balance as at June 30, 2015 (Audited)	2,285,228	4,230,000	654,244	7,169,472
Transfer to revenue reserve	-	250,000	(250,000)	-
Transaction with owners				
Final dividend for the year ended June 30, 2015			(342,785)	(342,785)
Total comprehensive income for the half year ended December 2015 (un-audited)				
Profit after taxation	-	-	422,601	422,601
Other comprehensive income	-	-	-	-
	-	-	422,601	422,601
Balance as at December 31, 2015 (Un-audited)	2,285,228	4,480,000	484,060	7,249,288

The annexed notes form an integral part of these condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



Notes to the Condensed Interim Un-consolidated Financial Information (Un-audited) For the half year ended December 31, 2015

1 LEGAL STATUS AND ITS OPERATIONS

Gul Ahmed Textile Mills Limited (The Company) was incorporated on April 01, 1953 in Pakistan as a private limited company, subsequently converted into public limited company on January 07, 1955 and is listed in Pakistan Stock Exchange. The Company is a composite textile mill and is engaged in the manufacture and sale of textile products.

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

The Company is a subsidiary of Gul Ahmed Holdings (Private) Limited.

Details of Subsidiaries

	<u>Date of Incorporation</u>	<u>% Holding</u>	<u>Country of Incorporation</u>
Gul Ahmed International Limited	November 27, 2002	100%	U.A.E
GTM (Europe) Limited - Indirect subsidiary	April 17, 2003	100%	U.K
GTM USA Corp.- Indirect Subsidiary	March 19, 2012	100%	U.S.A

2 BASIS OF PREPERATION

These condensed interim un-consolidated financial information of the Company for the half year ended December 31, 2015 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim un-consolidated financial information comprise of the condensed interim un-consolidated balance sheet as at December 31, 2015 and the condensed interim un-consolidated profit and loss account, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated cash flow statement and condensed interim un-consolidated statement of changes in equity together with the notes forming part thereof, for the half year ended December 31, 2015.

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

These condensed interim unconsolidated financial information do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the un-consolidated financial statements for the year ended June 30, 2015.

Adoption of Standards, Amendments and Interpretations to Approved Accounting Standards

The following new standards, amendments to published standards and interpretations of IFRSs became effective during the current year; however, they are either irrelevant or does not have any significant impact on Company's condensed interim un-consolidated financial information.

<u>Standard or Interpretation</u>	<u>Effective Date</u>
IFRS 10 - Consolidated Financial Statements	January 1, 2015
IFRS 11 - Joint Arrangements	January 1, 2015
IFRS 12 - Disclosure of Interests in other Entities	January 1, 2015
IFRS 13 - Fair Value Measurement	January 1, 2015
IAS 27 - Separate Financial Statements	January 1, 2015



3 ACCOUNTING POLICIES

Same accounting policies and methods of computation are adopted for the preparation of these condensed interim un-consolidated financial information as those applied in the preparation of un-consolidated financial statements for the year ended June 30, 2015.

4 TRADE AND OTHER PAYABLES

Trade and other payables include provisions of Rs. 34.463 Million and 34.350 million in respect of increase in gas tariff rate and charging captive power tariff instead of Industry tariff rate to the company, respectively. The Company along with several other companies has filed a suit in the Honorable Sindh High Court challenging the notifications and the Court has already passed interim orders to suspend the operation of the notifications and payments of bills on regular basis at the tariff prevailing prior to the issuance of the impugned notifications and restrained from taking any coercive action against the Company. However the Company as a matter of prudence accounted for these in the condensed interim unconsolidated financial information.

5 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2015 except as stated below, remained unchanged during the current period.

Guarantees

- The guarantees issued by banks on behalf of company as at period end for Rs. 676 million (2015: Rs. 656 million) were outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 608 million (June 2015: Rs. 588 million).
- Post dated cheques Rs. 956 million (June-2015: Rs. 462 million) issued to various Government Agencies.
- Bills discounted Rs. 2,101 million (June-2015: Rs. 1,818 million).
- Corporate guarantee of Rs. 96.105 million (June-2015: Rs. 96.873 million) has been issued to a bank in favor of subsidiary company.

