FASHIONING GROWTH

Annual Report 2024

Gul Ahmed Textile Mills Limited

Plot No.H-7
Landhi Industrial Area
Karachi, Pakistan

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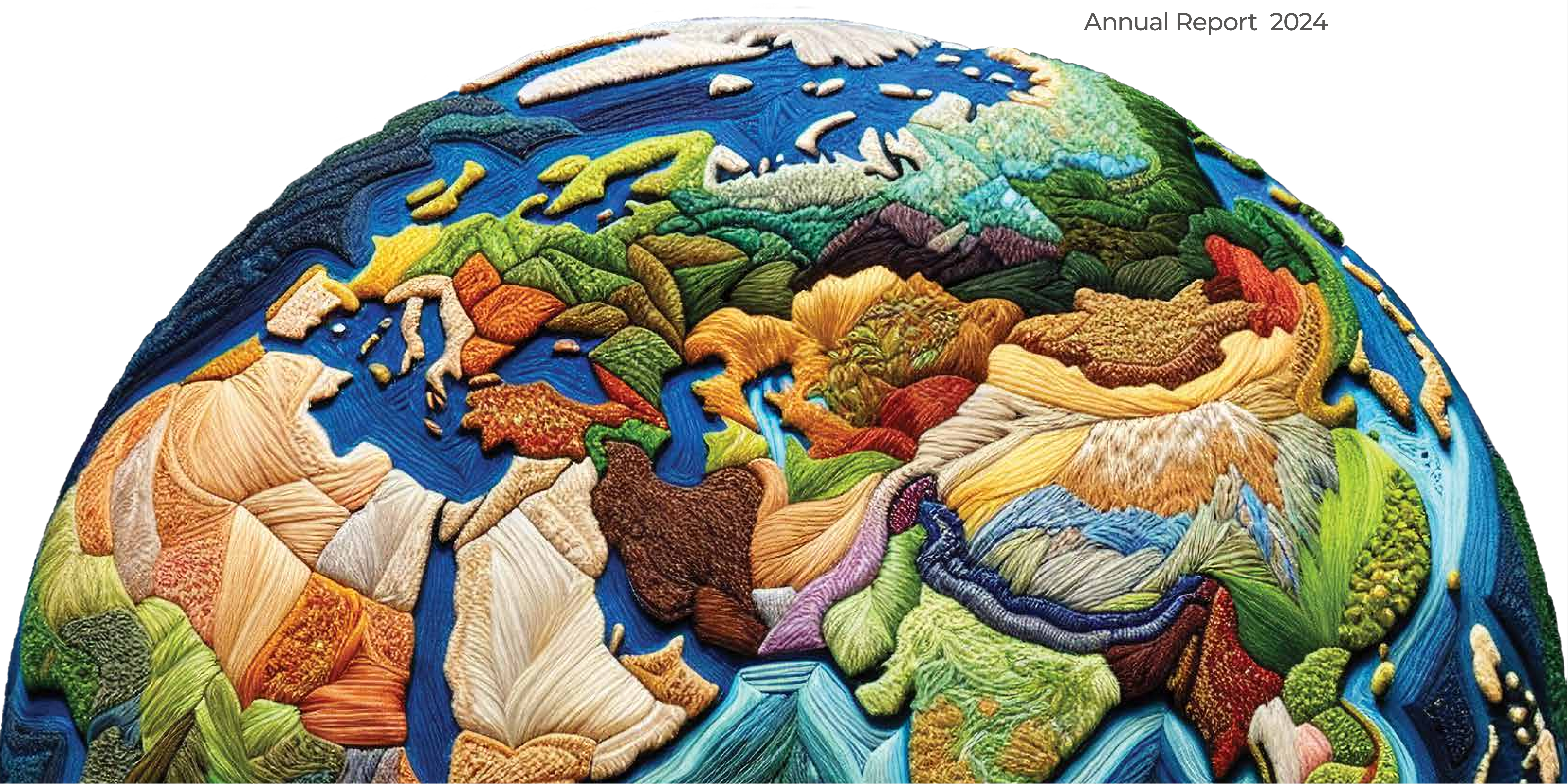

