Chairman's Review

It is my privilege to present the Chairman's Review for the financial year ending June, 30th 2024, in compliance with the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. This review reflects our commitment to transparency, governance, and strategic direction.

Our company has navigated a year of significant challenges with resilience and strategic foresight. For the fiscal year, we reported a record-high turnover of USD equivalent 500M+, showcasing our ability to adapt and thrive in a dynamic market environment. This performance underscores the effectiveness of our strategies and the dedication of our team. However, high interest rates, escalating energy costs, and inflation put considerable strain on profit margins.

Our commitment to the highest standards of governance and ethical conduct is central to our operations. The Board of Directors rigorously upholds transparency, accountability, and integrity, ensuring that best practices in governance are consistently applied. We have established robust frameworks for risk management and internal controls, and we remain dedicated to regulatory compliance and ethical business practices, reinforcing stakeholder trust and enhancing our corporate reputation. We ensure that our governance practices align with relevant laws and regulations, with clearly defined roles and responsibilities. Throughout the fiscal year 2023-2024, the Board convened a total of five meetings, including those of the audit committee, ensuring consistent oversight of our performance and that of our sub-committees.

The Board's annual self-evaluation for the financial year 2023-2024 has yielded satisfactory results. This self-assessment is integral to measuring our performance and identifying areas for improvement. Our evaluation process focuses on several key components:

a) The Board members bring a diverse range of backgrounds and experiences, comprising both independent and non-executive directors who are equally engaged in all critical decisions. This diverse composition ensures that the Board has the necessary skills, capabilities, and experience to effectively achieve the Company's objectives.
b) The board's effectiveness in shaping and guiding the company's strategic goals. This involves reviewing how well the board contributes to the formulation and execution of strategic plans and its role in ensuring that the company adapts to changing market conditions.
c) The Board has established a strong governance framework, ensuring transparency, adherence to best practices, and the promotion of ethical behavior throughout the Company.
d) Board's dynamics, including the quality of interactions and collaboration among directors. Effective communication, teamwork, and the ability to manage conflicts constructively are key focus areas to ensure a cohesive and functioning board.

As we chart our course forward, our strategic focus is on driving sustainable growth through innovation and operational excellence. Our investments in renewable energy is designed to drive sustainable growth and enhance shareholder value. We will enhance our market presence and deepen customer relationships while remaining committed to environmental and social responsibility. By staying agile and forwardthinking, we aim to seize emerging opportunities and navigate challenges effectively, ensuring long-term value for our stakeholders and reinforcing our industry leadership.

In closing, I extend my sincere gratitude to our shareholders, employees, and partners for their unwavering support and dedication. Together, we will advance our strategic objectives and build on our achievements with confidence and integrity.

Mohomed Bashir
Chairman

Karachi: September 25, 2024

Directors' Report

The Directors of your company are pleased to present the financial results of the company for the fiscal year ending June 30, 2024.

Economic & Industrial Overview

Global Economic Landscape

At the beginning of the year, the global economy has shown signs of gradual recovery from recent disruptions. Economic activity and international trade have rebounded, primarily driven by robust technology exports from Asia. Despite ongoing geopolitical uncertainties and elevated interest rates, the global economy is projected to maintain a steady growth rate of 2.6% in FY24, consistent with the previous year. Financial conditions have also improved during 23-24, marked by reduced risk premiums in advanced economies. This has bolstered confidence in sustained economic stability and contributed to a decrease in inflation.

Inflation has been trending downwards recently, but it remains above desired levels in many advanced economies and about a quarter of emerging markets with inflation targets. The initial decrease was supported by falling energy prices and easing supply chain issues, but this trend has slowed as energy costs have risen again and core inflation, especially in services, persists. Consequently, Inflation is on a gradual downward trajectory, progressing more slowly than expected and averaging 3.5% in FY24.

Geopolitical dynamics are significantly impacting the global economy, with ongoing conflicts and tensions creating instability. The situation in Ukraine remains unresolved, leading to disruptions in energy supplies and trade flows. At the same time, strained relations between the U.S. and China persist, marked by ongoing disagreements over trade policies, technology, and strategic interests. These persistent issues are having a notable effect on global trade and investment patterns.

Pakistan's Economic Landscape

In FY24, Pakistan's economy demonstrated significant stabilization, highlighted by a reduction in inflation, a primary fiscal surplus, and a minimal current account deficit. The real sector saw positive developments, with agriculture performing strongly and large-scale manufacturing poised for growth. By June 2024, CPI inflation had decreased to 12.6% year-on-year, down from 29.4% in June 2023. The average annual inflation for the year fell to 23.4%, compared to 29.2% the previous year.

Fiscal management improved with the fiscal deficit reduced to 6.8% of GDP, a decline from 7.8% the previous year. Revenue growth was robust, with a 38% increase driven by a substantial rise in both tax and non-tax revenues.

During the FY23-24 fiscal year, exports rose by $2.9 billion, increasing from $27.7 billion in the same period last year (SPLY) to $30.7 billion. Conversely, imports decreased by $4.2 billion, falling from $55.2 billion to $51.0 billion. Additionally, Remittances sent home by overseas workers hit $30.3 billion in the FY23-24, up 10.7% year-on-year from $27.3 billion in the SPLY, which contributed to reducing the current account deficit to $0.7 billion, down from $3.3 billion in FY23. Foreign Direct Investment also saw a notable 16.9% increase.

To further bolster economic stability, the government has secured a staff-level agreement with the IMF for a 37-month Extended Fund Facility Arrangement (EFF) amounting to $7 billion. However, the ongoing discussions and conditions attached to the agreement created fluctuations in market confidence.

Pakistan's Textile Sector

In the financial year FY23-24, Pakistan's textile sector experienced a modest increase in exports, rising by 0.93% to reach $16.65 billion, up from $16.50 billion the previous year. Below is the breakup of Textile Exports category wise:

Category	2023-2024 USD	2022-2023 USD	Change
Knitwear	4,407,573	4,436,750	-0.66%
Readymade garments	3,563,647	3,491,948	2.05%
Bed wear	2,802,670	2,691,649	4.12%
Cotton Cloth	1,865,964	2,022,000	-7.72%
Towels	1,055,109	999,593	5.55%
Cotton Yarn	955,510	844,283	13.17%
Made up Articles	715,333	692,544	3.29%
Others	1,290,092	1,323,001	-2.49%
Grand Total	**16,655,898**	**16,501,768**	**0.93%**

Energy prices have surged by 173%, and combined with high inflation and a restricted currency, our exporters face significant challenges in staying competitive compared to regional peers. Furthermore, the rise in interest rates from an average 3 month KIBOR of 18% in FY23 to 23% in FY24 is intensifying cost pressures, particularly when compared to the rates faced by regional competitors. This increase is affecting our overall market position and adding to the financial strain on our operations.

Operational & Financial Performance

Despite challenges such as pricing pressures in export markets, political instability, high financing costs, and fluctuating energy prices, we successfully expanded our order volumes and maximized production capacity throughout FY23-24. The company's export revenue in USD has surged by 23.51% i.e. from $302 million in the SPLY to $373 million during FY24, significantly outpacing the country's overall textile export growth of just 0.93%. This performance led to a notable increase in net sales to Rs. 143.14 billion, up 27.85% from Rs. 111.97 billion the previous year. However, this sales growth did not shield us from significant impacts on our gross, operating, and net profits due to the aforementioned difficulties. Below is a summary of our key financial metrics for the year ending June 30, 2024:

Description	2024	2023	%
Export Sales	99,403	70,893	40.22%
Indirect Export Sales	32,031	29,116	10.01%
Local Sales	11,711	11,958	(2.06%)
Gross Profit	17,191	16,695	2.97%
Profit before tax	6,537	5,949	9.88%
Profit after tax	4,728	3,986	18.61%
EBITDA	16,436	14,963	9.84%
Earnings per share	6.39	5.39	18.55%

Sales Performance

When converted to PKR, our export revenue, has experienced a substantial increase of 40.22%, driven by favorable exchange rate effects and higher export volumes in USD. Indirect exports have also increased by 10.01% during FY24 compared to the SPLY. Local sales have remained stable at the same level as last year. This overall increase in sales highlights the effectiveness of the management's strategic initiatives, including timely investments and leveraging both export and domestic market opportunities.

Costs and Financial Metrics

The Cost of Sales has experienced a significant increase of 32%, driven by several factors, including a sharp increase in energy costs due to natural gas tariffs surging from Rs.1,100 to Rs.3,000 per MMBTU (including both blended natural gas and RLNG rates), a high inflation rate averaging 23.89% during the year, and a rise in minimum wages from Rs.25,000 to Rs.32,000.

Compounded by the country's restricted gas supply, the company has had to rely on more expensive alternative fuels, leading to a drastic rise in overall energy expenditures. Fuel and power costs escalated to Rs.12 billion, up from Rs.5.8 billion, marking an increase of Rs.6.1 billion, or 105%. This surge in energy costs has heavily impacted the company's profitability.

In response to these soaring energy expenses, the company has completed a project which includes a 2 MW Solar Power Project of Roof top and finalization of another 17 MW on roof top, which is expected to be live by Quarter 3 of FY 25. This strategic investment aims to reduce reliance on costly conventional energy sources and underscores a strong commitment to sustainability.

Selling costs have risen significantly by 47.55%, primarily driven by a 70% increase in freight expenses and a 25% rise in salaries and wages. Recent attacks on commercial vessels in the Red Sea have disrupted maritime transit through this crucial chokepoint, leading to increased freight rates as ships are forced to take longer, alternative routes. Additionally, fluctuations in exchange rates have compounded the issue, further driving up overall freight costs. In contrast, administrative expenses have seen a modest increase of 1.26%.

Despite an increase in borrowings by Rs.6.5 billion, majorly associated with change in gas prices, and rising markup rates from averaging 11% in FY23 to averaging 19% in FY24 for ERF and averaging 18% to averaging 23% for KIBOR-based loans, the company successfully kept its finance costs stable compared to last year. This accomplishment was achieved through strategic financial planning and optimization. Key to this success was our proactive approach in securing EFS and FE financing at favorable rates. By leveraging these lower-cost financing options and effectively managing our debt, we were able to offset the impact of higher borrowing costs and maintain overall finance cost levels.

Segmental Review of Business Performance

The company operates in various business segments, but only the significant segments are mentioned below:

Spinning

Gul Ahmed operates one of the most efficient and modern spinning plants, which is crucial to both our revenue growth and profitability. This segment plays a pivotal role by not only supplying high-quality yarn to domestic textile manufacturers but also providing essential materials for our internal operations. Our spinning plant's advanced capabilities and strategic approach ensure that we remain competitive and responsive to market demands, reinforcing our position as a leader in the textile sector.

In FY24, the spinning achieved a significant increase in net sales, reflecting a growth of approximately 10.7% compared to SPLY. The cost of sales also rose on account of minimum wages and power & fuel cost, but the increase in gross profit was even more pronounced, demonstrating an improvement from 16.5% to 18%. The rise in profitability is primarily due to transitioning from imported raw materials to locally sourced and sustainable material. Additionally, improved procurement timing has played a crucial role in maximizing production efficiency and cost savings.

These positive developments indicate successful cost management and operational improvements, resulting in a significant boost in overall profitability. An overview of the business performance across segments is detailed in the operating segment results of the attached financial statements; please refer to Note # 36 for further information.

Home Textile

The Home Textile segment of our company focuses on manufacturing and exporting a wide variety of value-added textiles, accounting for a substantial 82% of the company's total export volume.

For FY24, the Company experienced a notable increase in PKR net sales, rising by approximately 38.3% compared to SPLY. This growth indicates strong revenue generation and an expanding market presence. However, this sales growth was offset by a rise in the cost of sales, leading to a decline in gross profit from 11.5% to 7.2%. The increase in expenses was driven by several factors, including higher raw material costs, elevated power costs, rising minimum wages, and intensified global competition which further compressed margins. Selling and distribution costs increased significantly by approximately 46.4%, primarily due to increase in sales and a rise in freight expenses due to issues in Red sea.

An overview of the business performance across segments is detailed in the operating segment results of the attached financial statements; please refer to Note # 36 for further information.

Apparel

This segment primarily focuses on exports and is the preferred supplier for many international retail chains. In FY24, the apparel company saw a 38% increase in PKR net sales compared to the SPLY. Despite this substantial growth, the cost of sales also rose by impact of minimum wages and power cost, leading to a 3% decrease in gross profit. This outcome highlights the challenges of managing costs while achieving significant revenue growth.

Selling and distribution costs have risen by 59% due to increased sales, coupled with higher freight and shipment expenses.

An overview of the business performance across segments is detailed in the operating segment results of the attached financial statements; please refer to Note # 36 for further information.

Composition of the Board

The Board of Directors as at June 30, 2024 is as follows:

Total number of Directors

a)	Male	06
b)	Female	01

The Composition of the Board if as follows:

	Particulars	No.	Name of Directors
a)	Independent Directors	02	Ms. Zeeba Ansar Mr. Kamran Y. Mirza
b)	Executive Directors	02	Mr. Mohammed Zaki Bashir Mr. Zain Bashir
c)	Non Executive Directors	03	Mr. Mohomed Bashir Mr. Ehsan A. Malik Mr. Ziad Bashir
d)	Female Non Executive Director	00	--

Committees of the Board

Audit Committee

Mr. Kamran Y. Mirza	- Chairman
Mr. Mohomed Bashir	- Member
Mr. Ehsan A. Malik	- Member

Human Resource and Remuneration Committee

Ms. Zeeba Ansar	- Chairman
Mr. Mohomed Bashir	- Member
Mr. Zain Bashir	- Member

Remuneration Policy of Non-Executive Directors

The Company has developed a comprehensive remuneration policy for Non-Executive and Independent Directors. Key points of the policy include:

- Director remuneration is market-based, reflecting their experience and expertise.
- Independent Directors receive no salary, only meeting fees for attending Board and Committee meetings.
- Meeting fees for Directors are determined and approved by the Board.
- The Human Resource and Remuneration Committee (HR&RC) recommends meeting fees, subject to Board approval, with Independent Director fees tied to actual attendance.
- Directors are reimbursed for travel, accommodation, and other expenses related to attending Board, Committee, or General Meetings.
- Directors performing duties beyond statutory responsibilities may receive additional remuneration as determined by the Board.

Principal Risk and Uncertainties

Businesses today confront a multitude of risks and uncertainties, each of which, if not effectively manage, could pose significant threats to our Company. In the modern business landscape, companies face a myriad of risks and uncertainties, each with the potential to pose significant threats if not manage effectively. To address these challenges, the management has established a robust mechanism for the identification, evaluation, and mitigation of risks. Among the notable risks we are currently addressing include:

- the risk of default on receivables primarily related to its local sales;
- price fluctuations in cotton and yarn, changes in import policies, utility rate shifts, and varying markup rates;
- technological advancements make it increasingly challenging for the Company to remain competitive both nationally and internationally;
- operating in a dynamic economic environment like Pakistan presents challenges, particularly with the introduction of new duties and taxes on existing taxpayers. These changes can drive up material costs and impact the pricing of finished goods, adding complexity to cost management;
- change in taxation regime for exporters from final taxes (FTR) to normal tax regime (NTR) will make it very challenging for the exporters to remain competitive with global peers;
- withdrawal of EFS on local supplies and imposition of 18% GST on such supplies will result in working capital blockage due to delayed refund of input paid on such supplies from the government; and
- the depletion of Pakistan's natural gas reserves has created challenges, especially in maintaining supply levels. Additionally, the country's heavy reliance on thermal electricity generation, primarily powered by imported resources, makes it vulnerable to cost fluctuations driven by rising fuel prices and the depreciation of the PKR against foreign currencies.

While managing risk is not new, evolving demands from markets, customers, regulators, employees, and shareholders have made it a critical component of business strategy. A detailed section on the Company's risk management philosophy, governance and key risks and opportunities is available on pages ___ to ___ of the Annual Report.

Pattern of Shareholding

The pattern of shareholding and additional information as at June 30, 2024, is part of the Annual Report of your Company. Associated companies and public sector companies own 68.92%. Banks/Insurance Companies /Mutual Funds own 14.36%, Director's own 7.41% and individuals own 8.90% of the entire shareholding.

Adequacy of Internal Financial Control

The Board of Directors has established a comprehensive system of internal financial controls, aimed at ensuring the smooth and efficient operation of the company. These controls encompass fraud prevention, asset protection, legal compliance, accurate financial record-keeping, and the timely generation of reliable financial information. Regular reviews and updates are conducted to maintain their effectiveness in accordance with evolving laws and regulations, reflecting our commitment to stringent financial governance and accountability.

Risk management is discussed in detail on page ___ of the Annual Report.

Corporate Social Responsibility

Corporate social responsibility is discussed in detail on page __ of the Annual Report.

Environment and Social Governance

As a prominent exporter in our country, the Company is deeply committed to safeguarding the health and safety of our workforce and all associated stakeholders. We have established a specialized team focused on Environmental, Social, and Governance (ESG) compliance, reflecting our management's strong dedication to these crucial areas.

Our facilities are rigorously aligned with environmental and safety standards, actively implementing measures to eliminate the release of hazardous substances. This commitment highlights our focus on environmental responsibility and our dedication to supporting the well-being of the communities we serve. Our integrated ESG strategy underscores our pledge to uphold sustainable and ethical practices throughout our operations.