Commitments

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

	Un-Audited December 2015	Audited June 2015
	Rupees in thousand	
- Capital expenditure	756,962	1,334,531
- Non capital expenditure items under letters of credits	1,775,740	1,999,976
	2,532,702	3,334,507

- The Company is committed to minimum rental payments for each of the following period as follows:

Not more than one year	457,065	408,079
More than one year but not more than five years	1,594,860	1,486,287
More than five years	996,708	939,586
	3,048,633	2,833,952



	Note	Un-Audited December 2015	Audited June 2015
Rupees in thousand			
6 PROPERTY, PLANT AND EQUIPMENT			
Operating assets - net book value	6.1 & 6.2	9,175,489	8,701,473
Capital work in progress - at cost	6.4	819,314	337,212
		9,994,803	9,038,685

	Un-Audited for the half year December 2015	for the half year December 2014
6.1 Additions during the period		
Buildings and structures on leasehold land	238,076	340,727
Plant and machinery	631,006	719,192
Furniture and fixtures	656	631
Office equipment	49,454	27,650
Vehicles	119,681	52,961
	1,038,873	1,141,161

6.1.1 Additions to building and structure on leasehold land, plant and machinery and others include transfers from capital work-in-progress amounting to Rs. 191.732 million, Rs. 564.262 million and Rs. 13.854 (June-2015: Rs. 518.654 million, Rs. 984.818 million and Rs. 8.861 million) respectively.

	Un-Audited for the half year December 2015	for the half year December 2014
Rupees in thousand		
6.2 Disposals - operating fixed assets (at net book value)		
Plant and machinery	52,186	268
Furniture and fixtures	1	-
Office equipment	332	-
Vehicles	3,341	9,867
	55,860	10,135

6.2.1 Disposals include assets scrapped during the period of Rs. Nil (June-15: Rs. 1,510 million).

	Un-Audited December 2015	December 2014
Rupees in thousand		
6.3 Depreciation charge during the period	508,998	450,157
6.4 Additions - capital work in progress (at cost)		
Machinery	887,572	585,678
Building	353,100	247,537
Others	11,279	6,155
	1,251,951	839,370



	Note	Un-Audited December 2015	Audited June 2015
7 INTANGIBLE ASSETS			
Rupees in thousand			
Intangible - net book value	6.1 & 6.2	14,968	11,481
Un-Audited			
for the half year			
December			
2015			
(Rs. 000s)			
7.1 Additions - intangibles (at cost)			
Computer Software		6,011	-
7.2 Amortization charge during the period		2,524	5,605
Un-Audited			
December			
2015			
Rupees in thousand			
8 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents comprises of:			
Cash and bank balances		120,185	122,495
Short term borrowings		(11,894,418)	(11,799,961)
		(11,774,233)	(11,677,466)

9 TAXATION

Provision for current taxation has been made on the basis of normal tax liability, final taxation, tax credit and separate block income under the Income Tax Ordinance, 2001.



10 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) **Other Than Spinning:** Production of greige fabric, its processing into various types of fabrics for sale as well as manufacture and sale of made-up and home textile products.

Transactions among the business segments are recorded at cost.

10.1 Segmental profitability

	Spinning		Other Than Spinning		Elimination Of Inter Segment Transaction		Total	
	Six month period ended December 31, 2015 (Un-audited)							
	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014
	Rupees in thousand							
Sales	3,197,762	4,718,007	12,904,088	14,291,667	(2,344,938)	(2,749,739)	13,756,912	16,259,935
Cost of Sales	3,040,964	4,487,219	9,862,441	11,782,589	(2,344,938)	(2,749,739)	10,558,467	13,520,069
Gross Profit	156,798	230,788	3,041,647	2,509,078	-	-	3,198,445	2,739,866
Distribution and Administrative expenses	101,375	99,630	2,152,506	1,656,017	-	-	2,253,881	1,755,647
Profit before tax and before charging following	55,423	131,158	889,141	853,061	-	-	944,564	984,219
Financial charges							478,641	730,416
Other operating expenses							64,845	24,208
Other income							(47,398)	(91,275)
							496,088	663,349
Profit Before Tax							448,476	320,870
Taxation							25,875	68,665
Profit after tax							422,601	252,205