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Tradition to Transformation

Company Information

Board Of Directors	Mohomed Bashir	Chairman
	Zain Bashir	Vice Chairman/ Executive Director
	Mohammed Zaki Bashir	Chief Executive Officer
	Ziad Bashir	Non-Executive Director
	Ehsan A. Malik	Non-Executive Director
	Zeeba Ansar	Independent Director
	Kamran Y. Mirza	Independent Director
Chief Financial Officer	Muhammad Kashif Riaz	
Company Secretary	Salim Ghaffar	
Audit Committee	Kamran Y. Mirza	Chairman & Member
	Mohomed Bashir	Member
	Ehsan A. Malik	Member
	Salim Ghaffar	Secretary
Human Resource And Remuneration Committee	Zeeba Ansar	Chairman & Member
	Mohomed Bashir	Member
	Zain Bashir	Member
	Salim Ghaffar	Secretary

Bankers

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank of Khyber
Bankislami Pakistan Limited
Citi Bank
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
JS Bank limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank Of Pakistan
Samba Bank Limited
Silkbank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited
The Bank Of Punjab
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisors

A.K. Brohi & Co
Advocates

Registered Office

Plot No.H-7, Landhi Industrial Area
Landhi, Karachi-75120

Share Registrar

FAMCO Associates (Private) Limited
8-F, Next to Hotel Faran, Nursery, Block 6,
P.E.C.H.S., Shahrah-E-Faisal, Karachi.
Phone No. (+92-021) 34380101-5
Fax No. (+92-021) 34380106

Mills

Landhi Industrial Area, Karachi-75120

Contact Us

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Website: www.gulahmed.com
Facebook: https://www.facebook.com/GulahmedFashion
YouTube: https://www.youtube.com/@GulAhmedOfficial
LinkedIn: https://pk.linkedin.com/company/gul-ahmed-textile-mills-limited
Instagram: https://www.instagram.com/gulahmedfashion

Company Profile

Pakistan's textile industry has a long and rich history, and Gul Ahmed has been a key player since the beginning. The company's roots go back to the early 20th century, when Gul Ahmed group first started working with textiles.

In 1953, they took a big step forward by founding Gul Ahmed Textile Mills Limited, the company we know today. The Company was formally incorporated on April 1, 1953, in Pakistan as a private company. Subsequently, it transitioned into a public limited company on January 7, 1955, and was listed on the Karachi Stock Exchange (KSE) – now Pakistan Stock Exchange (PSX).