Code of Corporate Governance (CCG)

The management of the Company is committed to implementing good corporate governance and complying with best practices. As required under the Code of Corporate Governance, the Directors are pleased to state as follows:

i. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity.
ii. Proper books of accounts of the Company have been maintained.
iii. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
v. The system of internal control is sound in design and has been effectively implemented and monitored.
vi. The directors of the Board are well aware of their duties and responsibilities as outlined by corporate laws and listing regulations. In compliance with the provisions of the Listing Regulations, six of our directors have attended and completed the Corporate Governance Leadership Skills program under the Board Development Series of Pakistan Institute of Corporate Governance (PICG).
vii. One director, i.e., the Chairman, with the compulsory knowledge and experience is exempt from the requirement of attending the directors' training program.
viii. There are no significant doubts about the Company's ability to continue as a going concern.
ix. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
x. The value of investment of provident fund based on its unaudited accounts as on June 30, 2024 is Rs.2.33 billion (FY2023: as per audited accounts Rs.1.60 billion).
xi. Statements regarding the following are annexed in the notes to the financial statements:
    - Number of Board meetings held and attendance by directors.
    - Key financial data for the last six years.
    - Pattern of shareholding.

No trading was carried in shares of Company by its Directors, Chief Executive, Chief Financial Officer, and Company Secretary and their spouses and minor children.

Director's Training

The Directors of the Company are adequately trained to perform their duties and are aware of their powers and responsibilities under the Companies Act, 2017 and the Regulations of Pakistan Stock Exchange Rule book.

Boards Evaluation

Complying with the Code of Corporate Governance, 2017 the Board has approved a comprehensive mechanism for evaluation of its performance. The Company has introduced a questionnaire covering the Board's scope, objectives, function, and Company's performance and monitoring. The Board has evaluated all factors based on inputs received from every director.

Auditors

The present External Auditors, M/s. KPMG Taseer Hadi & Co, Chartered Accountants, have completed the annual audit for the year ended June 30, 2024, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and being eligible, have offered themselves for reappointment.

The auditors will retire at the conclusion of the Annual General Meeting scheduled to be held on 26 October 2024. The Board has recommended Messrs. Yousuf Adil & Co, Chartered Accountants, for appointment as auditors of the Company for the year to be ended on June 30, 2025 in place of the retiring auditors.

The Board, for the outgoing auditors, wishes to place on record its appreciation for their valuable services rendered to the Company.

Future Economic Outlook

Global trade is anticipated to grow by 2.5% this year and reach 3.4% in 2025, showing a notable improvement from the previous year but still falling short of the growth rates seen in the two decades before the pandemic. The trade outlook faces several risks, including weaker global demand, escalating geopolitical tensions, and potential disruptions in maritime transport. Additionally, with numerous elections scheduled this year, there is an increased likelihood of trade policy uncertainty and the possibility of more protectionist measures, which could further impact trade and economic activity.

Global Inflation is projected to decrease to 3.5% in FY24, with a continued decline to 2.9% in 2025 and 2.8% in 2026. This slowdown is expected to result from easing core inflation, driven by a moderation in demand for services, slower wage growth, and a modest drop in commodity prices.

Pakistan's economy has embarked on FY25 with positive momentum, setting a favorable outlook for the year. The current account balance has shown improvement, reduction of CPI inflation to single digit i.e. 9.60% and tax revenues have exceeded expectations, signalling strong economic health.

However, the persistent inflation and rising energy costs are expected to continue straining operating margins across industries. For the textile sector specifically, the volatility in global cotton prices and fluctuating raw material costs pose ongoing risks. Additionally, the industry must navigate increased competition from international markets, which pressures domestic producers to maintain price competitiveness while managing higher production costs. The recent increase in gas prices by 10% from July and an additional 33% effective January 2025 will further exacerbates these pressures, raising production costs significantly. This escalation in energy cost can undermine the sector's ability to compete globally, as domestic producers struggle to balance higher costs with the need to remain price competitive.

Moreover, the Country's fiscal deficit and mounting external debt further exacerbate economic instability, potentially leading to tighter financing conditions and increased borrowing costs for businesses. Furthermore, Pakistan's vulnerability to climate-related events such as floods and droughts poses risks to agricultural output, directly affecting raw material availability for the textile industry.

The recent transition from the Fixed Tax Regime (FTR) to the Normal Tax Regime (NTR) presents major challenges for Pakistan's textile industry. Key issues include increased administrative and compliance costs, frequent audits based on unclear criteria, and potential delays in tax refunds that could impact cash flow.

Additionally, the removal of zero-rating on local supplies under the Export Facilitation Scheme (EFS) will have a detrimental effect on exports, as it will force exporters to navigate a lengthy Sales Tax refund process, undermining the efficiency intended by EFS.

These delays in refunds for income tax and sales tax further necessitate additional working capital, which in turn strains financial resources, reduces profitability, and leads to increased borrowing costs.

Subsequent Events

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year and the date of this report.

Acknowledgement

We extend our gratitude to our dedicated employees and the unwavering support of our customers, financial institutions, shareholders, and esteemed Board of Directors.

For and on behalf of the Board

MOHOMED BASHIR **Chairman**	**MOHAMMED ZAKI BASHIR** **Chief Executive Officer**

September 25th, 2024
Karachi

Gul Ahmed Textile Mills Limited

Unconsolidated Statement of Financial Position

As at 30 June 2024

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**50,023,808**	50,121,838
Intangible assets	6	**45,484**	38,251
Long term investment	7	**3,591,206**	3,591,206
Long term loans	8	**17,939**	67,901
Long term deposits		**145,595**	132,947
Total non-current assets		**53,824,032**	53,952,143
CURRENT ASSETS			
Stores and spares	9	**2,298,322**	1,762,858
Stock-in-trade	10	**49,014,078**	38,450,431
Trade debts	11	**24,567,107**	23,421,883
Loans, advances and other receivables	12	**2,638,317**	2,070,610
Short term prepayments		**63,612**	172,505
Receivable from government	13	**3,705,858**	3,301,038
Short term investments		**1,243**	-
Cash and bank balances	14	**375,876**	334,471
Total current assets		**82,664,413**	69,513,796
Total Assets		**136,488,445**	123,465,939
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	**7,400,594**	7,400,594
Reserves	16	**37,352,629**	32,670,783
Total Share Capital and Reserve		**44,753,223**	40,071,377
NON-CURRENT LIABILITIES			
Long term financing	17	**14,591,587**	20,117,007
Deferred taxation	18	**-**	257,699
Deferred income - government grant	19	**74,655**	102,606
Defined benefit plan - staff gratuity	20	**523,996**	329,018
Total non-current liabilities		**15,190,238**	20,806,330
CURRENT LIABILITIES			
Trade and other payables	21	**28,775,841**	27,220,295
Accrued mark-up / profit	22	**1,391,643**	1,570,154
Short term borrowings	23	**42,005,502**	30,205,729
Current maturity of long term financing		**3,233,936**	3,096,186
Current maturity of deferred income - government grant		**28,251**	32,388
Unclaimed dividend		**9,840**	9,931
Unpaid dividend	24	**23,505**	23,505
Taxation-net		**1,076,466**	430,044
Total current liabilities		**76,544,984**	62,588,232
CONTINGENCIES AND COMMITMENTS	25	**-**	-
Total Equity and Liabilities		**136,488,445**	123,465,939

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

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MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**MUHAMMAD KASHIF RIAZ**
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

Gul Ahmed Textile Mills Limited
Unconsolidated Statement of Profit or Loss
For the year ended 30 June 2024

	Note	**30 June 2024**	30 June 2023 *(Restated)*
		(Rupees in '000)	
Sales - net	*26*	**143,145,844**	111,967,612
Cost of sales	*27*	**(125,954,822)**	(95,272,129)
Gross profit		**17,191,022**	16,695,483
Selling and distribution cost	*28*	**(3,247,465)**	(2,200,949)
Administrative cost	*29*	**(3,471,467)**	(3,428,329)
Other operating cost	*30*	**(491,140)**	(432,181)
		(7,210,072)	(6,061,459)
Operating profit		**9,980,950**	10,634,024
Other income	*31*	**1,982,933**	662,873
Finance costs	*32*	**(5,426,456)**	(5,347,543)
Profit before income tax and final taxes		**6,537,427**	5,949,354
Final taxes	*33*	**(2,043,969)**	(1,633,219)
Profit before income tax		**4,493,458**	4,316,135
Income tax	*34*	**234,344**	(330,116)
Profit after income tax		**4,727,802**	3,986,019
		2024	2023
		(Rupees)	
Earnings per share - basic and diluted	*35*	**6.39**	5.39

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**MUHAMMAD KASHIF RIAZ**
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

Gul Ahmed Textile Mills Limited

Unconsolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	30 June 2024	30 June 2023
	(Rupees in '000)	
Profit after taxation	**4,727,802**	3,986,019
Other comprehensive loss		
Items that will not be reclassified to unconsolidated statement of profit or loss subsequently		
Remeasurement loss on defined benefit plan	**(41,421)**	(48,622)
Related tax effect	**-**	681
	(41,421)	(47,941)
Reversal of deferred tax	**(4,535)**	-
Total comprehensive income	**4,681,846**	3,938,078

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**MUHAMMAD KASHIF RIAZ**
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

Gul Ahmed Textile Mills Limited
Unconsolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Share Capital	Reserve				Total
		Capital reserve - against long term investments, capacity expansion and BMR	Capital Reserve - Amalgamation Reserve	Revenue Reserve - Unappropriated Profit	Total Reserves	
	(Rupees in '000)					
Balance as at 01 July 2022	6,167,162	-	8,252,059	21,714,078	29,966,137	36,133,299
Total comprehensive income for the year ended 30 June 2023						
Profit after taxation	-	-	-	3,986,019	3,986,019	3,986,019
Other comprehensive loss	-	-	-	(47,941)	(47,941)	(47,941)
	-	-	-	3,938,078	3,938,078	3,938,078
Transaction with owners						
Issuance of bonus shares @ 20%	1,233,432	-	-	(1,233,432)	(1,233,432)	-
Balance as at 30 June 2023	7,400,594	-	8,252,059	24,418,724	32,670,783	40,071,377
Balance as at 01 July 2023	**7,400,594**	**-**	**8,252,059**	**24,418,724**	**32,670,783**	**40,071,377**
Reclassification of Reserves	**-**	**23,000,000**	**-**	**(23,000,000)**	**-**	**-**
Total comprehensive income for the year ended 30 June 2024						
Profit after taxation	**-**	**-**	**-**	**4,727,802**	**4,727,802**	**4,727,802**
Other comprehensive loss	**-**	**-**	**-**	**(45,956)**	**(45,956)**	**(45,956)**
	-	**-**	**-**	**4,681,846**	**4,681,846**	**4,681,846**
Balance as at 30 June 2024	**7,400,594**	**23,000,000**	**8,252,059**	**6,100,570**	**37,352,629**	**44,753,223**

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR **Chairman**	**MOHAMMED ZAKI BASHIR** **Chief Executive Officer**	**MUHAMMAD KASHIF RIAZ** **Chief Financial Officer**

Gul Ahmed Textile Mills Limited
Unconsolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**4,493,458**	4,316,135
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	*5.1.1*	**4,450,617**	3,639,522
Amortisation of intangible assets	*6.1*	**21,302**	26,307
Expense recognised for defined benefit plan	*20*	**238,199**	137,038
Finance costs	*32*	**5,426,456**	5,347,543
Provision for slow moving / obsolete stores and spares	*9.1*	**(151,739)**	42,252
Final taxes	*33*	**2,043,969**	1,633,219
Provision for slow moving stock-in-trade	*10.1*	**(78,792)**	50,252
Dividend income	*31*	**(1,462)**	-
Unclaimed liabilities written back	*31*	**-**	(46,961)
Government Grant recognised in income	*31*	**(32,088)**	(54,679)
Loss on disposal of property, plant and equipment	*30*	**28,533**	22,743
Expected credit loss against doubtful trade debts	*11.4*	**(229,760)**	98,864
		11,715,235	10,896,100
Changes in working capital:			
Stores and spares		**(383,725)**	(728,958)
Stock-in-trade		**(10,484,855)**	(4,070,635)
Trade debts		**(915,464)**	2,061,807
Loans, advances and other receivables		**(570,332)**	5,340
Receivable from government		**(404,820)**	(510,031)
Short term prepayments		**108,893**	(62,297)
Trade and other payables		**2,023,519**	5,858,423
Net (decrease) / increase in working capital		**(10,626,784)**	2,553,649
Cash generated from operating activities		**5,581,909**	17,765,884
Payment made to defined benefit plan	*20.1*	**(81,236)**	(65,254)
Taxes paid		**(1,425,436)**	(1,431,604)
		(1,506,672)	(1,496,858)
Net cash from operating activities		**4,075,237**	16,269,026
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		**(3,929,694)**	(8,009,860)
Payments for acquisition of intangible assets		**(28,535)**	(12,838)
Proceeds from disposal of property, plant and equipment		**28,758**	67,665
Short term investment made		**(601,243)**	-
Short term investment redeemed		**600,000**	-
Dividend income		**1,462**	-
Long term loans		**52,587**	59,359
Long term deposits		**(12,648)**	(35,383)
Net cash used in investing activities		**(3,889,313)**	(7,931,057)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		**358,000**	2,395,568
Repayment of long term financing		**(5,777,758)**	(3,089,639)
Increase / (decrease) in short term borrowings		**8,403,987**	(4,767,385)
Finance costs paid		**(6,524,443)**	(3,943,226)
Dividend paid		**(91)**	(482)
Net cash used in financing activities		**(3,540,305)**	(9,405,164)
Net decrease in cash and cash equivalents		**(3,354,381)**	(1,067,195)
Cash and cash equivalents at the beginning of the year		**(1,411,989)**	(344,794)
Cash and cash equivalents at the end of the year	*38*	**(4,766,370)**	(1,411,989)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	MUHAMMAD KASHIF RIAZ
Chairman	Chief Executive Officer	Chief Financial Officer

1 LEGAL STATUS AND ITS OPERATIONS

1.1 Gul Ahmed Textile Mills Limited (the Company) was incorporated in Pakistan on 01 April 1953 as a private limited company and subsequently converted into a public limited company on 07 January 1955. The Company is a subsidiary of Gul Ahmed Holdings (Private) Limited (the Parent Company) and is listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of textile products. The registered office is situated at Plot No. H-7, Landhi Industrial Area, Karachi.

The Company has following wholly owned subsidiaries which are engaged in distribution / trading of textile related products while Ideas (Private) limited also carries out production of finished goods.

Details of Subsidiaries	Country of Incorporation	Principal place of business
Direct Subsidiaries		
Gul Ahmed International Limited FZC - UAE	United Arab Emirates	Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.
Ideas (Private) Limited	Pakistan	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Indirect Subsidiaries		
GTM USA Corp.	United States of America	106 Lang Tree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Sky Home Corp.	United States of America	106 Lang Tree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Vantona Home Limited	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
JCCO 406 Limited	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM (Europe) Limited	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.

1.2 Geographical locations and addresses of all immoveable properties owned by the Company are as follows;

Area	Address
25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi, Karachi
14.9 Acres	Survey No. 82, Deh Landhi, Karachi
18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
44.04 Acres	P.U. No. 48, 49, 50, & 51, Deh Khjanto Tapo Landhi, Karachi
4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi
4,023.16 Sq. yards	Plot No. H-19/1, Landhi Industrial Area, Landhi, Karachi
6.83 Acres	Plot 368, 369 & 446, Deh Landhi, Karachi
12 Acres	Plot - HT 3/A, Landhi, Karachi
51.1 Acres	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi

Manufacturing facilities, warehouses, ancillary construction, administrative offices etc, are constructed on each of the above mentioned land.

1.3 Geographical locations and addresses of all premises obtained on rental basis are as follows;

Address
Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.
Plot No. H-17 / A, Landhi Industrial area, Karachi.
Plot # HT/2 Landhi Industrial Area, Karachi
Plot # HT/8, KDA Scheme 3, Landhi Industrial area, Karachi.
Plot W2/1-14, Western industrial zone, Port Qasim, Karachi
Plot # H19/2-B Bin Qasim, Landhi Industrial area Karachi
Survey # 613, Deh Jorejee, Bin Qasim town, Karachi
Survey # 614, Deh Jorejee, Bin Qasim town, Karachi
Survey # 615, Deh Jorejee, Bin Qasim town, Karachi
22nd Floor, Ocean Mall, Khayaban-e-Iqbal, Block-9, Clifton, Karachi.

The above rental premises are used to carry out warehousing and administrative tasks.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise stated in respective policy notes.

These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries is measured at cost less accumulated impairment losses, if any. Consolidated financial statements of the Company are prepared and presented separately.

These unconsolidated financial statements have been prepared under accrual basis of accounting except for unconsolidated statement of cash flows.

2.2 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and

- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS, the provisions of and directives issued under the Act have been followed.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the functional and presentation currency of the Company. The amounts have been rounded off to the nearest thousand rupees unless stated otherwise.

2.4 Critical accounting estimates and judgments

The preparation of these unconsolidated financial statements, in conformity with the accounting and reporting standards as applicable in Pakistan, management has made judgment and estimates that affects the application of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience including expectations of future events that are believed to be reasonable under the circumstances. Revision in estimates are recognised prospectively.