10.5 Information by geographical area

	Revenue		Non-current assets	
	For the half year ended (Un-audited)		Un-Audited	Audited
	Dec - 2015	Dec - 2014	Dec - 2015	Jun - 2015
	Rupees in thousand			
Pakistan	5,423,128	5,068,005	10,130,448	9,156,597
Germany	2,229,757	3,135,995	-	-
United Kingdom	956,559	1,000,909	-	-
United States	1,266,984	1,656,037	-	-
China	272,184	962,311	-	-
Netherland	625,081	1,052,125	-	-
France	699,708	972,632	-	-
Brazil	30,093	85,128	-	-
United Arab Emirates	55,705	39,740	58,450	58,450
Other Countries	2,197,713	2,287,053	-	-
	13,756,912	16,259,935	10,188,898	9,215,047

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Company	Nature of transactions	Un-Audited	
		Dec - 2015	Dec - 2014
		Rupees in thousand	
Subsidiaries	Sale of goods	368,544	94,723
	Commission paid	79,536	67,438
Associated Companies and other related parties	Purchase of goods	26,059	25,436
	Sale of goods	911	2,156
	Rent paid	8,100	3,900
	Fees paid	1,500	1,500
	Donation paid	-	3,000
	Commission / Rebate Received	847	3,814
	Bills discounted	1,749,203	1,133,906
	Commission / Bank charges paid	14,499	16,040
	Mark up / Interest charged	39,372	40,047
	Provident fund contribution	50,751	42,767
	Dividend paid	10,452	147
Relationship with the Company	Nature of outstanding balances	Un-Audited	Audited
		Dec - 2015	Jun- 2015
		Rupees in thousand	
Subsidiaries and indirect subsidiaries	Corporate guarantee issued in favor of subsidiary company	96,105	96,873
	Long term investment	58,450	58,450
	Trade debts	284,334	245,485
	Advances to suppliers	8,806	10,074
Associated companies and others related parties	Deposit with banks	15,964	18,486
	Borrowings from Banks	617,923	1,149,965
	Bank guarantee	607,583	587,583
	Trade & other payable	7,153	11,793
	Trade debts	2,366	1,427
	Accrued mark-up	5,899	23,116
	Loans to key management personnel & executive	24,372	20,725
	Payable to employee's provident fund	10,575	2,158

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-2015 amounting to Rs. 495 million (Dec-2014: Rs. 306 million) on account of remuneration.

12 EVENT AFTER BALANCE SHEET DATE

Subsequent Effects

The Board of Directors of the Company in its meeting held on February 25, 2016 has declared the following:

a) Dividend

Your directors have decided to pay interim cash dividend @ Re. 1.00 per share i.e. 10% for the half year ended December 31, 2015.

b) Right Shares

Your directors have also decided to issue 30% Right Shares at a premium of Rs.7.50 per share (Total Rs.17.50/- per share) in proportion of 30 (Thirty) Right Shares for every 100 (Hundred) shares.

13 DATE OF AUTHORISATION

These condensed interim un-consolidated financial statements were authorised for issue on February 25, 2016 by the Board of Directors of the Company.