Group Structure

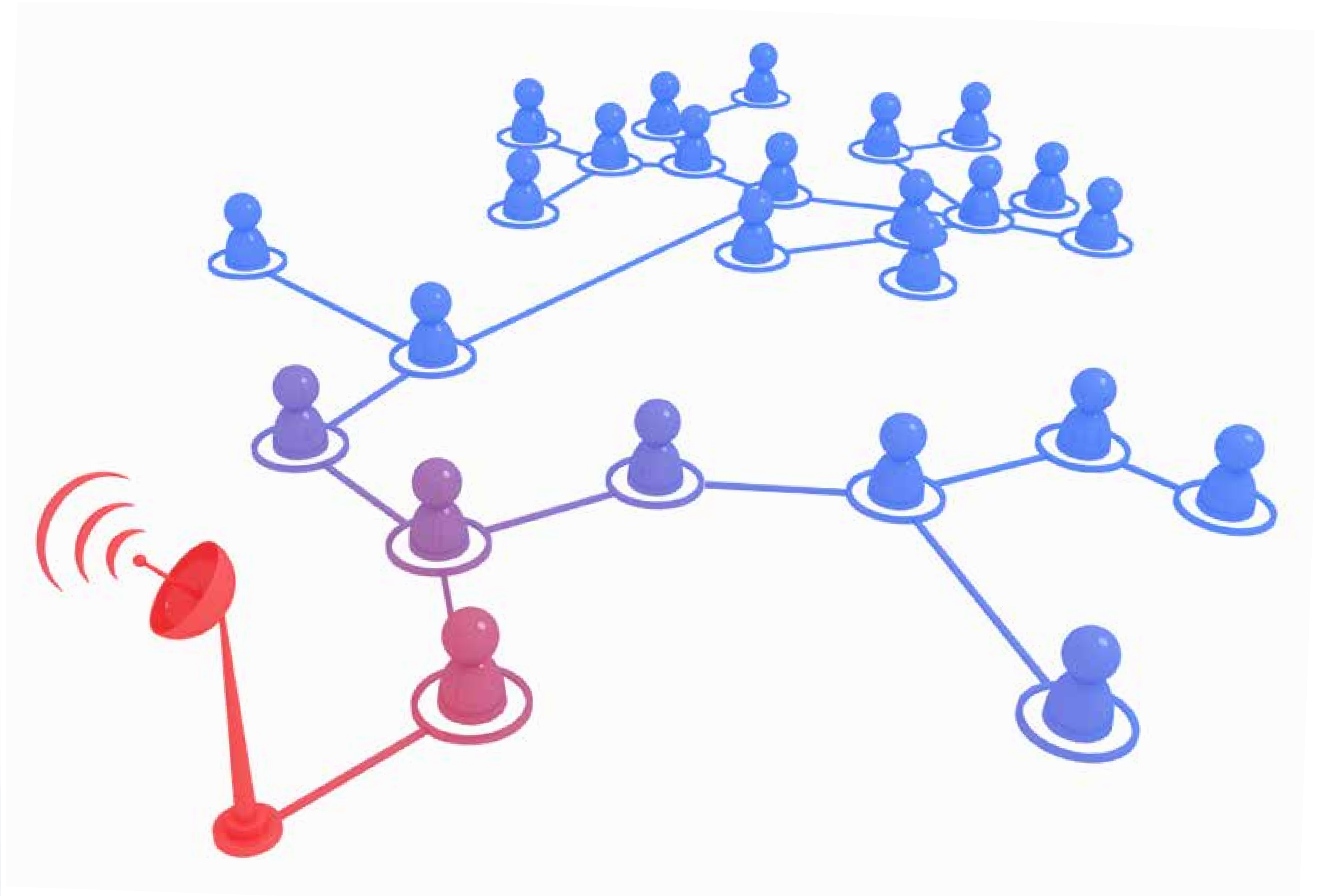
Gul Ahmed Textile Mills Limited functions as a subsidiary of Gul Ahmed Holdings (Private) Limited (GAHPL), which holds a majority of 55.86% shares. Additionally, the Company has wholly-owned direct and indirect subsidiaries, all engaged in the trade of textile-related products, including:

The direct subsidiaries of Gul Ahmed include Gul Ahmed International Limited (FZC), established in the UAE on December 11, 2002 as a private company and Ideas (Private) Limited ("Ideas"), registered in Pakistan as a wholly-owned subsidiary of Gul Ahmed pursuant to the Scheme of Reconstruction approved by the Honorable Sindh High Court on October 29, 2021. Under the Scheme of Reconstruction Gul Ahmed separated its retail and local business, along with associated assets and liabilities, to Ideas.

GTM (Europe) Limited, founded in the United Kingdom (UK) on April 17, 2003, and serves as a wholly-owned subsidiary of Gul Ahmed International Limited (FZC).

GTM USA Corp, JCCO 406 Limited and Sky Home Corp. are subsidiaries of GTM Europe Limited. GTM USA Corp and Sky Home Corp are registered in the United States of America (USA) whereas JCCO 406 Limited is registered in the UK.

Additionally, Vantona Home Limited is a 100% subsidiary of JCCO 406 Limited and it is also registered in the UK.