Information about estimates and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the unconsolidated financial statements are as follow:

a) Property, Plant and Equipment and Intangible assets

The Company reviews appropriateness of the method of depreciation / amortisation and useful lives used in the calculation of depreciation / amortisation of property, plant and equipment and intangible assets respectively on an annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment at each reporting date.

b) Provision for obsolescence and slow moving stores and spares

Provision for obsolescence and slow moving stores and spares is based on parameters set out by the management of the Company, which includes ageing, expected use and realizable values.

c) Stock-in-trade

The Company reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values at each reporting date. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

d) Impairment of financial assets

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade debts. The provision matrix is initially based on the Company's historically observed rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every quarter, the historically observed default rates are updated, and changes in the forward-looking estimates are analysed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECL on the Company's trade debts is disclosed in note 45.2.

e) Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingencies as disclosed in Note 25 of these unconsolidated financial statements.

The Company also regularly reviews the trend of proportion of incomes between Presumptive Tax Regime income and Normal Tax Regime income and the change in proportions, if significant, is accounted for in the year of change.

f) Levies

The Company takes into account the current income tax law, legislations and decisions taken by the taxation authorities for determination of levies. These include determining the specific obligating event that triggers levy recognition based on the relevant legislation, estimating the amount payable by considering applicable rates, and deciding the appropriate timing for recognizing the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

g) Defined benefit plan

The present value of defined benefit plans depends upon number of factors and is being calculated on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The present value and the underlying assumptions are disclosed in Note 20 of these unconsolidated financial statements.

h) Contingencies

The assessment of the contingencies and provision inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

2.5 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

(a) New standards, amendments and interpretations to published approved accounting and reporting standards which are effective for the accounting periods beginning on or after 01 July 2023 are as follows:

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 July 2023. These amendments neither resulted in any changes to the accounting policies nor impacted the 'accounting policies' information disclosed in these unconsolidated financial statements.

The amendment requires the disclosure of 'material', rather than 'significant', accounting policies. The amendment also provides guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. The information disclosed in Note 3 Material Accounting Policies has been assessed to be in line with the amendments.

Below are certain other amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after 01 July 2023.

Definition of Accounting Estimates (Amendments to IAS 8)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

International Tax Reform – Pillar Two Model Rules (amendments to IAS 12)

The above standards, interpretations and amendments to existing accounting and reporting standards are not likely to have a significant impact on Company's unconsolidated financial statements.

(b) Standards, Interpretations and Amendments to published approved accounting standards not yet effective

The following IFRS Standards as notified under the Act and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2024:

	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current (Amendments to IAS 1)	01 January 2024
Non-current Liabilities with Covenants (Amendment to IAS 1)	01 January 2024
Lease Liability in a Sale and Leaseback (amendment to IFRS 16)	01 January 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Not yet finalized
Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)	01 January 2024
Lack of Exchangeability (amendments to IAS 21)	01 January 2025
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:	01 January 2025
- Financial Assets with ESG-Linked features	
- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:	

The above standards, interpretations and amendments are not likely to have a significant impact on the Company's unconsolidated financial statements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been consistently applied to all periods presented in these unconsolidated financial statements.

3.1 Foreign currency transactions and translation

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are recognised in the unconsolidated statement of profit or loss.

3.2 Property, plant and equipment

3.2.1 Operating fixed assets

Initial recognition

The cost of an item is recognised as an asset if and only if the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Measurement

Operating fixed assets are stated at cost less any accumulated depreciation and any accumulated impairment losses except leasehold land which is stated at cost.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Cost

Expenditures incurred to replace a significant component of an item of property, plant and equipment is capitalised and the asset so replaced is retired. Other subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) are recognised in the unconsolidated statement of profit or loss as an expense when these are incurred.

Depreciation

Depreciation is charged using:

- Reducing Balance Method on Plant & Machinery, Office Equipment (other than IT Equipment), Building on Leasehold Land, Vehicles and Furniture & Fixtures; and

- Straight Line Method on IT equipment, structure on leasehold land and major Component of Plant & Machinery identifiable as a separate asset due to different useful life from the Plant & Machinery.

Rate of depreciation on above are specified in the note 5 of these unconsolidated financial statements.

Depreciation on additions to property, plant and equipment is charged from the day the asset is available for use and no depreciation is charged on the day of disposal.

Depreciation methods, useful lives and residual values of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognized in the unconsolidated statement of profit or loss.

3.2.2 Capital work-in-progress

Capital work in progress is stated at cost less impairment loss, if any and consists of expenditures incurred (including any borrowing cost, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.3 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation of intangible assets are charged to unconsolidated statement of profit or loss by applying the straight line method at the rates specified in note 6 of these unconsolidated financial statements after taking into account residual value, if any. Amortisation on additions to intangibles is charged from the day the asset is available for use and no depreciation is charged on the day of disposal.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable, if any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount.

3.4 Investments in subsidiaries

Subsidiary is an entity over which the Company has control. Investments in subsidiary is carried at cost less accumulated impairment losses, if any. The carrying amount of investments in subsidiaries is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated at higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in unconsolidated statement of profit or loss.

3.5 Stores and spares

Stores and spares are stated at lower of weighted average cost and net realizable value, less provision for impairment, if any. Provision is made for obsolete and slow moving stores and spares and is recognised in the unconsolidated statement of profit or loss. Stores-in-transit are valued at cost comprising invoice value plus other incremental charges incurred thereon.

3.6 Stock-in-trade

Stock of raw materials and finished goods are valued at lower of weighted average cost and net realizable value. Cost of raw materials and trading stock comprises of the invoice value plus other charges incurred thereon. Work-in-process is measured at weighted average cost. Cost of work-in-process and finished goods includes cost of direct materials, labour and appropriate portion of manufacturing overheads. Waste products are valued at net realizable value. Stock-in-transit are stated at cost comprising invoice value and other incidental charges paid thereon up to reporting date.

Net realizable value signifies the estimated selling prices in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

3.7 **Trade and other receivables**

Trade and other receivables that do not contain significant financing component are recognised initially at the transaction price. Trade and other receivables that contain significant financing component are recognised initially at fair value and subsequently at amortized cost. An allowance is made for lifetime expected credit losses using simplified approach as mentioned in Note 2.4 of these unconsolidated financial statements. Trade debts are written off when there is no reasonable expectation of recovery.

3.8 **Staff retirement benefits**

Defined contribution plan

The Company operates a recognized provident fund scheme for its eligible employees to which equal monthly contribution is made by the Company and the employees at the rate of 8.33% of the basic salary. The Company's contribution is charged to unconsolidated statement of profit or loss.

Defined benefit plan

The Company operates unfunded gratuity schemes for all its eligible employees. Benefits under the scheme are vested to employees on completion of the prescribed qualifying period of service under the scheme. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Company determines the net interest expense / (income) on the net defined liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the unconsolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the unconsolidated statement of profit or loss. The Company recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3.10 **Accumulated employee compensated absences**

The Company provides for compensated absences for all eligible employees in the period in which these are earned. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the unconsolidated Statement of Profit or Loss.

3.11 **Provisions and contingencies**

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.12 **Taxation**

Current

Current Tax comprises of expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred

Deferred tax is accounted for using balance sheet liability method in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the unconsolidated statement of financial position. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to unconsolidated statement of profit or loss except to the extent that it relates to items recognised in unconsolidated statement of comprehensive income.

3.13 Levies

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these unconsolidated financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorised as current income tax.

3.14 Borrowing cost

Borrowing costs are recognised as an expense in the unconsolidated statement of profit or loss in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

3.15 Government grant

Government grants are transfers of resources to the Company by a government entity in return for compliance with certain past or future conditions related to the Company's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with the conditions associated with grants. Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

Loan is initially recognised at its fair value in accordance with IFRS 9. The fair value of the loan would be the present value of loan proceeds received, discounted using prevailing market rate of mark-up for a similar instrument. The benefit of below-market mark-up (i.e. differential between the loan proceeds and fair value of the loan) is accounted for as deferred grant in accordance with IAS 20. In subsequent periods, the loan amount would be accreted using the effective interest rate method. The accretion would increase the carrying value of the loan with a corresponding effect on the interest expense for the year in the unconsolidated statement of profit or loss. As per IFRS 9, the loan liability and related mark-up shall be derecognized when it is extinguished i.e., these amounts are paid-off. While, the grant is recognised in unconsolidated statement of profit or loss, in line with the recognition of interest expense that the grant is compensating, in accordance with IAS 20.

3.16 Trade and other payables

Liabilities for trade and other payables are recognized at the fair value of the consideration to be paid for goods and services received plus significant directly attributable costs and these are subsequently measured at amortised cost.

3.17 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is recognized on following basis:

- Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable.

  The Company recognises revenue when performance obligation is satisfied, at a point in time, when control of goods have been transferred to a customer either on dispatch / acceptance of goods for local sales or issuance of the bill of lading in case of export sales. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from the Company premises or when it is delivered by the Company at customer premises.

  Revenue from services is recognised at the point in time when the performance obligation is satisfied i.e. control of the serviced goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those serviced goods. These services include sanforization and mercerization of fabric.

- Export rebate on export sales is recognized on an accrual basis at the time of export sale.
- Processing charges are recorded when processed goods are delivered to customers.

3.18 **Other Income**

Other income is recognised to the extent it is probable that economic benefit will flow to the Company and the amount can be measured reliably. Other income is measured at fair value of the consideration received or receivable and recognised on following basis:

- Profit on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and rates applicable thereon.

- Dividend income is recognized when the Company's right to receive the payment is established.

- Interest on loans and advances to employees is recognized on the effective interest method.

- Income from sale of scrap is recorded on delivery of scrap to the customer.

- The grant is recognised in unconsolidated statement of profit or loss, in line with the recognition of interest expense that the grant is compensating, in accordance with IAS 20.

- Income from liabilities written back / provision are recorded when the chances of settlement of liability / provision is remote.

- Markup from Term Finance Certificates is accounted for as income using the effective interest method.

- Exchange gain from currency realization and derivative financial instruments are described in Note 3.1 of these unconsolidated financial statements.

3.19 **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.19.1 **Financial assets**

3.19.1.1 **Initial recognition and measurement**

Financial assets are classified, at initial recognition, at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables and contract assets, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables and contract assets are measured at the transaction price determined under IFRS 15 'Revenue from Contract with Customers'.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

3.19.1.2 **Subsequent measurement**

For purposes of subsequent measurement, the Company classifies its financial assets into following categories:

- Financial assets at amortised cost (debt instruments);

- Financial assets designated at fair value through OCI (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and

- Financial assets at fair value through profit or loss (FVPL).

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in unconsolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to unconsolidated statement of profit or loss. Dividends are recognised as other income in unconsolidated statement of profit or loss when the right of payment has been established unless the dividend clearly represents a recovery of part of the cost of investment. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets designated at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in unconsolidated statement of profit or loss.

The Company has designated short term investments at FVPL in these unconsolidated financial statements.

3.19.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

  (a) the Company has transferred substantially all the risks and rewards of the asset, or

  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.19.2 Financial liabilities

3.19.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, trade payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

3.19.2.2 Subsequent measurement

Financial liabilities at FVPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 is satisfied. The Company has not designated any financial liability at FVPL.

Financial liabilities at amortized cost

After initial recognition, borrowings and payables are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in these unconsolidated statement of profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

3.19.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in these unconsolidated statement of profit or loss.

3.19.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offsetted and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.20 Cash and cash equivalents

Cash and cash equivalents include cash in hand, with banks in current and deposit accounts, cheques in hand, demand draft and running finance under mark-up arrangements. Running finances under mark-up arrangements are shown within short term borrowings under current liabilities in the unconsolidated statement of financial position. These are measured at amortised cost.

3.21 Dividend and appropriation to reserves

Final dividend distributions to the Company's shareholders are recognized as a liability in the unconsolidated financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while the interim dividend distributions are recognized in the period in which the dividends are declared by the Board of Directors. Appropriations of profit are reflected in the unconsolidated statement of changes in equity in the period in which such appropriations are approved.

3.22 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relates to transactions with any of the Company's other components. An operating segment's results are reviewed regularly by the Chief Operating Decision Maker(s) i.e., Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment, assess its performance and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of finance cost, other operating cost, other income and income tax. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets. The detailed results of the reportable segments are disclosed in the Note 36 to these unconsolidated financial statements.

3.23 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.24 Unclaimed dividend

The Company recognizes unclaimed dividend which was declared and remained unclaimed by the shareholder from the date it was due and payable.

4 IMPACT OF CHANGE IN ACCOUNTING POLICY

4.1 During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been reclassified in these unconsolidated financial statements.

In light of above guidance and its retrospectively applicability results in reclassification of final taxes as disclosed in the unconsolidated statement of profit or loss. Impact on the Company's unconsolidated statement of profit or loss is as follows.

4.2 - Unconsolidated Statement of Profit or Loss

30 June 2024	**Had there been no change in accounting policy**	**Impact of change in accounting policy**	**After incorporating effects of change in accounting**
Final Tax	-	(2,043,969)	(2,043,969)
Profit Before Income Tax	6,537,427	-	6,537,427
Income Tax	(1,809,625)	2,043,969	234,344
Profit After Income Tax	4,727,802	-	4,727,802
30 June 2023			
Final Tax	-	(1,633,219)	(1,633,219)
Profit Before Income Tax	5,949,354	-	5,949,354
Income Tax	(1,963,335)	1,633,219	(330,116)
Profit After Income Tax	3,986,019	-	3,986,019

The related changes to the unconsolidated statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Operating fixed assets	5.1	**49,416,906**	47,869,843
Capital work in progress (CWIP)	5.2	**606,902**	2,251,995
		50,023,808	50,121,838

5.1 Operating fixed assets

	Note	Leasehold land	Buildings and structures on leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
		(Rupees in '000)						
As at 01 July 2022								
Cost		7,924,915	10,548,552	33,034,152	266,770	772,518	557,845	53,104,752
Accumulated depreciation		-	(3,372,370)	(12,290,929)	(77,615)	(419,456)	(334,882)	(16,495,252)
Net book value as at 01 July 2022		**7,924,915**	**7,176,182**	**20,743,223**	**189,155**	**353,062**	**222,963**	**36,609,500**
Movement during year ended 30 June 2023								
Transfers during the year		-	3,862,099	10,703,902	37,243	334,042	52,987	14,990,273
Reclassifications during the year								
Cost		-	-	3,191	724	5,985	(9,900)	-
Depreciation		-	-	(686)	(240)	(4,439)	5,365	-
Net book value		-	-	2,505	484	1,546	(4,535)	-
Disposals during the year	5.1.2							
Cost		-	(740)	(270,958)	(4,741)	(219,466)	(19,474)	(515,379)
Depreciation		-	232	211,032	1,554	197,115	15,038	424,971
Net book value		-	(508)	(59,926)	(3,187)	(22,351)	(4,436)	(90,408)
Depreciation charge for the year	5.1.1	-	(893,794)	(2,584,423)	(23,674)	(87,069)	(50,562)	(3,639,522)
Net book value as at 30 June 2023		7,924,915	10,143,979	28,805,281	200,021	579,230	216,417	47,869,843
As at 01 July 2023								
Cost		**7,924,915**	**14,409,911**	**43,470,287**	**299,996**	**893,079**	**581,458**	**67,579,646**
Accumulated depreciation		**-**	**(4,265,932)**	**(14,665,006)**	**(99,975)**	**(313,849)**	**(365,041)**	**(19,709,803)**
Net book value as at 01 July 2023		**7,924,915**	**10,143,979**	**28,805,281**	**200,021**	**579,230**	**216,417**	**47,869,843**
Movement during year ended 30 June 2024								
Transfers during the year		**121,484**	**1,246,791**	**4,433,375**	**32,300**	**242,619**	**67,304**	**6,143,873**
Written off during the period / year		**-**	**(70,070)**	**-**	**-**	**-**	**-**	**(70,070)**
Reclassification to Capital work in progress		**-**	**-**	**(18,832)**	**-**	**-**	**-**	**(18,832)**
Disposals during the year	5.1.2							
Cost		**-**	**-**	**(144,675)**	**-**	**-**	**-**	**(144,675)**
Depreciation		**-**	**-**	**87,384**	**-**	**-**	**-**	**87,384**
Net book value		**-**	**-**	**(57,291)**	**-**	**-**	**-**	**(57,291)**
Depreciation charge for the year	5.1.1	**-**	**(1,104,333)**	**(3,140,204)**	**(24,768)**	**(131,601)**	**(49,711)**	**(4,450,617)**
Net book value as at 30 June 2024		**8,046,399**	**10,216,367**	**30,022,329**	**207,553**	**690,248**	**234,010**	**49,416,906**
As at 30 June 2024								
Cost		**8,046,399**	**15,586,632**	**47,740,155**	**332,296**	**1,135,698**	**648,762**	**73,489,942**
Accumulated depreciation		**-**	**(5,370,265)**	**(17,717,826)**	**(124,743)**	**(445,450)**	**(414,752)**	**(24,073,036)**
Net book value as at 30 June 2024	5.4	**8,046,399**	**10,216,367**	**30,022,329**	**207,553**	**690,248**	**234,010**	**49,416,906**
Depreciation rate % per annum		**-**	**10 to 33**	**10 to 33**	**10 to 12**	**10 to 33**	**20**	

5.1.1 Depreciation charge for the year has been allocated as follows:

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Cost of goods manufactured	27.1	**4,265,756**	3,494,369
Selling and distribution cost	28	**100**	130
Administrative cost	29	**184,761**	145,023
		4,450,617	3,639,522