14 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, unless otherwise specified.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer





Consolidated Accounts

***Consolidated Condensed Interim Financial Information
For The Half Year Ended December 31, 2015***

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

	Note	Un-Audited December 2015	Audited June 2015
Rupees in thousand			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 400,000,000 (2014: 400,000,000) ordinary shares of Rs.10 each		4,000,000	4,000,000
Issued, subscribed and paid-up share capital 228,522,772 (2014: 228,522,772) ordinary shares of Rs. 10 each		2,285,228	2,285,228
Revenue reserves		4,612,161	4,350,852
Unappropriated profit		613,972	746,279
		7,511,361	7,382,359
NON-CURRENT LIABILITIES			
Long term financing - Secured		3,271,901	2,407,732
Deferred liabilities			
Deferred taxation - net		296,012	356,354
Staff retirement benefits		44,458	48,833
		340,470	405,187
CURRENT LIABILITIES			
Trade and other payables	4	4,718,640	5,393,287
Accrued mark-up/profit		165,205	206,481
Short term borrowings		11,894,418	8,838,174
Current maturity of long term financing		469,970	714,008
		17,248,233	15,151,950
CONTINGENCIES AND COMMITMENTS			
	5	28,371,965	25,347,228
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	10,006,514	9,049,142
Intangible assets	7	22,434	15,834
Long term loans and advances		15,011	12,859
Long term deposits		105,666	93,572
		10,149,625	9,171,407
CURRENT ASSETS			
Stores, spare parts and loose tools		814,772	699,062
Stock-in-trade		12,736,759	11,461,198
Trade debts		2,422,029	2,152,073
Loans and advances		866,246	349,247
Short term prepayments		135,872	114,964
Other receivables		345,643	331,399
Tax refunds due from Government		511,791	750,196
Income tax refundable-payments less provision		243,840	181,730
Cash and bank balances		145,388	135,952
		18,222,340	16,175,821
		28,371,965	25,347,228

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Consolidated
Profit And Loss Account
For the half year ended December 31, 2015**

Note	Un-Audited			
	Half year ended		Quarter ended	
	July to December 2015	July to December 2014	October to December 2015	October to December 2014
	Rupees in thousand			
Sales	14,217,036	16,719,186	8,052,079	9,793,889
Cost of sales				
Opening stock of finished goods	9,148,067	8,873,680	9,765,812	9,472,142
Cost of goods manufactured	9,589,094	11,110,882	5,207,531	5,797,822
Purchases and processing charges	2,859,620	3,074,085	1,795,049	1,812,311
Closing stock of finished goods	(10,760,115)	(9,241,257)	(10,760,115)	(9,241,257)
	10,836,666	13,817,390	6,008,277	7,841,018
Gross profit	3,380,370	2,901,796	2,043,802	1,952,871
Distribution cost	1,411,702	1,042,947	758,545	572,823
Administrative expenses	976,570	876,112	497,440	437,125
Other operating expenses	64,845	24,208	38,830	24,199
	2,453,117	1,943,267	1,294,815	1,034,147
	927,253	958,529	748,987	918,724
Other income	47,398	91,275	(16,807)	(28,178)
Operating profit	974,651	1,049,804	732,180	890,546
Finance cost	487,843	748,107	209,117	455,462
Profit before taxation	486,808	301,697	523,063	435,084
Provision for taxation				
- Current	86,748	90,803	48,258	39,736
- Deferred	(60,418)	(22,028)	(60,418)	(22,028)
	26,330	68,775	(12,160)	17,708
Profit after taxation	460,478	232,922	535,223	417,376
Earning per share - basic and diluted (Rs.)	2.02	1.02	2.34	1.83

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Consolidated
Statement of Comprehensive Income
For the half year ended December 31, 2015**

	Un-Audited			
	Half year ended		Quarter ended	
	July to December 2015	July to December 2014	October to December 2015	October to December 2014
	Rupees in thousand			
Profit after taxation	460,478	232,922	535,223	417,376
Other comprehensive income	-	-	-	-
Foreign currency translation differences - Foreign operations	11,309	10,914	370	(2,379)
Total comprehensive income	471,787	243,836	535,594	414,997

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Consolidated
Cash Flow Statement
For the half year ended December 31, 2015**