In tabular form, the Group structure is as follows:

Trade Bodies & Association

The Company is a member of the following Association:

- All Pakistan Textile Mills Association (APTMA)
- Karachi Chamber of Commerce & Industry (KCCI)
- The Karachi Cotton Association (KCA)
- Pakistan Business Council (PBC)
- Pakistan Textile Council (PTC)
- Employers' Federation of Pakistan
- Pakistan Textile Exporters Association
- All Pakistan Textile Processing Mills Association
- Pakistan Bed Wear Exporters Association (PBEA)
- Pakistan Hosiery Manufacturers & Exporters Association
- Karachi Centre for Dispute Resolution
- International Textile Manufacturers Federation

Nature of Business

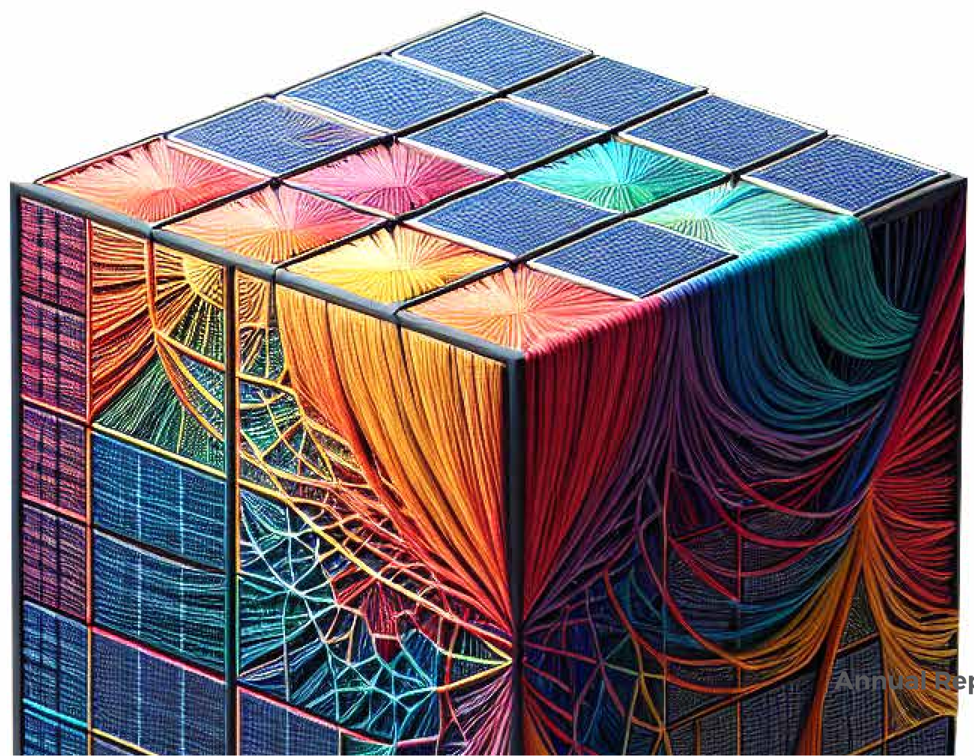
Gul Ahmed is a leading textile composite unit renowned for its state-of-the-art machinery and equipment that drive its extensive production capabilities. The company is fully integrated, producing the entire value chain of textile products, including various types of yarn, greige fabric, finished fabric, home textiles, and apparel/garments. Gul Ahmed's advanced infrastructure enables it to offer high-quality dyeing, stitching, and embroidery services, ensuring that every stage of the manufacturing process is handled with precision and excellence.

With a global footprint, Gul Ahmed maintains a strong presence in international markets, catering to a diverse clientele around the world. The company's subsidiary, Ideas (Pvt) Limited, extends its reach to the local market with over 100 retail stores across Pakistan, offering a wide range of textile and apparel products to domestic consumers. This dual focus on global and local markets positions Gul Ahmed as a key player in the textile industry, blending international standards with local expertise.