5.1.2 **Details of operating assets sold**

Particulars of assets	Cost	Written down value	Sale proceeds	Gain / (loss) on disposal	Mode of disposal	Particulars of buyer	Relationship with buyer
	(Rupees in '000)						
Plant and machinery							
Carding Filter	1,395	503	338	(165)	Bidding	Hasan & Co B-59/2, Qazafi Town Landhi Main National Highway Road	Third Party
Securoprop Sp-FPU with Condensor	9,471	4,591	3,084	(1,507)	Bidding	Hasan & Co B-59/2, Qazafi Town Landhi Main National Highway Road	Third Party
Securoprop Sp-FPU with Condensor	9,471	4,591	3,084	(1,507)	Bidding	Hasan & Co B-59/2, Qazafi Town Landhi Main National Highway Road	Third Party
Kuster Washing WW 3200 MM	58,533	22,173	8,466	(13,707)	Bidding	Hina Traders Suit No # 215, Sualeha Chamber, Plot No # B-9/ C-1 S.I.T.E, Karachi West Site Town	Third Party
Machine Jigger Dyeing	21,686	15,157	2,117	(13,040)	Bidding	Hina Traders Suit No # 215, Sualeha Chamber, Plot No # B-9/ C-1 S.I.T.E, Karachi West Site Town	Third Party
Winch Machine	6,350	858	684	(174)	Bidding	M. Hashim & Sons Office No.308,3rd Floor, Anum Trade Centre Estate Avenue, Site ,Karachi, Karachi West Site Town	Third Party
Washing Machine	4,913	3,104	3,479	375	Bidding	United Dying & Bleching Plot No. C-45, Ground Floor Block-13, F.B Area Karachi, Karachi Central Gulberg Town	Third Party
Washing Machine	3,314	1,416	1,586	170	Bidding	United Dying & Bleching Plot No. C-45, Ground Floor Block-13, F.B Area Karachi, Karachi Central Gulberg Town	Third Party
Items with written down value below Rs. 500,000	29,542	4,898	5,921	1,022	Bidding	Various	
As on 30 June 2024	**144,675**	**57,291**	**28,759**	**(28,533)**			
As on 30 June 2023	515,379	90,408	67,665	(22,743)			

5.2	**Capital work in progress**	*Note*	**30 June 2024**	30 June 2023
			(Rupees in '000)	
	Plant and machinery		**536,930**	1,641,802
	Buildings and structures on leasehold land		**60,261**	610,193
	Others		**9,711**	-
		5.2.1	**606,902**	2,251,995

5.2.1 The movement in capital work in progress is as follows:

Balance at beginning of the year		**2,251,995**	9,232,408
Capital expenditure incurred during the year			
Plant and machinery	*5.2.2*	**3,309,671**	6,636,229
Buildings and structures on leasehold land		**696,859**	1,177,663
Others		**473,418**	195,968
		4,479,948	8,009,860
Transfers to operating fixed assets during the year			
Plant and machinery		**(4,433,375)**	(10,703,902)
Buildings and structures on leasehold land		**(1,246,791)**	(3,862,099)
Others		**(463,707)**	(424,272)
		(6,143,873)	(14,990,273)
Reclassification from operating fixed assets		**18,832**	-
Balance at end of the year		**606,902**	2,251,995

5.2.2 This includes mark up captalised during the construction period amounting to Rs. 480 million (30 June 2023: Rs. 197 million). Effective rate of mark-up capitalized is 18.60% (30 June 2023: 14.64%).

5.3	**The cost of fully depreciated Property, plant and equipment still in use**	**30 June 2024**	30 June 2023
		(Rupees in '000)	
	Buildings and structures on leasehold land	**114,059**	114,799
	Office equipment	**93,736**	301,814
	Plant and machinery	**506,814**	809,250
	Vehicles	**109**	19,583
		714,718	1,245,446

5.4 Plant and machinery, land and buildings are subject to first pari passu charge and a equitable mortgage amounting to Rs. 8,999 million as on 30 June 2024 (30 June 2023: Rs. 8,999 million). These charges are against different financing facilities obtained from various banks as disclosed in note 17 of these unconsolidated financial statements.

6	**INTANGIBLE ASSETS - ACQUIRED**	*Note*	**30 June 2024**	30 June 2023
			(Rupees in '000)	
	Cost		**199,789**	186,951
	Accumulated amortisation		**(161,538)**	(135,231)
	Net book value as at 01 July		**38,251**	51,720
	Movement during the year			
	Additions - cost		**28,535**	12,838
	Amortisation charge for the year	*6.1*	**(21,302)**	(26,307)
	Net book value as at 30 June		**45,484**	38,251
	As at 30 June			
	Cost		**228,324**	199,789
	Accumulated amortisation		**(182,840)**	(161,538)
	Net book value as at 30 June		**45,484**	38,251

6.1 The cost is being amortised using straight line method over a period of five years and the amortisation charge has been allocated as follows:

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Cost of goods manufactured	27.1	**1,793**	-
Administrative cost	29	**19,509**	26,307
		21,302	26,307

6.2 **The cost of fully amortised intangible assets still in use**

Software		**101,562**	83,876

7 LONG TERM INVESTMENT

	Note	30 June 2024	30 June 2023
Investment in subsidiary companies at cost			
- Gul Ahmed International Limited	7.1	**58,450**	58,450
- Ideas (Private) Limited	7.2	**3,462,756**	3,462,756
		3,521,206	3,521,206
Investment at amortised cost			
- Term Finance Certificate	7.3	**70,000**	70,000
		3,591,206	3,591,206

7.1 Gul Ahmed International Limited - FZC UAE, an unquoted company incorporated in United Arab Emirates (UAE), is a wholly owned subsidiary (the subsidiary) of the Company. The Company has accounted for the investment in subsidiary at cost as per IAS 27. Aggregate breakup value of the subsidiary as per its financial statements for the year ended 30 June 2024 is Rs. 1,265 million (30 June 2023: Rs. 1,277 million).

7.2 Ideas (Private) Limited, an unquoted company incorporated in Pakistan, is a wholly owned subsidiary of the Company. The company has accounted for the investment in this subsidiary at cost as per IAS 27. Aggregate breakup value of the subsidiary as per its financial statements for the year ended 30 June 2024 is Rs. 5,081 million (30 June 2023: Rs. 4,839 million).

7.3 This represents Rs. 70 million (30 June 2023: Rs.70 million) invested in Term Finance Certificate issued by Habib Bank Limited which carries profit at the rate of 3Month KIBOR + 1.6% receivable on quarterly basis. This is of perpetual nature.

8 LONG TERM LOANS

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Considered good			
- Due from executives (other than CEO and Directors)	8.2	**87,256**	137,705
- Due from non-executives		**3,828**	5,966
		91,084	143,671
Current portion			
- Due from executives		**(69,871)**	(71,086)
- Due from non-executives		**(3,274)**	(4,684)
	12	**(73,145)**	(75,770)
		17,939	67,901

8.1 Loans and advances have been given for the purchase of cars and housing assistance in accordance with the terms of employment and are repayable in monthly installments. These loans are secured to the extent of outstanding balance of retirement benefit or guarantees by two employees.

Included in these are loans of Rs. 48 million (30 June 2023: Rs. 46 million) to executives and Rs. 3 million (30 June 2023 : Rs. 3.5 million) to non-executive which carry no mark-up. The loans amounting to Rs. 39.2 million (2023: 91.7 million) to executives and Rs. 0.8 million (30 June 2023: Rs. 2.4 million) carries mark-up at rates ranging from 6.5% to 22.9% (30 June 2023: 6.5% to 17.1%).

8.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs.87 million (30 June 2023: Rs. 137.7 million).

9 STORES AND SPARES

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Stores and spares		**2,380,844**	1,999,785
Stores-in-transit		**13,296**	10,630
		2,394,140	2,010,415
Provision for slow moving / obsolete items	9.1	**(95,818)**	(247,557)
		2,298,322	1,762,858

9.1 Movement in provision for slow moving / obsolete items

	Note	30 June 2024	30 June 2023
Opening balance		**247,557**	244,055
(Reversal) / Charge for the year - Cost of goods manufactured	27.1	**(151,739)**	42,252
Stores and spares written off during the year		**-**	(38,750)
Closing balance		**95,818**	247,557

10 STOCK-IN-TRADE

	Note	30 June 2024	30 June 2023
Finished goods	27	**7,688,200**	6,883,952
Raw material	27.2	**30,975,136**	25,979,360
Work-in-process	27.1	**8,967,188**	5,485,583
Stock-in-transit		**1,495,563**	292,337
		49,126,087	38,641,232
Provision for slow moving - stock-in-trade / obsolete items	10.1	**(112,009)**	(190,801)
		49,014,078	38,450,431

10.1 Movement in provision for slow moving

	Note	30 June 2024	30 June 2023
Opening balance		**190,801**	140,549
(Reversal) / Charge for the year - Cost of goods manufactured	27.1	**(78,792)**	50,252
Closing balance		**112,009**	190,801

10.2 The stock includes inventory held with third party amounting to Rs. 7,171 million (30 June 2023: Rs. 3,980 million).

11 TRADE DEBTS

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Secured			
Export Debtors		**2,999,337**	3,877,018
Local Debtors		**6,893,301**	7,885,699
	11.5	**9,892,638**	11,762,717
Unsecured			
Export Debtors		**5,557,687**	4,576,077
Local Debtors		**9,299,141**	7,495,208
		14,856,828	12,071,285
Expected Credit Loss	11.4	**(182,359)**	(412,119)
	11.6	**24,567,107**	23,421,883

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11.1 Details and aging analysis of the gross amounts due from related parties is as follows:

	Note	**30 June 2024**			
		0 to 30 Days	**31 to 180 days**	**More than 181 days**	**Total**
		(Rupees in '000)			
Export Debtors					
GTM USA Corp.		**78,799**	**10,295**	**-**	**89,094**
GTM (Europe) Limited		**134,755**	**681**	**-**	**135,436**
Sky Home Corporation - USA		**5,880**	**-**	**-**	**5,880**
		219,434	**10,976**	**-**	**230,410**
Local Debtors					
Ideas (Private) Limited	*11.2*	**643,842**	**81,466**	**4,951,647**	**5,676,955**
		863,276	**92,442**	**4,951,647**	**5,907,365**

	30 June 2023			
	0 to 30 Days	31 to 180 days	More than 181 days	Total
	(Rupees in '000)			
Export Debtors				
GTM USA Corp.	226,409	5,792	7,513	239,714
GTM (Europe) Limited	1,621,267	1,741	430	1,623,438
Vantona Home Limited	87,633	89	-	87,722
Sky Home Corporation - USA	48,720	-	-	48,720
	1,984,029	7,622	7,943	1,999,594
Local Debtors				
Ideas (Private) Limited - wholly owned subsidiary	15,703	916,373	5,721,177	6,653,253
	1,999,732	923,995	5,729,120	8,652,847

11.2 The amount outstanding is "Payable on Demand" and is subject to markup at the rate of KIBOR + 0.75%. The markup charged during the year is disclosed in Note 32.3.

11.3 The maximum aggregate month end balance during the year due from related parties was Rs. 9,040 million (30 June 2023: Rs. 8,653 million).

11.4 Movement in expected credit loss against doubtful trade debts

	Note	**30 June 2024**	30 June 2023
		(Rupees in '000)	
Opening balance		**412,119**	313,255
(Reversal) / Charge for the year	*29*	**(229,760)**	98,864
Closing balance		**182,359**	412,119

11.5 Trade debts under irrevocable letter of credit, document acceptance, and other acceptable banking instruments are considered secured.

11.6 This includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rs. 4,598 million (30 June 2023: Rs. 4,029 million).

12 LOANS, ADVANCES AND OTHER RECEIVABLES

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Loans and advances - considered good			
Advances to suppliers		**1,434,883**	1,213,921
Current portion of loans to employees	8	**73,145**	75,770
		1,508,028	1,289,691
Other Receivables			
Letter of Credit and Bank Guarantee Margin	12.1	**650,183**	728,089
Forward contracts		**332,315**	-
Others		**147,791**	52,830
		1,130,289	780,919
		2,638,317	2,070,610

12.1 The guarantee margin carries mark up at the rate of 14.35% to 19.75% (30 June 2023: 14.35% to 19.5%).

13 RECEIVABLE FROM GOVERNMENT

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Sales tax refund		**978,178**	917,088
Income tax refund		**428,713**	560,553
Duty drawback, markup subsidy and rebate	13.1	**2,298,967**	1,823,397
		3,705,858	3,301,038

13.1 Markup subsidy represents the amount receivable from Government of Pakistan on account of subsidy announced for textile sectors in past years.

14 CASH AND BANK BALANCES

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Cash in hand		**11,387**	9,222
Balances with banks in current accounts			
- Local currency		**359,581**	257,439
- Foreign currency		**4,908**	67,810
	14.1	**364,489**	325,249
		375,876	334,471

14.1 This includes an amount of Rs. 202.93 million (30 June 2023: Rs. 153.17 million) held by Shariah compliant banks.

15 SHARE CAPITAL

15.1 Authorized capital

30 June 2024 (Number of Shares)	30 June 2023 (Number of Shares)		30 June 2024 (Rupees in '000)	30 June 2023 (Rupees in '000)
5,000,000,000	5,000,000,000	Ordinary shares of Rs.10 each	**50,000,000**	50,000,000

15.2 Issued, subscribed and paid-up capital

30 June 2024 (Number of shares)	30 June 2023 (Number of shares)		30 June 2024 (Rupees in '000)	30 June 2023 (Rupees in '000)
192,161,738	192,161,738	Ordinary shares of Rs.10 each allotted for consideration paid in cash	**1,921,617**	1,921,617
108,809,985	108,809,985	Ordinary shares of Rs.10 each allotted as fully paid shares under scheme of arrangement for amalgamation	**1,088,100**	1,088,100
439,087,735	439,087,735	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	**4,390,877**	4,390,877
740,059,458	740,059,458		**7,400,594**	7,400,594

15.2.1 As at 30 June 2024, Gul Ahmed Holdings (Private) Limited, the holding company of Gul Ahmed Textile Mills Limited, held 413,383,760 (30 June 2023: 413,383,760) ordinary shares of Rs. 10 each, constituting 55.86% (30 June 2023: 55.86%) of total paid-up capital of the Company. Number of shares held by the associated companies and undertakings, other than holding company, aggregated to 99,476,824 (30 June 2023: 99,476,824) ordinary shares of Rs. 10 each.

15.2.2 As per the Honourable Sindh High Court's order, the Company held 3,471,541 (30 June 2023: 3,471,541) out of the total bonus shares issued for the year 2015, 2019 and 2021 to Gul Ahmed Holdings (Private) Limited, an associated company and other parties respectively, as these shareholders are part of the suit filed against the tax on bonus shares imposed through Finance Act, 2014.

15.2.3 All these fully paid ordinary shares carry one vote per share and equal right to dividend.

15.3 Reconciliation of the number of shares outstanding

	Note	30 June 2024 (Number of Shares)	30 June 2023 (Number of Shares)
Number of shares outstanding at the beginning of the year		**740,059,458**	616,716,215
Add: 20% Bonus shares issued during the year		**-**	123,343,243
		740,059,458	740,059,458

16 RESERVES

	Note	30 June 2024	30 June 2023
Capital reserves			
Amalgamation reserve	*16.1*	**8,252,059**	8,252,059
Against long term investments, capacity expansion and BMR	*16.2*	**23,000,000**	-
		31,252,059	8,252,059
Revenue reserve			
Unappropriated profit		**6,100,570**	24,418,724
		37,352,629	32,670,783

16.1 This represents reserves created under the Scheme of Arrangement dated 05 May 2021 involving the Gul Ahmed Textile Mills Limited (the Company), Ideas (Private) Limited, Worldwide Developers (Private) Limited (WWDL), Grand Industries (Private) Limited (Grand) and Ghafooria Industries (Private) Limited (Ghafooria) which have been sanctioned by Honourable High Court of Sindh through order dated 29 October 2021.

16.2 The Board of Directors, in their meeting held on 25 September 2023, approved the creation of a reserve, for the purpose of long term investments, Business Modernization and capacity expansions, by transferring an amount of Rs. 23 billion from Unappropriated profit to this reserve. Based on this decision, the reserves against long-term investments, capacity expansions and BMR amounting to Rs. 23 billion have been separately disclosed as capital reserve not available for distribution in these unconsolidated financial statements.