	Un-Audited	
	December 2015	December 2014
	Rupees in thousand	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	486,808	301,697
Adjustments for:		
Depreciation	510,999	452,862
Amortisation	3,183	6,122
Provision for gratuity	19,601	18,552
Finance cost	487,843	748,107
Provision for slow moving/obsolete items	5,322	7,005
Provision for doubtful debts	8,842	15,413
Loss on sale of property, plant and equipment	31,606	427
Gain on sale of property, plant and equipment	(4,859)	(6,672)
	1,062,537	1,241,816
Cash flows from operating activities before adjustments of working capital	1,549,345	1,543,513
Changes in working capital:		
(Increase)/decrease in current assets		
Stores, spare parts and loose tools	(121,032)	(22,453)
Stock-in-trade	(1,275,561)	(479,686)
Trade debts	(278,797)	(1,654,061)
Loans and advances	(516,999)	(193,022)
Short term prepayments	(20,908)	(198,808)
Other receivables	(14,244)	(81,736)
Tax refunds due from Government	420,135	133,920
	(1,807,406)	(2,495,846)
(Decrease) in current liabilities		
Trade and other payables	(679,027)	(1,552,328)
	(2,486,433)	(4,048,174)
Cash used in operations	(937,088)	(2,504,661)
Gratuity paid	(23,976)	(16,759)
Finance cost paid	(529,119)	(652,437)
Income tax paid	(330,512)	(168,588)
Net increase in long term loans and advances	(2,152)	(606)
Net increase in long term deposits	(12,094)	(2,707)
	(897,853)	(841,097)
Net cash used in operating activities	(1,834,941)	(3,345,758)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(1,524,232)	(1,000,219)
Addition to intangible assets	(9,783)	-
Proceeds from sale of property, plant and equipment	29,113	15,878
Net cash used in investing activities	(1,504,902)	(984,341)



**Condensed Interim Consolidated
Cash Flow Statement
For the half year ended December 31, 2015**

	Note	Un-Audited	
		December	December
		2015	2014
Rupees in thousand			
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,722,298	824,064
Repayments of long term financing		(1,102,167)	(338,958)
Dividend paid		(338,405)	(80,959)
Net cash generated from financing activities		281,726	404,147
Exchange difference on translation of foreign activities		11,309	10,914
Net decrease in cash and cash equivalents		(3,046,808)	(3,915,038)
Cash and cash equivalents - at the beginning of the period		(8,702,222)	(7,705,557)
Cash and cash equivalents - at the end of the period	8	(11,749,030)	(11,620,595)

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Condensed Interim Consolidated
Statement of Changes in Equity
For the half year ended December 31, 2015**

	Share capital	Revenue reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve	Un appropriated profit	Total
Rupees in thousand						
Balance as at June 30, 2014 (Audited)	1,828,182	3,580,000	96,902	11,901	1,336,209	6,853,194
Transfer to revenue reserve	-	650,000	-	-	(650,000)	-
Transaction with owners						
Issue of bonus shares for the year ended June 30, 2014	457,046	-	-	-	(457,046)	-
Final dividend for the year ended June 30, 2014 to minor shareholders	-	-	-	-	(80,959)	(80,959)
Total comprehensive income for the half year ended December 2014 (un-audited)						
Profit after taxation	-	-	-	-	232,922	232,922
Other comprehensive income	-	-	10,914	-	-	10,914
	-	-	10,914	-	232,922	243,836
Balance as at December 31, 2014 (Un-audited)	2,285,228	4,230,000	107,816	11,901	381,126	7,016,071
Transfer to statutory reserve	-	-	-	1,779	(1,779)	-
Total comprehensive income for the period January 01, 2015 to June 30, 2015						
Profit after taxation	-	-	-	-	381,347	381,347
Other comprehensive income	-	-	(644)	-	(14,415)	(15,059)
	-	-	(644)	-	366,932	366,288
Balance as at June 30, 2015 (Audited)	2,285,228	4,230,000	107,172	13,680	746,279	7,382,359
Transfer to revenue reserve		250,000			(250,000)	-
Transaction with owners						
Final dividend for the year ended June 30, 2015					(342,785)	(342,785)
Total comprehensive income for the half year ended December 2015 (un-audited)						
Profit after taxation					460,478	460,478
Other comprehensive income			11,309		-	11,309
	-	-	11,309	-	460,478	471,787
Balance as at December 31, 2015 (Un-audited)	2,285,228	4,480,000	118,481	13,680	613,972	7,511,361

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer



**Notes to the Condensed Interim Consolidated
Financial Information (Un-audited)
For the half year ended December 31, 2015**

1 LEGAL STATUS AND ITS OPERATIONS

1.1 Gul Ahmed Group ("the Group") comprises the following:

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

Gul Ahmed Textile Mills Limited (The Holding Company) was incorporated on 1st April 1953 in Pakistan as a private limited company, subsequently converted into public limited company on 7th January 1955 and is listed in Pakistan Stock Exchange. The Holding Company is a composite textile mill and is engaged in the manufacture and sale of textile products.

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

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

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

The Holding Company is a subsidiary of Gul Ahmed Holdings (Private) Limited which owns 66.78% shares of the Holding Company.

1.2 Basis of consolidation

The financial information include the financial information of the Group.

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

The financial information of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

The assets and liabilities of the subsidiary 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. All intra-group balances and transactions are eliminated.

2 BASIS OF PREPARATION

The condensed interim consolidated financial information comprise the condensed interim 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, 2015 and the related condensed interim consolidated profit and loss account, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity together with the notes forming part thereof for the period then ended. The financial information of the subsidiary companies have been consolidated on a line by line basis.

These condensed interim consolidated financial information of the Group for the half year ended December 31, 2015 have been prepared in accordance with the requirements of the International Accounting Standards 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

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



These condensed interim consolidated financial information do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2015.

Adoption of Standards, Amendments and Interpretations to Approved Accounting Standards

The following new standards, amendments to published standards and interpretations of IFRSs became effective during the current year; however, they are either irrelevant or does not have any significant impact on Holding Company's condensed interim consolidated financial information.

Standard or Interpretation	Effective Date
IFRS 10 - Consolidated Financial Statements	January 1, 2015
IFRS 11 - Joint Arrangements	January 1, 2015
IFRS 12 - Disclosure of Interests in other Entities	January 1, 2015
IFRS 13 - Fair Value Measurement	January 1, 2015
IAS 27 - Separate Financial Statements	January 1, 2015

3 ACCOUNTING POLICIES

Accounting policies and method of computations adopted for the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2015.

4 TRADE AND OTHER PAYABLES

Trade and other payables include provisions of Rs. 34.463 Million and 34.350 million in respect of increase in gas tariff rate and charging captive power tariff instead of Industry tariff rate to the Holding Company, respectively. The Holding Company along with several other companies has filed a suit in the Honorable Sindh High Court challenging the notifications and the Court has already passed interim orders to suspend the operation of the notifications and payments of bills on regular basis at the tariff prevailing prior to the issuance of the impugned notifications and restrained from taking any coercive action against the Holding Company. However, the Group as a matter of prudence accounted for these in the condensed interim consolidated financial

5 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2015 except as stated below, remained unchanged during the current period.

Guarantees

- Guarantees issued by Bank on behalf of the Group as at period end for Rs. 676 million (June-2015: Rs. 656 million) were
- outstanding. These guarantees includes guarantees issued by related party amounting to Rs. 608 million (June-2015: Rs. 588 million).
 - Post dated cheques Rs. 956 million (June-2015: Rs.462 million) issued to various Government Agencies.
 - Bills discounted Rs. 2,140 million (June-2015: Rs. 1,858 million).
 - Corporate guarantee of Rs. 96.105 million (June-2015: Rs. 96.873 million) has been issued to a bank in favor of subsidiary company.