17 LONG TERM FINANCING

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
From Banking Companies - Secured	*17.1*	**10,983,212**	14,731,792
From Non-Banking Financial Institutions - Secured	*17.2*	**3,562,997**	4,746,816
Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant	*17.3*	**3,279,314**	3,734,585
		17,825,523	23,213,193
Current portion shown under current liabilities		**(3,233,936)**	(3,096,186)
	17.10	**14,591,587**	20,117,007

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount (Rupees in '000)	Mark-up/profit rate per annum	30 June 2024 (Rupees in '000)	30 June 2023 (Rupees in '000)
17.1 Banking Companies - Secured							
Islamic							
Dubai Islamic Bank Under LTL scheme	*17.5 , 17.8 & 17.9*	20 quarterly	05 January 2024	16,934	Three months KIBOR ask rate + 1.50% payable quarterly	-	541,882
Faysal Bank Limited Under ILTFF scheme - Diminishing Musharaka	*17.5 , 17.7 & 17.9*	32 quarterly	01 November 2030	28,128	2.75% - 3.9% p.a. payable quarterly	**645,711**	724,282
Meezan Bank Limited Under LTL and ILTFF scheme - Diminishing Musharaka	*17.6 , 17.8 & 17.9*	32 quarterly	13 September 2032	91,054	3.5% - 5.5% p.a. payable quarterly	**2,529,595**	2,829,444
Conventional							
Askari Bank Limited Under LTFF scheme	*17.5 & 17.8*	20 and 32 quarterly	12 August 2027	25,163	2.75% - 3.5% p.a. payable quarterly	**553,368**	687,692
Bank Al-Habib Limited Under LTFF scheme	*17.7*	16 half yearly	22 October 2027	13,519	2.75% p.a. payable half yearly	**108,147**	135,184
Bank Al-Falah Limited Under LTFF and LTL scheme	*17.4 & 17.8*	16 half yearly	26 December 2032	58,964	3% - 5.5% p.a. payable half yearly	**668,409**	1,568,194
The Bank of Khyber Under LTL scheme	*17.4*	32 quarterly	17 August 2032	15,625	5.5% - 8.5% p.a. payable quarterly	**500,000**	517,143
The Bank of Punjab Under LTFF scheme	*17.4 & 17.8*	28 quarterly	02 December 2030	71,429	3% p.a. payable quarterly	**967,990**	1,253,121
Habib Bank Limited Under LTL and LTFF scheme	*17.6 & 17.7*	32, 36 and 39 quarterly	18 January 2025	50,655	2.80% - 3.25% p.a. payable half yearly and quarterly	**1,163,250**	1,866,275
MCB Bank Limited Under LTL scheme	*17.6 & 17.8*	32 quarterly	23 February 2031	9,596	4.00% p.a. payable half yearly and quarterly	**240,179**	278,092

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up/profit rate per annum	30 June 2024	30 June 2023
				(Rupees in '000)		(Rupees in '000)	
National Bank of Pakistan Under LTFF scheme	*17.4,17.5,17.6 & 17.8*	20 and 32 quarterly	26 May 2030	85,313	2.75% - 2.80% p.a. payable half yearly and quarterly	**1,674,467**	2,078,565
Soneri Bank Limited Under LTFF scheme	*17.4 & 17.8*	16 half yearly and 32 Quarterly	14 April 2032	40,395	3.50% - 5.0% p.a. payable half yearly and quarterly	**876,346**	931,197
United Bank Limited Under LTFF scheme	*17.5 & 17.8*	16 half yearly	21 March 2032	64,452	2.75% - 6.25% p.a. payable half yearly and quarterly	**912,670**	1,106,418
Samba Bank Limited Under LTFF scheme	*17.4 & 17.8*	10 and 16 half yearly	27 December 2028	35,501	3% p.a. payable half yearly	**143,080**	214,303
						10,983,212	14,731,792
17.2 Non-Banking Financial Institutions - Secured							
Pair Investment Company Limited Under LTFF scheme	*17.4, 17.6 &17.8*	12 and 16 half yearly	15 October 2029	65,392	3.0%- 3.5% p.a. payable half yearly	**419,341**	**549,203**
Pak Kuwait Investment Pvt. Limited Under LTFF scheme	*17.4, 17.5 &17.8*	32 quarterly	25 September 2032	62,189	3.0%- 8.5% p.a. payable quarterly	**1,211,540**	**1,884,200**
Pak China Investment Pvt. Limited Under LTFF scheme	*17.4, 17.5 &17.8*	32 quarterly	22 November 2031	44,763	3.35% - 5.35% p.a. payable quarterly	**1,261,065**	**1,417,950**
Pak Brunei Investment Company Limited Under LTFF scheme	*17.4, 17.5 &17.8*	16 half yearly	28 July 2027	36,524	2.5% p.a payable quarterly	**232,684**	**334,200**
Pak Oman Investment Company Limited Under LTFF scheme	*17.5 & 17.8*	32 quarterly	13 September 2027	30,724	2.75% p.a payable quarterly	**438,367**	**561,263**
						3,562,997	4,746,816
17.3 Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant							
Habib Bank Limited	*17.5 & 17.8*	16 half yearly	18 January 2025	59,375	2.25 % p.a. payable half yearly	**750,163**	861,496
MCB Bank Limited	*17.6 & 17.8*	32 quarterly	23 February 2031	13,841	3.00% p.a. payable quarterly	**349,236**	401,206
MCB Islamic Bank Limited	*17.6 & 17.8*	32 quarterly	19 January 2031	9,375	2.50% p.a. payable quarterly	**236,889**	272,079
Bank of Punjab	*17.4, 17.5 &17.8*	32 quarterly	02 December 2030	31,250	2.0 % p.a. payable quarterly	**863,939**	961,022
Pak Kuwait Investment Pvt. Limited	*17.4, 17.5 &17.8*	32 quarterly	25 September 2032	9,464	2.5% p.a. payable quarterly	**223,491**	259,112
Pak China Investment Pvt. Limited	*17.4, 17.5 &17.8*	32 quarterly	22 November 2031	17,738	2.50% p.a. payable quarterly	**453,453**	519,958
Saudi Pak Industrial And Agricultural Investment Company Limited	*17.4, 17.5 &17.8*	32 quarterly	27 April 2031	15,357	2.50% p.a payable quarterly	**402,143**	459,712
						3,279,314	3,734,585

17.4 These loans are secured by first pari passu charge over present and future property, plant and equipment of the Company.

17.5 These loans are secured by charge over specified machinery.

17.6 These loans are secured by first pari passu charge over present and future property, plant and equipment of the Company and equitable mortgage over land and building.

17.7 These loans are secured by charge over specified machinery of the Company and equitable mortgage over land and building.

17.8 The financing availed under the facility is repayable within a maximum period of ten years including maximum grace period of two years from the date when financing was availed.

17.9 These loans are obtained under Shariah Compliant Arrangements.

17.10 These loans are subject to compliance of certain covenants including Debt Service Coverage Ratio, Current Ratio, Debt to Equity Ratio, Interest Cover, Maximum Gearing, Debt to EBITDA, Debt to Sales

18 DEFERRED TAXATION

	Note	**30 June 2024**	30 June 2023
		(Rupees in '000)	
Opening balance		**257,699**	542,417
Reversal to unconsolidated statement of profit or loss	18.1	**(262,234)**	(284,037)
(Reversal) / charged to unconsolidated statement of other comprehensive income		**4,535**	(681)
Closing balance		**-**	257,699
Deferred tax arises due to:			
Taxable temporary difference in respect of			
Accelerated tax depreciation allowance		**-**	482,845
Deductible temporary differences in respect of:			
Provision for gratuity		**-**	(16,742)
Expected credit loss against trade debts		**-**	(28,252)
Provision for slow moving items / obsolete items of stores and spares		**-**	(23,209)
		-	(68,203)
Tax credit on account of Minimum Tax		**-**	(156,943)
		-	257,699

18.1 As per the guidelines issued by ICAP on application of IAS 12 *'Application Guidance on Accounting for Minimum Taxes and Final Taxes'*, no deferred tax is required to be booked as the Company, based on the projections of taxable income, expected to be taxed under Minimum Tax u/s 113 of the Income Tax Ordinance, 2001 for the foreseeable future. Hence the Company has not recorded any deferred tax liability as at 30 June 2024.

19 DEFERRED INCOME - GOVERNMENT GRANT

	Note	**30 June 2024**	30 June 2023
		(Rupees in '000)	
Opening balance		**134,994**	189,673
Government grant recognized as income during the year	31	**(32,088)**	(54,679)
		102,906	134,994
Current maturity of deferred income - government grant		**(28,251)**	(32,388)
		74,655	102,606

19.1 This represent government grant recognized on the concessionary refinance facility introduced by State Bank of Pakistan under a Temporary Economic Refinance Facility (TERF) for setting up of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses. These have been accounted for as per the guidance issued by the Institute of Chartered Accountant of Pakistan (ICAP) in respect of these loans.

20 DEFINED BENEFIT PLAN - STAFF GRATUITY

	Note	**30 June 2024**	30 June 2023
		(Rupees in '000)	
20.1 Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability			
Opening balance		**329,018**	210,777
Charge for the year	20.2	**238,199**	137,038
Remeasurement losses / (gain charged / credited) in unconsolidated statement of other comprehensive income	20.3	**41,421**	48,622
Benefits paid during the year		**(81,236)**	(65,254)
Benefits due but not paid during the year		**(3,406)**	(2,165)
Closing balance		**523,996**	329,018
20.2 Charge for the year recognized in unconsolidated statement of profit or loss			
Current service cost		**191,611**	113,577
Markup cost		**46,588**	23,461
		238,199	137,038
20.3 Remeasurement loss / (gain) charged in unconsolidated statement of other comprehensive income			
Actuarial losses from changes in financial assumptions		**20,441**	14,775
Experience adjustments		**20,980**	33,847
		41,421	48,622

20.4 Significant actuarial assumptions used

Following significant actuarial assumptions were used for the valuation by an independent valuer that is "Nauman Associates":

Discount rate used for year end obligation	**14.75%**	16.25%
Rate used for markup cost	**16.25%**	13.25%
Expected increase in salary	**20.00%**	22.50%
Mortality rates	**SLIC 2001-2005 Set back 1 Year**	SLIC 2001-2005 Set back 1 Year
Withdrawal rates	**Age-Based**	Age-Based
Retirement assumption	**Age 60**	Age 60

The discount rate used in the last actuarial valuation as on 30 June 2023 was 16.25%. However, in the current investment environment, where there is an downward trend in the interest rate structure, the discount rate has been decreased to 14.75%, in line with the specifications of the IAS-19.

Correspondingly, due to decrease in inflationary expectations, the percentage change in eligible salary has been decreased to 13.75% from 15.25%.

20.5 Associated Risks

(a) Final Salary Risk (Linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what the Company assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

(b) Demographic Risk

Mortality Risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal Risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiaries.

20.6 General Description

The scheme provides retirement benefits to all its eligible employees of the company who are not part of the provident fund scheme and who have completed the minimum qualifying period of service. Actuarial valuation of the scheme is carried out periodically and latest actuarial valuation was carried out at 30 June 2024. The disclosure is based on information included in that actuarial report. The gratuity is measured on last drawn salary multiplied by number of years of service.

20.7 Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant (± 100 bps), would have affected the defined benefit obligation:

	30 June 2024	30 June 2023
	(Rupees in '000)	
Discount Rate + 100 bps	**516,898**	324,604
Discount Rate - 100 bps	**531,362**	333,592
Salary increase + 100 bps	**531,181**	333,464
Salary increase - 100 bps	**516,952**	324,654

Although the analysis does not takes into account of the full distribution of cash flows expected under the plan, it does provide approximation of the sensitivity of the assumptions shown.

20.8 Maturity Profile

Maturity profile on Defined Benefit Obligation as presented by actuary in the report;

	30 June 2024	30 June 2023
	(Rupees in '000)	
FY 2024	**N/A**	204,034
FY 2025	**321,496**	171,407
FY 2026	**258,322**	122,115
FY 2027	**178,930**	85,504
FY 2028	**123,968**	60,657
FY 2029	**86,754**	44,148
FY 2030	**61,650**	32,013
FY 2031	**45,036**	24,189
FY 2032	**31,222**	16,981
FY 2033	**23,818**	13,412
FY 2034	**17,535**	39,388
FY 2035 onwards	**50,061**	N/A

The average duration of the defined benefit obligation is 1 year.

20.9 Estimated expenses to be charged to unconsolidated statement of profit or loss in financial year 2025:

Current service cost	**239,847**
Mark up on defined benefit obligation	**53,579**
	293,426

21 TRADE AND OTHER PAYABLES

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Creditors		**12,398,328**	10,707,791
Due to related parties	*21.1*	**216,692**	131,279
Accrued expenses		**6,386,921**	6,900,904
Advance from customers	*21.2*	**818,325**	683,630
Workers' profit participation fund	*21.3*	**345,459**	317,940
Workers' welfare fund	*21.5*	**117,148**	91,498
Gas infrastructure development cess payable	*21.6*	**3,686,367**	4,157,746
Taxes withheld		**145,714**	153,186
Payable to employees' provident fund trust		**61,057**	46,400
Payable to bank under bill discounting arrangement		**4,598,402**	4,029,546
Others		**1,428**	375
		28,775,841	27,220,295

21.1 Due to related parties

	30 June 2024	30 June 2023
Win Star (Private) Limited	**19,211**	9,292
Swisstex Chemicals (Private) Limited	**49,508**	88,019
Grand Industries (Private) Limited	**4,389**	3,511
TPL Properties Limited	**22,049**	29,677
GTM USA Corp.	**16,166**	-
Sky Home Corporation - USA	**105,369**	-
Gul Ahmed International Limited (FZC) - UAE	**-**	780
	216,692	131,279

21.2 This includes advance received from Gul Ahmed International Limited (FZC), a related party amounting to Rs. 1.4 million (30 June 2023: Nil).

21.3 Workers' profit participation fund

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Opening balance		**317,940**	549,607
Allocation for the year	*30*	**345,459**	317,940
Markup for the year	*32 & 21.4*	**3,954**	11,386
		667,353	878,933
Payments made during the year		**(321,894)**	(560,993)
Closing balance		**345,459**	317,940

21.4 Markup on Workers' Profit Participation Fund is payable at prescribed rate under Companies Profit (Workers Participation) Act, 1968 on funds utilized by the Company till the date of payment to the fund.

21.5 Workers' welfare fund

	30 June 2024	30 June 2023
	(Rupees in '000)	
Opening balance	**91,498**	81,798
Allocation for the year	**117,149**	91,498
	208,647	173,296
Payments made during the year	**(91,499)**	(81,798)
Closing balance	**117,148**	91,498

21.6 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. The contingency in respect to this has been disclosed in note 25.6.

22 ACCRUED MARK-UP / PROFIT

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Long term financing		**192,003**	266,056
Short term borrowings		**1,199,640**	1,304,098
	22.1 & 22.2	**1,391,643**	1,570,154

22.1 This includes accrued markup / profit of Rs. 81.1 million and Rs. 358.7 million (30 June 2023: Rs. 57.5 million and Rs. 360.6 million) accrued in long term financing and short term borrowings respectively under Shariah Compliant arrangements.

22.2 Accrued markup / profit includes markup due to related parties amounting to Rs. 262.4 million (30 June 2023: Rs. 14.5 million).

23	SHORT TERM BORROWINGS	Note	30 June 2024	30 June 2023
			(Rupees in '000)	
	Local currency			
	Running Finance		**5,142,246**	1,746,460
	Export Refinance Scheme		**20,761,400**	22,755,600
	Other Short Term Finances		**3,773,206**	5,703,669
			29,676,852	30,205,729
	Foreign currency			
	Export Facilitation Scheme		**9,542,784**	-
	FE - 25		**2,785,866**	-
		23.1 to 23.3	**42,005,502**	30,205,729

23.1 This includes Istisna (Shariah Compliant) amounting to Rs. 9,949 million (30 June 2023: Rs. 6,379 million) in local currency.

23.2 Short term borrowings are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. Unavailed facility at the year end was Rs. 2,874 million (30 June 2023: Rs. 7,122 million).

23.3 Local currency mark-up / profit rates range from 18% to 25% (30 June 2023: 11% to 25%) per annum.

24 UNPAID DIVIDEND

Dividend payable includes the dividend amount Rs.23.5 million (30 June 2023: Rs. 23.5 million) held by the Company pertaining to the Petitioners of the suit filed in the Honourable High Court of Sindh against the tax on bonus shares imposed through Finance Act 2014. The amount includes Rs.18 million and Rs. 0.8 million (30 June 2023: Rs. 18 million and Rs. 0.8 million) of Gul Ahmed Holdings (Private) Limited and an associated company respectively.

25 CONTINGENCIES AND COMMITMENTS

25.1 The Company owns and possesses a plot of land measuring 44.04 acres in Deh Khanto which is duly registered in its name and appearing in the books at a cost of Rs. 83.86 million (30 June 2023: Rs. 83.86 million). Ownership of the land has been challenged in the Honourable Sindh High Court by Messrs. Karim Bux, Iqbal Rasheed and Mansoor Munawar who claim to be the owners, as this land was previously sold to them and subsequently resold to the Company. The legal consultant of the Company is of the view that the Company has a reasonable case and is expecting favourable outcome, therefore, no provision has been made there against. In respect of the same land, the Company has filed a suit in January 2021 for declaration and permanent injunction in the Honourable High Court of Sindh, seeking the declaration that the Company is lawful owner of the said property and that the undated notice issued by the Pakistan Railways for sealing and taking over the possession of the said property is of no legal effect. The matter is at hearing stage and the legal consultant of the Company is of the view that the title of the Company stands clear and there is no likelihood of unfavourable outcome.

25.2 The Company has filed a Petition in the Honourable Sindh High Court, dated 30 March 2008, against order passed by the Board of Trustees, Employees' Old-Age Benefits Institution (EOBI) for upholding the unjustified additional demand of payment raised by EOBI for accounting years 2000-2001 and 2001-2002 amounting to Rs. 50.83 million (30 June 2023: Rs. 50.83 million). This demand was raised after lapse of more than two years although the records and books of the Company were verified by the EOBI to their entire satisfaction and finalization of all matters by EOBI. The Honourable Sindh High Court has restrained EOBI from taking any action or proceedings against the Company. The legal consultant of the Company is of the view that the Company has a reasonable case and is expecting favourable outcome therefore, no provision has been made there against.