Commitments

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

	Un-Audited December 2015	Audited June 2015
	Rupees in thousand	
- Capital expenditure	756,962	8,711,930
- Non capital expenditure items under letters of credits	1,775,740	337,212
	2,532,702	9,049,142

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

Not more than one year	457,065	408,079
More than one year but not more than five years	1,594,860	1,486,287
More than five years	996,708	939,586
	3,048,633	2,833,952

6 PROPERTY, PLANT AND EQUIPMENT

Operating assets - net book value	6.1 & 6.2	9,187,200	8,711,930
Capital work in progress - at cost	6.4	819,314	337,212
		10,006,514	9,049,142

	Un-Audited for the half year December 2015	for the half year December 2014
	Rupees in thousand	

6.1 Additions during the period

Buildings and structures on leasehold land	238,076	340,727
Plant and machinery	631,006	719,192
Furniture and fixtures	2,202	27,821
Office equipment	50,030	6,194
Vehicles	120,814	52,961
	1,042,128	1,146,895

6.1.1 Additions to building and structure on leasehold land, plant and machinery and others include transfers from capital work-in-progress amounting to Rs. 191.732 million, Rs. 564.262 million and Rs. 13.854 (June-2015: Rs. 518.654 million, Rs. 984.818 million and Rs. 8.861 million) respectively.

	Un-Audited for the half year December 2015	for the half year December 2014
	Rupees in thousand	

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

Plant and machinery	52,186	268
Furniture and fixtures	1	-
Office equipment	332	-
Vehicles	3,341	9,867
	55,860	10,135

6.2.1 Disposals include assets scrapped during the period of Rs. Nil (June-15: Rs. 1,510 million).



		Un-Audited	
		December 2015	December 2014
		Rupees in thousand	
6.3 Depreciation charge during the period		510,999	452,862
6.4 Additions - capital work in progress (at cost)			
Machinery		887,572	585,678
Building		353,100	247,537
Others		11,279	6,155
		1,251,951	839,370
Note		Un-Audited	Audited
		December	June
		2015	2015
		Rupees in thousand	
7 INTANGIBLE ASSETS			
Intangible - net book value	6.1 & 6.2	22,434	15,834
		Un-Audited	
		for the half year	for the half year
		December	December
		2015	2014
		(Rs. 000s)	
7.1 Additions - intangibles (at cost)			
Computer Software		9,783	-
7.2 Amortisation charge during the period		3,183	6,122
		Un-Audited	
		December	December
		2015	2014
		Rupees in thousand	
8 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents comprises of:			
Cash and bank balances		145,388	179,366
Short term borrowings		(11,894,418)	(11,799,961)
		(11,749,030)	(11,620,595)
9 TAXATION			
Provision for current taxation has been made on the basis of normal tax liability, final taxation, tax credit and separate block income under the Income Tax Ordinance, 2001.			



10 SEGMENT INFORMATION

The Group has the following three reportable business segments

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

10.1 Segmental Profitability

	SPINNING		Other Than Spinning		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		ELIMINATION OF INTER SEGMENT TRANSACTION		TOTAL	
	-----Six month period ended December 31, 2015 (Un-audited)-----													
	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014	Dec - 2015	Dec - 2014
	Rupees in thousand													
Sales	3,197,762	4,718,007	12,904,088	14,291,667	413,166	371,934	189,579	41,966	225,994	133,394	(2,713,553)	(2,837,782)	14,217,036	16,719,186
Cost of Sales	3,040,964	4,487,219	9,862,440	11,782,589	322,840	288,457	143,203	834	176,944	106,094	(2,709,725)	(2,847,803)	10,836,666	13,817,390
Gross Profit	156,798	230,788	3,041,648	2,509,078	90,326	83,477	46,376	41,132	49,050	27,300	(3,828)	(10,021)	3,380,370	2,901,796
Distribution and Administrative expenses	101,375	99,630	2,152,506	1,656,017	63,056	66,830	36,279	51,463	35,056	45,118	-	1	2,388,272	1,919,059
Profit before tax and before charging following	55,423	131,158	889,142	853,061	27,270	16,647	10,097	(10,331)	13,994	(17,818)	(3,828)	(10,022)	992,098	982,737
Financial charges													487,843	748,107
Other operating expenses													64,845	24,208
Other income													(47,398)	(91,275)
													505,290	681,040
Profit Before Tax													486,808	301,697
Taxation													26,330	68,775
Profit after tax													460,478	232,922