25.3 The Company has filed a Constitution Petition in the Honourable Sindh High Court against the City District Government of Karachi for striking down the unjustified demand of payment of Ground Rent on 17 October 2011 and against which part payment of Rs. 2.6 million has been made. The Honourable Sindh High Court has already restrained the City District Government of Karachi from taking any coercive action against the Company. The legal consultant of the Company is of the view that the Company has a reasonable case and is expecting favourable outcome, however a provision is made for the difference unpaid amount of Rs. 7.4 million (30 June 2023: Rs. 7.4 million).

25.4 The Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated 30 June 2016 made amendments in SRO 1125(I)/2011 dated 31 December 2011 for disallowance of input tax adjustment on packing material. The Company has challenged the disallowance of input tax adjustments on packing material in the Sindh High Court through suit No. 2381/2016 dated 10 November 2016 against Federation of Pakistan and others. The matter is pending before the Honourable Court for final outcome and the legal consultant of the Company do not foresee any liability that is likely to arise, however provision has been made amounting to Rs. 431.88 million (30 June 2023: Rs. 431.88 million) in these unconsolidated financial statements.

25.5 The Company's review petition challenging the decision of High Court against the GIDC Act, 2015 had been dismissed by Supreme Court of Pakistan while also suspending the billing of levy from August, 2020. The court had ordered to pay the GIDC dues under the GIDC Act, 2015 with retrospective effect from 15 December 2011, in 48 monthly installments starting from August 2020. Total amount of the cess works out to Rs. 3.69 billion on the basis that Company has both Industrial and Captive connections having different GIDC rates. However, Oil and Gas Development Authority has ruled out that the consumers having supply of natural gas for industrial use and having in-house electricity generation facility for self-consumption do not fall under the definition of Captive as well as the Honourable Sindh High Court has also decided in favor of the Company on the issue of Captive connections for self consumption. Therefore, management, based on the legal advice believes that maximum liability of the Company in respect of GIDC will be Rs. 2.3 billion. The Company in September, 2020 filed a suit in Honourable Sindh High Court challenging the chargeability of GIDC. The Honourable Sindh High Court granted stay order and restrained Sui Southern Gas Company (SSGC) from taking any coercive action against non-payment of installments of GIDC. However, the management on prudent basis has maintained a liability of Rs. 3.7 billion (30 June 2023: Rs. 4.1 billion) in these unconsolidated financial statements. This liability was discounted using risk free rate and is being carried in accordance with the guidelines issued by the Institute of Chartered Accountants of Pakistan in respect of accounting of GIDC.

25.6 Various cases for reinstatement and settlement dues have been filed by the former employees of the Company which are pending for hearing or final outcome before various courts. There may arise financial liability in respect of these matters depending on the orders of the court as and when passed. Since the amount of financial liability is considered as immaterial at this point of time and the favourable outcomes are expected in these cases, hence no provision has been made in these unconsolidated financial statments.

25.7 The Company has filed appeal before Commissioner Appeals Inland Revenue against the Order-In-Original vide No. 04/176 of 2023 dated 24 August 2023 whereby demand of Rs. 30.5 million along with penalty and default surcharge on the issue of dual adjustment of input tax claimed during the tax periods from September 2017 to May 2022. The Company has claimed the said invoices but FBR has already deferred the input tax amount against the said service invoices during the process of sales tax refund and the Company has not received any input tax amount against said service invoices. Department also validates / verify the same deferred invoices with FBR system. The matter is at hearing stage and the legal consultant of the Company is of the view that the title of the Company stands clear and there is no likelihood of unfavourable outcome.

25.8 The Company has filed appeal before Commissioner Appeals Inland Revenue against the Order-In-Original vide No. 08/175 of 2023 dated 2 November 2023 whereby demand of Rs. 61.9 million has been raised by the Department. Department has mentioned and considered written down value of plant & machinery instead of sales proceeds and on which Company has properly charged sales tax. The matter is at hearing stage and the legal counsel of the Company is of the view that the title of the Company stands clear and there is no likelihood of unfavourable outcome.

25.9 For the tax year 2016, FBR issued income tax amended order under section 122(1) of the Income Tax Ordinance, 2001 on 21 August 2019, wherein certain provisions and expenses aggregating to Rs. 338.2 million (having tax impact of Rs. 108.2 million) were added back to the income and super tax of Rs. 42.8 million was also levied. The Company contested the matter in appeal and Commissioner Income Tax (Appeal) passed an order in favor of the Company allowing the expenses aggregating to Rs. 290 million, However, Department had filed an appeal in Appellate Tribunal on 17 September 2019 against the order which is still pending. The legal consultant believes that the aforementioned matter will be ultimately decided in favor of the Company. Accordingly, no provision is required to be made in the provision for taxation in these unconsolidated financial statements, in excess of the adjustment of Rs. 8 million recorded in these unconsolidated financial statement.

25.10 The Federal Government vide Finance Act, 2019 made amendments in Section 65(B) of the Income Tax Ordinance, 2001 whereby restricted the percentage of tax credit from 10% to 5% on amount invested in extension, expansion, balancing, modernization and replacement (BMR) of the plant and machinery for the tax year 2019, as well as the period for tax credit was also restricted to 30 June 2019 whereas the Law before amendment was allowing the same upto June 2021. The Company along with other petitioners had challenged the amendment in the Honourable Sindh High Court through three constitutional petitions for tax year 2019, 2020 and 2021 and the Honourable Sindh High Court has passed an interim order allowing the petitioners to file the income tax returns as per unamended provisions of Section 65(B) of income tax ordinance, 2001, hence the Company had claimed tax credit on BMR @10% in the income tax returns for the tax year 2019, 2020 and 2021.The amount of credit involved for tax year 2019 & 2020 is Rs. 381.45 million. (30 June 2023: Rs. 1,112 million).

Subsequently, the Honourable Sindh High Court vide its judgement on 07 February 2023 allowed the tax credit under section 65(B) provided that letter of credit for import of plant and machinery was established on or before 30 June 2019 and installed on or before 30 June 2021 @ 10%. The Federal Board of Revenue filed an appeal in Supreme Court challenging that tax credit should be allowed @ 5% instead of 10%, against the above judgement which is pending. The Company, based on the advice of the legal consultant, following the prudent approach has reversed the impact on tax credit recorded in prior years during 2023.

25.11 The Company, along with other petitioners, has challenged the retrospective increase of the rates of super tax for tax year 2023 in the Honourable Islamabad High Court through Constitutional Petition. The Honourable High Court has passed an interim order dated 03 October 2023 allowing the petitioners not to pay Super Tax in excess of the rate prescribed in the ammendment under challenge and has restrained tax authorities, from taking any coercive action against the Company. On 15 March 2024, the Honourable Islamabad High Court decided the case in favour of the Company. The Federal Board of Revenue has filed an appeal before Divisional Bench of Islamabad High Court against the above judgment which is pending for hearing. The amount of super tax involved for the year 2023 is Rs. 421 million (30 June 2023: 421 million).

The Company, along with other petitioners challenged the retrospective increase of the rates of super Tax for tax year 2022 in the Honourable Sindh High Court through Constitutional Petition which was decided in favour of the Company through order dated 13 January 2023. Subsequently, Federal Board of Revenue challenged the said order in the Supreme Court, where it was directed though an interim order to the Company to discharge the liability of super tax at rate of 4% to FBR and deposit the remaining 6% to Nazir High Court of Sindh. As at 30 June 2024, the Company has deposited post dated cheques to Nazir High Court of Sindh amounting to Rs. 220.47 million.

25.12 The Company along with several other petitioners had filed a Constitution Petition on 16 January 2020 against Karachi Water & Sewerage Board (KWSB) and others in the Honourable Sindh High Court against notification dated 30 October 2019 issued by the KWSB whereby water charges were increased from Rs. 242 to Rs. 313 per 1000 gallons. The Honourable Sindh High Court has restrained KWSB from taking any coercive action against the Company and allowed the Company to pay the bills as per old rates. As required under the Order, the Company provides banker's verified Cheques each month aggregating to Rs. 211.72 (30 June 2023: Rs. 160.86 million) being the difference between Rs. 313 and Rs. 242 per 1000 gallons and based on the advice of the legal consultant, as a matter of prudence, maintained full provision in these unconsolidated financial statements.

25.13 The Company along with several other petitioners has filed a Constitution Petition on 30 April 2020 in the Honourable Sindh High Court against the K-Electric, NEPRA and others for charging Industrial Support Package Adjustment (ISPA), based on corrigendum issued by Federation of Pakistan, in the electricity bill to Industrial consumers for the month of April 2020. The Honourable Sindh High Court has restrained K-Electric from taking any action against the Company and ordered to pay the Bills without ISPA charges to banks. The Company has provided banker's Cheque of aggregate amount of Rs. 1.77 million (30 June 2023 Rs. 1.77 million) being the amount of ISPA charges as security to Nazir of High Court Sindh for the month of April 2020 bill. Based on the advice of legal consultant, Company has maintained full provision in these unconsolidated financial statements. Subsequently, the Honourable Sindh High Court decided the case in favor of the Company and K-Electric has filed an appeal in the Supreme Court against the decision which is still pending.

25.14 The Company along with other petitioners have challenged the imposition of Infrastructure Cess by the relevant Excise and Taxation Officer, Karachi through petition dated 28 May 2011. Furthermore, the Company has also filed petition against Sindh Infrastructure Cess levied through the Sindh Finance Act, 1994. During the year end 30 June 2018 the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Act) was also enacted by the Province of Sindh against which the Company also had filed constitutional petition dated October 14, 2017 and Honourable High Court of Sindh had allowed interim relief to the Company till final judgment has been allowed in other similar petitions. However, based on the advice of legal consultant, full amount has been provided in these unconsolidated financial statements. During the year, no progress was made in court proceedings. The Bank Guarantee of Rs. 1,477 million as a security was given (30 June 2023 Rs. 1,377 million).

25.15 The Company along with several other companies filed a suit in the Honourable Sindh High Court challenging the notification via SRO No. (I) / 2015 dated 31 August 2015 regarding increase in the Gas tariff, on 16 November 2015 which was decided by the Honourable Sindh High Court in favor of the Company and thereafter the Government filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision which has also been decided in favor of the Company. OGRA issued further notifications on 30 December 2016, 17 September 2018, 23 October 2020 enhancing the rates. The Company along with others have filed petition in the Honourable Sindh High Court against the notification and the Honourable Court granted interim relief and instructed SSGC to revise the bills at previous rate and instructed the Company to deposit the differential amount cheques with Nazir Sindh High Court as security. Based on the advice of legal consultant, full provision has been made in unconsolidated financial statements. The amount of cheques so deposited with Nazir is Rs. 250.67 million (30 June 2023: Rs. 250.67 million). On 15 February 2023 OGRA issued another notification revising the gas tariff with retrospective effect from 01 January 2023. The Company along with several other companies has filed a suit in the Honourable Sindh High Court challenging the increase in the gas rate tariff with retrospective effect. The Honourable Sindh High Court has restrained from taking any coercive action against the Company. As a matter of prudence, the Company has maintained a full provision amounting to Rs. 174.4 million (30 June 2023: 174.4) in the unconsolidated financial statements. During the year, on 18 February 2024, the Honourable Sindh High Court decided the case against the Company file in relation to the notification issued earlier via SRO No. (I)/dated 23 October 2020. The Company filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision which has also been decided against the Company dated 28 March 2024 . Now, the Company has filed appeal in the Supreme Court against the judgment passed by the Divisional Bench of Honourable Sindh High Court and the case is currently pending for hearing. However,based on the advice of legal consultant the Company has maintained the full provision against any adverse decision in these unconsolidated financial statements.

On 08 November 2023, the Oil and Gas Regulatory Authority (OGRA) issued notification and increased the gas rate retrospectively from 1 November 2023. The Company along with others filed petition in the Honourable Sindh High Court against the notification challenging the increase of gas rate and its retrospective implication from 1 November 2023. While awaiting the decision for above case, on 15 February 2024, SSGC issued another notification to further increase the gas rates with retrospective implication from 1 February 2024, where the Company again challenged its retrospective charge from 1 February 2024. Subsequently, the Honourable Sindh High Court decided the case of retrospective application under above notifications in favour of the Company which has been challenged by SSGC in the Supreme Court of Pakistan and is currently is pending for hearing.

With regards to enhancement in gas rate via notification dated 8 November 2023, the case is currently pending for hearing before the Honourable Sindh High Court. However, the Company has paid increased amount to SSGC with the understanding that incase the decision comes in favour of the Company, the SSGC will either refund the excess amount or it will adjust in future bill to post favourable decision.

25.16 The Company along with several other companies has filed a suit in the Honourable Sindh High Court challenging the notifications dated 30 December 2016, 17 September 2018 and 23 October 2020 for charging of captive power tariff instead of Industry tariff rate to the Company, since the Company is producing electricity entirely for its own consumption. The Honourable Sindh High Court has passed the interim orders for not charging the Captive power tariff rates and consequently restrained from taking any coercive action against the Company. The Oil and Gas Regulatory Authority (OGRA) issued another notification dated 04 October 2018 revising the tariff effective 27 September 2018, subsequent to this notification, the Company paid the bills accordingly at the specified rates. Upto September 2018, the Company has provided banker's cheques of Rs. 388.57 million (30 June 2023: Rs. 388.57 million) as security to Nazir of High Court of Sindh and based on the advice of legal consultant, maintained provision amounting to Rs. 626.23 million (30 June 2023: Rs. 626.23 million) accrued upto September 2018 in the unconsolidated financial statements.

25.17 Guarantees and others

(a) Guarantees of Rs. 2,542 million (30 June 2023: Rs. 2,733 million) have been issued by banks on behalf of the Company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related parties amounting to Rs. 1,154 million (30 June 2023: Rs. 1,102 million).

(b) Post dated cheques of Rs.25,580 million (30 June 2023: Rs. 25,199 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.

(c) Bills discounted Rs. 13,451 million (30 June 2023: Rs. 11,730 million), including bills discounted from related parties amounting to Rs. 4,470 million (30 June 2023: Rs. 3,049 million).

(d) Corporate guarantee of Rs. 237 million (30 June 2023: Rs. 248 million), Rs. 1,106 million (30 June 2023: 1,149 million) and Rs. 251 million (30 June 2023: Rs. 258 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp- USA respectively.

25.18 Commitments	*Note*	30 June 2024	30 June 2023
		(Rupees in '000)	
Capital expenditure for plant and machineries		**761,382**	1,234,621
Other than capital expediture	*25.18.1*	**14,543,122**	3,921,495
Forward foreign exchange contracts		**21,344,805**	-

25.18.1 Other than capital expenditure includes commitments for purchase of raw materials and stores and spares.

25.18.2 This includes forward foreign exchange contracts amounting to Rs. 9,543 million (2023: Nil) taken under EFS preshipment equivalent to USD 33 million against exports. The Company is obligated to provide export documents of USD 33 million against such amount.

26 SALES-NET

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Export sales			
Direct		**102,286,261**	72,941,222
Indirect		**35,374,474**	34,034,984
		137,660,735	106,976,206
Export rebate		**573,777**	579,739
Trade and other discount		**(801,259)**	(661,632)
Commission		**(2,655,325)**	(1,965,940)
Sales tax		**(3,343,155)**	(4,919,257)
		131,434,773	100,009,116
Local sales	26.1	**14,299,504**	14,473,280
Brokerage		**(407,153)**	(356,769)
Sales tax		**(2,181,280)**	(2,158,015)
		11,711,071	11,958,496
		143,145,844	111,967,612

26.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 772 million (30 June 2023: Rs. 716 million).

26.2 Information with respect to disaggregration of revenue by internal segment and geographical location is disclosed in note 36 and 37 respectively.

26.3 All revenue earned are from shariah permissible business.

27 COST OF SALES

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Opening stock of finished goods		**6,883,952**	9,358,932
Cost of goods manufactured	27.1 & 27.3	**126,759,070**	92,797,149
		133,643,022	102,156,081
Closing stock of finished goods	10	**(7,688,200)**	(6,883,952)
		125,954,822	95,272,129

27.1 Cost of goods manufactured

	Note	30 June 2024	30 June 2023
Raw materials consumed	27.2	**86,694,918**	69,013,457
Other material and conversion cost		**8,515,916**	3,975,309
Stores and spares consumed		**384,074**	527,291
Salaries, wages and benefits	29.1	**15,676,029**	11,602,376
Fuel, power and water		**12,009,865**	5,870,266
Insurance		**212,099**	150,129
Repair and maintenance		**2,277,364**	1,556,830
Depreciation and amortisation	5.1.1 & 6.1	**4,267,549**	3,494,369
(Reversal)/Provision for slow moving - stores and spares	9.1	**(151,739)**	42,252
(Reversal)/Provison for slow moving - stock-in-trade	10.1	**(78,792)**	50,252
Other manufacturing expenses		**433,392**	789,972
		130,240,675	97,072,503
Work-in-process			
Opening		**5,485,583**	1,210,229
Closing	10	**(8,967,188)**	(5,485,583)
		(3,481,605)	(4,275,354)
		126,759,070	92,797,149

27.2 Raw materials consumed

	Note	30 June 2024	30 June 2023
Opening stock		**25,979,360**	22,933,214
Purchases during the year		**91,690,694**	72,059,603
Closing stock	10	**(30,975,136)**	(25,979,360)
		86,694,918	69,013,457

27.3 The Company carries out certain manufacturing, administrative and other activities for Ideas (Private) Limited, a subsidiary of the Company, which is reimbursed to the Company. During the year, manufacturing activity amounting of Rs. 57.96 million (30 June 2023: Rs. 42.56 million) was carrried out by the Company.

28 SELLING AND DISTRIBUTION COST

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Salaries, wages and benefits	29.1	**813,955**	649,243
Freight and shipment expenses		**1,730,054**	1,018,661
Advertisement and publicity		**319,255**	249,438
Depreciation	5.1.1	**100**	130
Export development surcharge		**283,219**	206,561
Other expenses		**100,883**	76,916
		3,247,466	2,200,949

29 ADMINISTRATIVE COST

	Note	30 June 2024	30 June 2023
Salaries, wages and benefits	29.1	**1,588,148**	1,284,825
Rent and ancillary charges	29.2	**123,114**	121,266
Repairs and maintenance		**28,296**	41,310
Vehicle up keep and maintenance		**587,009**	510,514
Utilities		**3,992**	1,162
Traveling and conveyance		**413,072**	394,753
Printing and stationery		**86,438**	81,192
Communication		**251,264**	201,660
Legal and consultancy fees		**96,327**	89,040
Depreciation and amortisation	5.1.1 & 6.1	**204,270**	171,330
Auditor's remuneration	29.4	**22,641**	15,478
Donations	29.5 & 29.6	**62,095**	44,477
Insurance		**60,721**	43,917
Expected credit loss against doubtful trade debts	11.4	**(229,760)**	98,864
Other expenses		**173,840**	328,541
		3,471,467	3,428,329

29.1 Salaries, Wages & Benefits

	Cost of sales		Selling and distribution costs		Administrative costs		Total	Total
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
	(Rupees in '000)							
Salaries, wages and benefits	**15,035,100**	11,152,876	**780,098**	622,771	**1,536,326**	1,245,638	**17,351,524**	13,021,285
Retirement benefits								
Gratuity	**238,199**	137,038	**-**	-	**-**	-	**238,199**	137,038
Contribution to provident fund	**306,483**	231,483	**33,840**	26,445	**51,722**	39,074	**392,045**	297,002
	544,682	368,521	**33,840**	26,445	**51,722**	39,074	**630,244**	434,040
Staff compensated absences	**96,247**	80,979	**17**	27	**100**	113	**96,364**	81,119
	15,676,029	11,602,376	**813,955**	649,243	**1,588,148**	1,284,825	**18,078,132**	13,536,444

29.2 This represents rent expense which comprises of variable rents, rent of certain short term and low value leases, ancillary and maintenance charges incurred in respect of lease premises.

29.3 The Company carries out certain manufacturing, administrative and other activities for Ideas (Private) Limited, a subsidiary of the Company, which is reimbursed to the Company. During the year, administrative activity amounting of Rs. 65.53 million (30 June 2023: Rs. 115.97 million) was carrried out by the Company

29.4 Auditor's remuneration

	30 June 2024	30 June 2023
	(Rupees in '000)	
Audit fee	**10,800**	9,000
Fee for review of condensed interim financial statements	**2,160**	1,800
Fee for audit of consolidated financial statements	**1,560**	1,300
Review fee of statement of compliance with code of corporate governance	**480**	400
Other certification fee	**2,200**	500
Out of pocket expenses	**5,441**	2,478
	22,641	15,478

29.5 Donations include donations to the following organizations in which a director is a trustee:

Name of Donee	Interest in Donee	Name of Director		
Habib University Foundation	Common Directorship	Mr. Mohomed Bashir	**8,785**	1,435
Landhi Association Of Trade & Industry	Patron in Chief	Mr. Ziad Bashir	**250**	1,100

29.6 During the year, the Company made donations amounting to Rs. 43 million (30 June 2023: Rs. 17 million) to Saylani Welfare International Trust.

30 OTHER OPERATING COST

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Workers' profit participation fund (WPPF)	*21.3*	**345,459**	317,940
Workers' welfare fund (WWF)		**117,149**	91,498
Loss on sale of property, plant and equipment	*5.1.2*	**28,533**	22,743
		491,141	432,181

31 OTHER INCOME

Income from non-financial assets and others			
Government grant	*19*	**32,088**	54,679
Unclaimed liabilities written back		**-**	46,961
Others		**-**	3,938
		32,088	105,578
Income from financial assets			
Mark-up income on Term Finance Certificates		**16,481**	13,446
Dividend income		**1,462**	-
Other markup income	*31.1*	**72,909**	76,063
Exchange gain from currency realization		**1,217,615**	1,089,390
Exchange gain / (loss) from derivative financial instruments	*31.2*	**642,378**	(621,604)
		1,950,845	557,295
		1,982,933	662,873

31.1 This includes markup income earned on interest bearing loan to employees and Term Deposit Receipts.

31.2 This includes unrealized exchange gain earned on coventional derivative instruments during the year amounting to Rs. 332.31 million. (30 June 2023: Rs. Nil).

32 FINANCE COSTS

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Mark-up on short term borrowings	*32.1 & 32.2*	**3,497,277**	3,808,127
Mark-up on long term financing		**1,013,013**	888,988
Markup on workers' profit participation fund		**3,954**	11,386
Bank and other charges		**912,212**	639,042
		5,426,456	5,347,543

32.1 Finance cost includes Rs. 241.8 million and Rs. 1,183 million (30 June 2023: Rs. 1,012.67 million and Rs. 667.92 million) in long term financing and short term borrowing respectively under Shariah Compliant mode of financing.

32.2 The finance cost is exclusive of amount of Rs. 1,296.18 million (30 June 2023: Rs. 1,126.58 million) attributed to Ideas (Private) Limited, a subsidiary company.

33 FINAL TAXES

This represents final taxes paid under section 154 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/ IAS 37.

34 INCOME TAX

	Note	30 June 2024	30 June 2023 (Restated)
		(Rupees in '000)	
Current tax		**27,890**	53,614
Prior tax		**-**	560,539
		27,890	614,153
Deferred tax income		**(262,234)**	(284,037)
	34.1	**(234,344)**	330,116

34.1 The Company is subject to Final Tax Regime under section 169 of Income Tax Ordinance, 2001 since majority of the Company's income falls under the ambit of presumptive tax regime, the relationship between tax expense and accounting profit has not been presented in these unconsolidated financial statement.

34.2 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the unconsolidated statement of profit and loss, is as follows:

	30 June 2024	30 June 2023
	(Rupees in '000)	
Current tax liability for the year as per applicable tax laws	**2,071,858**	1,686,833
Portion of current tax liability as per tax laws, representing income tax under IAS 12	**(27,890)**	(53,614)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	**(2,043,969)**	(1,633,219)
Difference	**-**	-

34.3 The aggregate of final tax and income tax, amounting to Rs. 2,071 million (2023: Rs. 1,686 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

35 EARNINGS PER SHARE - basic and diluted

	30 June 2024	30 June 2023
	(Rupees in '000)	
Profit after taxation	**4,727,802**	3,986,019
	(Number of shares)	
Weighted average number of shares		
Issued subscribed and paid up capital	**740,059,458**	740,059,458
	(Rupees)	
Earnings per share - basic and diluted	**6.39**	5.39

35.1 There is no dilutive effect on the earnings per share of the Company, as the Company has no potential ordinary shares.

36 SEGMENT INFORMATION

The Company's operations has been divided into three segments based on the nature of process and internal reporting. Following are the reportable business segments:

a) Spinning: Production of different qualities of yarn using both natural and artificial fibres.

b) Apparel: Processing of different types of woven and knitted garments.

c) Home Textile: Production of different types and qualities of products falling under the definition of home textile.

d) Others: Weaving, Fiber Bleaching, Knitting, Yarn dyeing and Dyed yarn fabric etc.

Transactions among the business segments are recorded at cost.

36.1 Segment Profitability

	Spinning		Apparel		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
	(Rupees in '000)											
Sales to external customers	**37,465,896**	33,895,947	**13,253,087**	10,448,783	**84,494,878**	61,975,388	**7,931,983**	5,647,494	**-**	-	**143,145,844**	111,967,612
Intersegmental sales	**100,305**	57,086	**3,849,681**	1,950,750	**15,054,113**	9,963,768	**7,345,791**	5,210,094	**(26,349,890)**	(17,181,698)	**-**	-
Cost of sales	**(30,763,554)**	(28,339,167)	**(15,543,424)**	(10,887,242)	**(92,334,755)**	(63,641,252)	**(13,662,979)**	(9,586,166)	**26,349,890**	17,181,698	**(125,954,822)**	(95,272,129)
Gross profit	**6,802,647**	5,556,780	**1,559,344**	1,512,291	**7,214,236**	8,297,904	**1,614,795**	1,271,422	**-**	-	**17,191,022**	16,695,483
Distribution and Administrative cost	**(451,016)**	(532,709)	**(855,580)**	(707,944)	**(4,657,633)**	(3,465,503)	**(754,703)**	(923,122)	**-**	-	**(6,718,932)**	(5,629,278)
Profit before tax and before charging following	**6,351,631**	5,024,071	**703,764**	804,347	**2,556,603**	4,832,401	**860,092**	348,300	**-**	-	**10,472,090**	11,066,205
Finance Cost											**(5,426,456)**	(5,347,543)
Other operating cost											**(491,140)**	(432,181)
Other income											**1,982,933**	662,873
											(3,934,663)	(5,116,851)
Profit before taxation											**6,537,427**	5,949,354
Taxation											**(1,809,625)**	(1,963,335)
Profit after taxation											**4,727,802**	3,986,019
Depreciation and Amortisation expense	**1,365,083**	1,183,019	**197,976**	162,622	**1,031,594**	911,927	**1,877,266**	1,408,261	**-**	-	**4,471,919**	3,665,829

36.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segments		Unallocated		Total	
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
	(Rupees in '000)											
Assets	**32,289,234**	36,506,601	**7,113,934**	5,884,071	**57,379,745**	41,017,970	**14,317,762**	13,595,356	**25,387,770**	26,461,941	**136,488,445**	123,465,939
Liabilities	**(12,971,968)**	13,875,597	**(3,178,145)**	3,160,419	**(22,355,651)**	18,826,945	**(8,179,181)**	8,396,099	**(45,050,276)**	39,135,502	**(91,735,221)**	83,394,562
Segment Capital & Intangible expenditure	**324,127**	2,289,143	**151,641**	522,778	**1,355,898**	1,507,131	**395,528**	2,373,769	**1,731,035**	1,329,877	**3,958,229**	8,022,698

36.3 Unallocated items represent those assets and liabilities which are common to all segments and these include investment in subsidiaries, long term deposits, other receivables, deferred liabilities, certain common borrowing and other corporate assets and liabilities.

36.4 Information about major customer

Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 34.25 million (30 June 2023: Rs. 28,628 million).

37 INFORMATION BY GEOGRAPHICAL AREA

	Revenue		Non-current assets	
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023
	(Rupees in '000)			
Pakistan	**44,149,543**	41,430,992	**53,765,582**	53,893,693
Germany	**30,637,887**	24,975,300	**-**	-
United States	**13,903,167**	11,894,528	**-**	-
United Kingdom	**11,462,356**	4,941,205	**-**	-
Italy	**9,268,684**	6,213,056	**-**	-
France	**7,146,621**	6,206,082	**-**	-
Denmark	**5,228,578**	3,187,546	**-**	-
Poland	**5,058,486**	2,587,279	**-**	-
Netherlands	**4,802,197**	4,621,112	**-**	-
Spain	**2,944,500**	1,885,147	**-**	-
Sweden	**2,125,559**	1,421,665	**-**	-
Other Countries	**9,708,226**	5,008,302	**58,450**	58,450
	146,435,804	114,372,214	**53,824,032**	53,952,143

38 CASH AND CASH EQUIVALENTS

	Note	**30 June 2024**	30 June 2023
		(Rupees in '000)	
Cash and bank balances	*14*	**375,876**	334,471
Running Finance	*23*	**(5,142,246)**	(1,746,460)
		(4,766,370)	(1,411,989)

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	30 June 2024				30 June 2023			
	Chief Executive	**Director**	**Executives**	**Total**	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	**16,000**	**12,000**	**1,285,743**	**1,313,743**	16,000	12,000	891,859	919,859
Performance Bonus	**1,333**	**1,000**	**84,436**	**86,769**	1,333	1,000	56,935	59,268
House rent allowance	**6,400**	**4,800**	**514,297**	**525,497**	6,400	4,800	356,743	367,943
Other allowances	**1,600**	**1,200**	**407,250**	**410,050**	1,600	1,200	309,374	312,174
Contribution to provident fund	**1,333**	**1,000**	**102,592**	**104,925**	1,333	1,000	70,423	72,756
	26,666	**20,000**	**2,394,318**	**2,440,984**	26,666	20,000	1,685,334	1,732,000
Number of persons	**1**	**1**	**483**	**485**	1	1	354	356

39.1 The Chief Executive and Directors are provided with Company maintained cars and are also covered under Company's Health Insurance Plan along with their dependents. The Chief Executive is also provided with free residential telephones.

39.2 Aggregate amount charged during the year in respect of meeting fee to Four Non-Executive Directors and the Chairman was Rs. 7.7 million (30 June 2023: Four Non Executive Directors and Chairman amounting to Rs. 7.9 million).

39.3 Executive means an employee, other than the chief executive and directors, whose basic salary exceeds Rs.1.2 million in a financial year.

40 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of 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 carries out transactions with various related parties as per agreed rates. Details of related party transactions and balances other than those disclosed elsewhere in these unconsolidated financial statements are as follows:

Name of the related party	Relationship with related party	Transactions during the year	30 June 2024	30 June 2023
			(Rupees in '000)	
Gul Ahmed Holdings (Private) Limited	Parent Company	Bonus Shares issued	-	688,973
Ideas (Private) Limited	Subsidiary Company	Sale of goods and services	1,403,220	2,041,652
		Sale of fixed assets	-	13,718
		Purchase of fixed assets	-	56,246
Gul Ahmed International Limited (FZC) - UAE	Subsidiary Company	Sale of goods	7,603	11,357
		Commission paid	-	3,607
GTM (Europe) Limited - UK	Subsidiary Company	Sale of goods	3,029,350	990,162
		Sales through subsidiaries acting as agents	3,234,764	3,381,859
Vantona Home Limited	Subsidiary Company	Sales through subsidiaries acting as agents	127,431	338,697
GTM USA Corporation	Subsidiary Company	Sale of goods	792,209	457,600
Sky Home Corp. - USA	Subsidiary Company	Sale of goods	497,444	194,499
		Commission paid	377,096	322,715
Grand Industries (Pvt) Limited	Associated Company	Rent expense	2,648	4,111
		Bonus Shares issued	-	96,963
Ghafooria Industries (Private) Limited	Associated Company	Bonus Shares issued	-	26,791
Swisstex Chemicals (Private) Limited	Associated Company	Purchase of goods	196,859	243,715
		Services rendered	15,000	-
		Bonus Shares issued	-	36,863
Win Star (Private) Limited	Associated Company	Purchase of goods	31,169	19,380

Name of the related party	Relationship with related party	Transactions during the year	30 June 2024	30 June 2023
			(Rupees in '000)	
Haji Ali Mohammad Foundation	Associated Company	Rent paid	960	960
The Pakistan Business Council	Associated Company	Fees paid	2,500	2,500
Habib Metropolitan Bank Limited	Associated Company	Bills Discounted	23,026,343	10,365,795
		Short Term Borrowings	5,424,368	3,467,801
		Bank Balance	5,700	91,359
		Accrued Markup	9,588	91,181
		Finance Cost	252,719	337,634
Askari Bank Limited	Associated Company	Bills Discounted	2,361,162	2,964,925
		Short Term Borrowings	2,800,007	3,228,627
		Accrued Markup	43,175	112,034
		Finance Cost	414,904	427,227
Samba Bank Limited	Associated Company	Bills Discounted	169,874	122,497
		Short Term Borrowings	849,162	362,045
		Accrued Markup	22,082	11,988
		Finance Cost	81,167	68,844
Standard Chartered Pakistan Limited	Associated Company	Bills Discounted	1,696,905	4,109,470
		Short Term Borrowings	5,505,991	2,073,538
		Accrued Markup	185,947	92,472
		Finance Cost	468,738	252,007
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Associated Company	Company's contribution to provident fund	392,046	299,239
		Bonus Shares issued	-	5,178
Internation Cotton Association	Associated Company	Fees paid	643	-
Pakistan Textile Council	Associated Company	Membership fees	1,250	1,500
Landhi Association of Trade & Industry	Associated Company	Donation paid	250	1,100
		Fees paid	60	30

40.1 There are no transactions with the directors of the Company and the key management personnel other than under the terms of employment. Loans and remuneration of the directors, key management personnel and executives are disclosed in notes 8 and 39 respectively.