10.2 Segment assets and liabilities

	Spinning		Other Than Spinning		Gul Ahmed International Limited FZC- UAE		GTM (Europe) Limited UK		GTM USA Corp.		Unallocated		Total	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Dec - 2015	Jun- 2015	Dec - 2015	Jun- 2015	Dec - 2015	Jun- 2015	Dec - 2015	Jun- 2015	Dec - 2015	Jun- 2015	Dec - 2015	Jun- 2015	Dec - 2015	Jun- 2015
	(Rs 000s)													
Assets	4,738,889	4,654,991	21,475,282	17,191,540	455,503	470,873	136,595	210,041	163,087	39,098	1,402,609	2,780,685	28,371,965	25,347,228
Liabilities	1,312,910	1,900,111	5,460,082	5,974,840	175,358	201,306	1,937	2,186	465	854	13,909,852	9,885,572	20,860,604	17,964,869

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

10.4 Information about major customers

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.3,500 million (Dec-2015: Rs. 5,663 million)



10.5 Information by geographical area

	Revenue		Non-current assets	
	For the half year ended (Un-audited)		Un-Audited	Audited
	Dec - 2015	Dec - 2014	Dec - 2015	Jun - 2015
	Rupees in thousand			
Pakistan	5,423,128	5,135,443	10,130,448	9,156,597
Germany	2,229,757	3,135,995	-	-
United Kingdom	1,002,927	1,002,300	2,188	2,106
United States	1,316,281	962,311	-	-
China	272,184	1,695,805	3,941	4,418
Netherland	625,081	1,052,125	-	-
France	699,708	972,632	-	-
Brazil	30,093	85,128	-	-
United Arab Emirates	420,164	390,394	13,048	8,286
Other Countries	2,197,713	2,287,053	-	-
Total	14,217,036	16,719,186	10,149,625	9,171,407

11 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	Un-Audited	
		Dec - 2015	Dec - 2014
		Rupees in thousand	
Associated Companies and other related parties	Purchase of goods	26,059	25,436
	Sale of goods	911	2,156
	Rent paid	8,100	3,900
	Fees paid	1,500	1,500
	Commission / rebate	-	3,814
	Donation paid	847	3,000
	Bills discounted	1,749,203	1,133,906
	Commission / bank charges paid	14,499	16,040
	Mark up / Interest charged	39,372	40,047
	Provident fund contribution	50,751	42,767
	Dividend paid	10,452	147
Relationship with the Company	Nature of outstanding balances	Un-Audited	Audited
		Dec - 2015	Jun- 2015
		Rupees in thousand	
Associated companies and others related parties	Deposit with bank	15,964	18,486
	Borrowing from bank	617,923	1,149,965
	Bank guarantee	607,583	587,583
	Trade & other payable	7,153	11,793
	Trade & other receivable	2,366	1,427
	Accrued Mark up	5,899	23,116
	Loans to key management personnel & executives	24,372	20,725
	Payable to employees' provident fund	10,575	2,158

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-2015 amounting to Rs. 545 million (Dec-2014: Rs. 316 million) on account of remuneration.



12 EVENT AFTER BALANCE SHEET DATE**Subsequent Effects**

The Board of Directors of the Holding Company in its meeting held on February 25, 2016 has declared the following:

a) Dividend

Your directors have decided to pay interim cash dividend @ Re. 1.00 per share i.e. 10% for the half year ended December 31, 2015.

b) Right Shares

Your directors have also decided to issue 30% Right Shares at a premium of Rs.7.50 per share (Total Rs.17.50/- per share) in proportion of 30 (Thirty) Right Shares for every 100 (Hundred) shares.

13 DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue on February 25, 2016 by the Board of Directors of the Group.

14 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, unless otherwise specified

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