40.2 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Company name	Country of Incorporation	Basis of relationship	% of shareholding
Gul Ahmed Holdings (Private) Limited	Pakistan	Holding Company	55.86%
Gul Ahmed International Limited (FZC) - UAE	UAE	Wholly owned subsidiary	100%
GTM (Europe) Limited	UK	Wholly owned ultimate subsidiary	100%
GTM USA Corp.	USA	Wholly owned ultimate subsidiary	100%
Sky Home Corp.	USA	Wholly owned ultimate subsidiary	100%
Vantona Home Limited	UK	Wholly owned ultimate subsidiary	100%
JCCO 406 Limited	UK	Wholly owned ultimate subsidiary	100%
Ideas (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Habib Metropolitan Bank Limited (HMBL)	Pakistan	Common Directorship	-
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%
Arwen Tech. (Private) Limited	Pakistan	Common Directorship	-
Win Star (Private) Limited	Pakistan	Common Directorship	-
TPL Properties Limited	Pakistan	Common Directorship	-
Habib University Foundation	Pakistan	Common Directorship	-
The Pakistan Business Council	Pakistan	Common Directorship	-
International Cotton Association	United Kingdom	Common Directorship	-
Pakistan Textile Council	Pakistan	Common Directorship	-
Ghafooria Industries (Private) Limited	Pakistan	Group Company & Common Directorship	2.17%
LITE Development and Management Company	Pakistan	Common Directorship	-
Grand Industries (Private) Limited	Pakistan	Group Company & Major Shareholders	7.86%
Haji Ali Mohammad Foundation	Pakistan	Member of Foundation	-
Gul Ahmed Holdings (Private) Limited	Pakistan	Holding Company	-
Gul Ahmed Textile Mills Limited Employees			
Provident Fund Trust	Pakistan	Employees Fund	0.42%
Mohomed Bashir	-	Director	0.07%
Mohammed Zaki Bashir	-	Director	0.34%
Zain Bashir	-	Director	0.34%
Ziad Bashir	-	Director	0.00%
Ehsan A. Malik	-	Director	0.00%
Zeeba Ansar	-	Director	0.00%
Kamran Y. Mirza	-	Director	0.00%

41 CAPACITY AND PRODUCTION

	Unit	30 June 2024			30 June 2023		
		Capacity	Production	Working	Capacity	Production	Working
		(Rupees in '000)					
Spinning	Kgs. (20 Counts converted)	**98,277**	**93,227**	3 shifts	95,234	88,905	3 shifts
Weaving	Sq. meters (50 Picks converted)	**234,987**	**213,103**	3 shifts	231,059	207,469	3 shifts

Production is lower as compared to capacity due to variation in production mix and various technical and market factors.

The production capacity and its comparison with actual production of Processing, Home Textile and Apparel segments is impracticable to determine due to varying manufacturing processes, run length of order lots and various other factors.

42 NUMBER OF PERSONS EMPLOYED

Number of persons employed as at year end were 16,082 (30 June 2023: 15,624) and average number of employees during the year were 15,907 (30 June 2023: 14,925).

43 PROVIDENT FUND RELATED DISCLOSURES

The investment out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

44 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the Company as at 30 June 2024 are as follows;

	30 June 2024						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	(Rupees in '000)						
Financial assets							
At amortized cost							
Long term investment	-	70,000	70,000	-	-	-	70,000
Long term loans	23,434	16,125	39,559	49,711	1,814	51,525	91,084
Loans, advances and other receivables	621,652	-	621,652	508,637	-	508,637	1,130,289
Long term deposits	-	-	-	-	145,595	145,595	145,595
Trade debts	5,676,955	-	5,676,955	18,890,152	-	18,890,152	24,567,107
Cash and bank balances	-	-	-	375,876	-	375,876	375,876
At Fair Value Through Profit or Loss							
Short term investments	-	-	-	1,243	-	1,243	1,243
	6,322,041	86,125	6,408,166	19,825,619	147,409	19,973,028	26,379,951
Financial liabilities							
At amortized cost							
Long term financing	3,233,936	14,591,587	17,825,523	-	-	-	17,825,523
Trade and other payables	345,459	-	345,459	23,779,976	-	23,779,976	24,125,435
Accrued mark-up / profit	-	-	-	1,391,643	-	1,391,643	1,391,643
Short term borrowings	42,005,502	-	42,005,502	-	-	-	42,005,502
Unclaimed dividend	-	-	-	9,840	-	9,840	9,840
Unpaid dividend	-	-	-	23,505	-	23,505	23,505
	45,584,897	14,591,587	60,176,484	25,204,964	-	25,204,964	85,381,448
Off balance sheet items							
Guarantees	-	-	-	4,136,000	-	4,136,000	4,136,000
Bills discounted	-	-	-	8,852,770	-	8,852,770	8,852,770
Commitments	-	-	-	36,649,309	-	36,649,309	36,649,309
	-	-	-	49,638,079	-	49,638,079	49,638,079

Financial assets and liabilities of the Company as at 30 June 2023 were as follows;

	30 June 2023						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
	Maturity up to one year	Maturity after one year	Sub total	Maturity up to one year	Maturity after one year	Sub total	
	(Rupees in '000)						
Financial assets							
At amortized cost							
Long term investment	-	70,000	70,000	-	-	-	70,000
Loans, advances and other receivables	43,164	51,490	94,654	813,525	16,411	829,936	924,590
Long term deposits	-	-	-	-	132,947	132,947	132,947
Trade debts	6,653,253	-	6,653,253	16,768,630	-	16,768,630	23,421,883
Cash and bank balances	-	-	-	334,471	-	334,471	334,471
	6,696,417	121,490	6,817,907	17,916,626	149,358	18,065,984	24,883,891
Financial liabilities							
At amortized cost							
Long term financing	3,096,186	20,117,007	23,213,193	-	-	-	23,213,193
Trade and other payables	317,940	-	317,940	33,430,493	-	33,430,493	33,748,433
Accrued mark-up / profit	-	-	-	1,570,154	-	1,570,154	1,570,154
Short term borrowings	30,205,729	-	30,205,729	-	-	-	30,205,729
Unclaimed dividend	-	-	-	9,931	-	9,931	9,931
Unpaid dividend	-	-	-	23,505	-	23,505	23,505
	33,619,855	20,117,007	53,736,862	35,034,083	-	35,034,083	88,770,945
Off balance sheet items							
Guarantees	-	-	-	4,388,000	-	4,388,000	4,388,000
Bills discounted	-	-	-	7,700,622	-	7,700,622	7,700,622
Commitments	-	-	-	5,156,116	-	5,156,116	5,156,116
	-	-	-	17,244,738	-	17,244,738	17,244,738

45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, markup risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk Management is carried out under policies and principles approved by the Board of Directors. All treasury related transactions are carried out within the parameters of these policies and principles.

The information about the Company's exposure to each of the above risk, the Company's objectives, policies and procedures for measuring and managing risk and the Company's management of capital are as follows:

45.1 Market risks

Market risk is the risk that the fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market interest / markups rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: currency risk, markup risk and other price risk. The Company is exposed to currency risk and markup risk only.

a) Currency risk

Foreign currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly from future economic transactions or receivables and payables that exist due to transactions in foreign exchange.

Exposure to foreign currency risk

The Company is exposed to foreign currency risk arising from foreign exchange fluctuations due to the following financial assets and liabilities:

	30 June 2024	30 June 2023
	(Equivalent USD 000s)	
Trade debts	**30,764**	29,494
Cash and bank balances	**18**	237
Short term borrowing	**44,254**	-
Trade and other payables	**(423)**	(457)
Net exposure	**74,613**	29,274

The Company manages foreign currency risk through close monitoring of the exchange rates, adjusting net exposure and obtaining forward covers where necessary.

	30 June 2024	30 June 2023
	(Rupees in '000)	
Foreign currency commitments and guarantees outstanding at year end are as follows:		
USD	**96,879**	18,859
EURO	**500**	500
AED	**14,600**	14,600
GBP	**250**	250

The following significant exchange rates were applied during the year:

Rupee per USD		
Average rate (Selling / Buying)	**283.4 / 283.0**	248.3 / 247.8
Reporting date rate (Selling / Buying)	**278.6 / 278.1**	287.1 / 286.6
Rupee per EURO		
Average rate (Selling / Buying)	**306.7 / 306.2**	261.5 / 260.9
Reporting date rate (Selling / Buying)	**297.8 / 297.4**	314.3 / 313.7
Rupee per GBP		
Average rate (Selling / Buying)	**299.8 / 299.2**	299.8 / 299.2
Reporting date rate (Selling / Buying)	**356.9 / 356.4**	365.4 / 364.8
Rupee per AED		
Average rate (Selling / Buying)	**75.8 / 75.7**	68.0 / 67.8
Reporting date rate (Selling / Buying)	**77.2 / 77.1**	78.7 / 78.6

Foreign currency sensitivity analysis

A five percent strengthening / weakening of the Rs. against the USD at 30 June 2024 would have increased / decreased the equity and profit / loss after tax by Rs. 1,037 million (30 June 2023: Rs. 419 million). This analysis assumes that all other variables, in particular markups, remain constant. The analysis is performed on the same basis for 30 June 2023.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year.

b) Interest / mark-up rate risk

Interest / mark-up rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the interest / mark-up rates. The Company has long term finance and short term borrowings at fixed and variable rates. During the year the Company in order to avoid adverse effect of high interest/mark-up rate exercised the prepayment option.

The Company is mainly exposed to interest / mark-up rate risk on long and short term financing under variable rate arrangements and these are covered by holding "Prepayment Option" and "Rollover Option", which can be exercised upon any adverse movement in the underlying interest / mark-up rates.

Financial assets include balances of Rs. 6,409 million (30 June 2023: Rs. 6,817 million) which are subject to interest / mark-up rate risk. Financial liabilities include balances of Rs. 60,178 million (30 June 2023: Rs. 53,737 million) which are subject to interest / mark-up rate risk. Applicable interest / mark-up rates for financial assets and liabilities are given in respective notes.

Cash flow sensitivity analysis for variable rate instruments

At 30 June 2024, if markups on long term financing would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs.178 million (30 June 2023: Rs 232 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

At 30 June 2024, if markups on short term borrowings would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 420 million (30 June 2023: Rs. 302 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. Effect of change in 1% interest rate on financial assets is Rs. 64 million (30 June 2023: Rs. 68 million).

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss account. Therefore, a change in markup at the reporting date would not effect unconsolidated statement of profit or loss of the Company.

c) Other Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest or currency rate risk) whether those changes are caused by factors specified to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. There is other price risk of changes in the fair value of investment in mutual funds as a result of changes in the levels of net asset value of units held by the Company. As at 30 June 2024, had there been increase / decrease in net asset value by 1%, with all other variables held constant, the profit before tax for the year and equity would have been higher / lower by Rs 0.06 million (2023: Nil).

45.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation without considering the fair value of the collateral available there against. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Exposure to credit risk

Company's operating activities exposes it to credit risks arising mainly in respect of loans and advances, trade debts, deposits and other receivables and cash at bank. The maximum exposure to credit risk at the reporting date is as follows:

	Gross Carrying Amount	Impairment Loss Allowance
	(Rupees in '000)	
2023		
Secured	11,762,717	-
Unsecured		
Current	7,283,798	-
1-30 Days	3,206,473	418
31-60 Days	408,994	3,990
61-90 Days	922,384	158,075
More than 90 Days	249,636	249,636
	23,834,002	412,119

Management believes that the unimpaired balances that are past dues are still collectable in full, based on historical payment behaviour and review of financial strength of respective customers. Further, certain trade debtors are secured by way of Export Letter of Credit and Inland Letter of Credit which can be called upon if the counter party is in default under the terms of the agreement.

Long term investment and bank balances

The Company limits its exposure to credit risk by maintaining bank accounts and investing only with counter-parties that have stable credit rating.

The long term investment and bank balances along with credit ratings are tabulated below:

	Note	**30 June 2024**	30 June 2023
		(Rupees in '000)	
Long term investment			
AAA	*7.3*	**70,000**	70,000
Bank balances			
AAA		**41,773**	180,502
AA+		**5,700**	117,972
AA		**765**	11,843
AA-		**75,711**	344
A+		**180,254**	188
A1		**184**	14,400
BBB-		**60,102**	-
		364,489	325,249
		434,489	395,249

Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

Financial assets that are either past due or impaired

The credit quality of financial assets that are either past due or impaired can be assessed by reference to historical information and external ratings or to historical information about counter party default rates.

The management believes that there are no financial assets that are impaired except against which adequate impairment allowance has been made as a matter of prudence. The aging of the past due and impaired trade debts is more than 3 months.

45.3 Liquidity risk

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with their maturities is disclosed in respective notes and note no. 44.

The Company manages liquidity risk by maintaining sufficient cash in hand and at banks and ensuring the fund availability through adequate credit facilities. At 30 June 2024, the Company has Rs. 44,880 million (30 June 2023: Rs. 37,328 million) available borrowing limit from financial institutions. Unutilized borrowing facilities of Rs. 2,874 million (30 June 2023: Rs. 7,122 million) and also has Rs. 376 million (30 June 2023: Rs. 334 million) being cash in hand and balances at banks. Based on the above, management believes the liquidity risk is insignificant.

	Carrying amount	Contractual cash flow	Less than one year	More than one year
		(Rupees in '000)		
As at 30 June 2024				
Long term financing	**17,825,523**	**17,825,523**	**3,233,936**	**14,591,587**
Trade and other payables	**24,125,435**	**24,125,435**	**24,125,435**	**-**
Accrued markup	**1,391,643**	**1,391,643**	**1,391,643**	**-**
Short term borrowings	**42,005,502**	**42,005,502**	**42,005,502**	**-**
Unclaimed dividend	**9,840**	**9,840**	**9,840**	**-**
Unpaid dividend	**23,505**	**23,505**	**23,505**	**-**
	85,381,448	**85,381,448**	**70,789,861**	**14,591,587**
Total as at 30 June 2023	81,405,991	81,405,991	61,288,984	20,117,007

45.4 Capital risk management

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The Company's strategy is to maintain leveraged gearing. The gearing ratios as at 30 June 2024 and 30 June 2023 were as follows;

	30 June 2024	30 June 2023
	(Rupees in '000)	
Total borrowings	**59,831,025**	53,418,922
Cash and bank	**(375,876)**	(334,471)
Net debt	**59,455,149**	53,084,451
Total equity	**44,753,223**	21,009,455
Total equity and debt	**104,208,372**	74,093,906
Gearing ratio (%)	**57**	72

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk and borrowing cost.

46 FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company while assessing fair values uses valuation techniques that are appropriate in the circumstances using relevant observable data as far as possible and minimizing the use of unobservable inputs. Fair values are categorized into following three levels based on the input used in the valuation techniques;

- Level 1 Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.

- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3 Inputs are unobservable inputs for the asset or liability Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	Note	30 June 2024	30 June 2023
		(Rupees in '000)	
Long term investment	7.3	**70,000**	70,000
Loans, advances and other receivables		**1,130,289**	924,590
Long term deposit		**91,084**	132,947
Trade debts	11	**24,567,107**	23,421,883
Bank balances	14	**364,489**	325,249
		26,222,969	24,874,669

The Company manages credit risk as follows:

Loans, advances and other receivables

These loans are due from employees and are recovered in monthly installments deductible from their salaries. Retirement balances are also available for these employees against which balance can be adjusted incase of default. The Company actively pursues for the recovery of these loans and the Company does not expect that these employees will fail to meet their obligations, hence the management believes no impairment allowance is required there against.

Other advances and receivables include bank guarantee margin and miscellaneous receivables which neither past due nor impaired. The Company believes that based on past relationship, credit rating and financial soundness of the counter parties chances of default are remote and also there is no material impact of changes in credit risks of such receivables so no impairment allowance is necessary in respect of these advances and receivables.

Long Term Deposits

These are mainly held for rental premises and utilities with the counter parties which have long association with the Company and have a good credit history. The management does not expect to incur credit loss there against.

Trade debts

Trade debts are due from local and foreign customers. The Company manages credit risk inter alia by setting out credit limit in relation to individual customers, by obtaining advance against sales and / or through letter of credits and / or by providing impairment allowance for life time expected credit loss on trade debts.

Trade debts under irrevocable letter of credit, document acceptance and other acceptable banking instruments are considered secured. Further the majority of the customers have been transacting with the Company for several years. The Company actively pursues for the recovery of the debt and based on past experience and business relationship and credit worthiness of these customers, the Company does not expects these customers will fail to meet their obligations except for some past due trade debts against which adequate allowance for impairment have been made.

The Company has established an allowance for expected credit losses against trade debts that represent its estimate of expected losses based on actual credit loss experience in respect of trade debts based on the last 3 years. The allowance determined is then multiplied by the weighted average macroeconomic factors for the three developed scenarios namely "Base", "Best" and "Worst" to incorporate the forward-looking information in expected credit loss model. The macroeconomic factors used include GDP Forecast, Unemployment Forecast, Inflation Rate Forecast and Exchange Rate Forecast. The Company has aging of the trade debts of the Company outstanding as at year end is as follows:

	Gross Carrying Amount	Impairment Loss Allowance
	(Rupees in '000)	
2024		
Secured	**9,892,638**	**-**
Unsecured		
Current	**11,471,259**	**17**
1-30 Days	**2,194,240**	**624**
31-60 Days	**700,840**	**9,973**
61-90 Days	**376,504**	**57,760**
More than 90 Days	**113,985**	**113,985**
	24,749,466	**182,359**

If inputs used to measure the fair values of an asset or a liability fall into different levels then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Transfers, if any, between levels of the fair value hierarchy is recognized at the end of the reporting period during which the transfer has occurred. The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of changes in market and trading activity and changes in inputs used in valuation techniques.

As at year end, the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land, lease-hold land and capital work in progress which are stated at cost. Long term investments in subsidiaries represent the investment in unquoted shares of companies carried at cost. The Company does not expect that unobservable inputs may have significant effect on fair values. The fair values of forward exchange contracts is determined based on the forward exchange rates at the reporting date included in the level 2 of the fair value hierarchy. The fair value of short term investments are determined on the basis of net asset value of the fund reported at Mutual Funds Association of Pakistan and is included in Level 2 of the fair value hierarchy.

47 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on ______________.

MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**MUHAMMAD KASHIF RIAZ**
Chairman	**Chief Executive Officer**	**Chief Financial Officer**