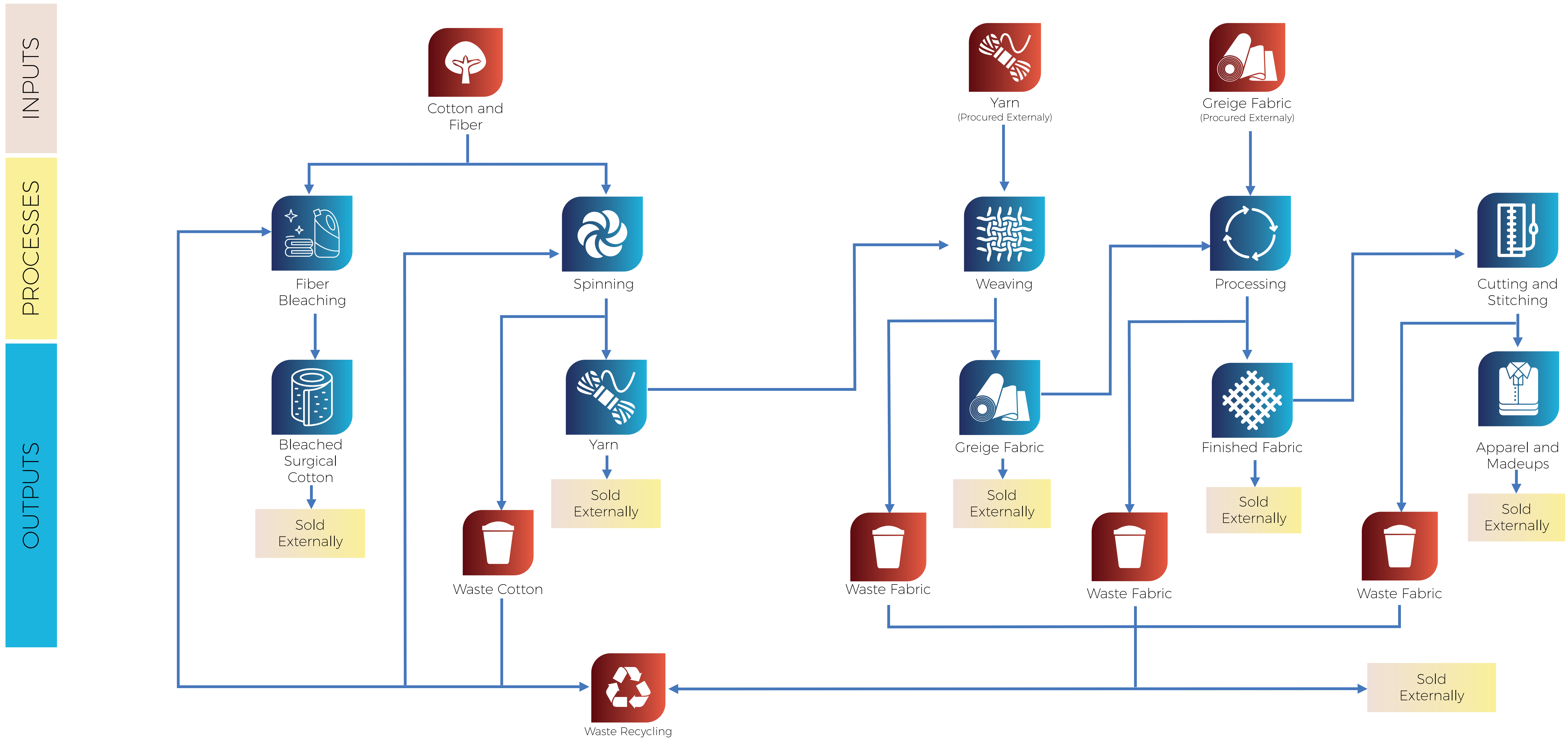
To support its extensive operations, Gul Ahmed has invested in its own captive power plants, equipped with tri-fuel engines, gas and steam turbines, and back-up diesel generators. This ensures a reliable and efficient power supply, allowing the company to maintain uninterrupted production. Furthermore, in line with its commitment to sustainability, Gul Ahmed has implemented an effluent treatment plant that can treat 100% of the wastewater produced during manufacturing. The company is also planning to significantly increase its use of renewable energy sources to further reduce its environmental impact.

Gul Ahmed's dedication to sustainability and environmental responsibility has earned it recognition from customers, global environmental regulatory bodies, and national organizations. The company's initiatives towards achieving net-zero emissions and zero liquid discharge reflect its proactive approach to environmental stewardship, setting a benchmark in the textile industry. This commitment not only enhances the company's reputation but also aligns with the growing global demand for sustainable and eco-friendly products.

With a legacy spanning over 70 years, Gul Ahmed has consistently upheld its reputation for quality, innovation, and customer satisfaction. The company's unwavering commitment to excellence has made it a trusted name in the textile industry, recognized for its reliability and ability to adapt to changing market demands. From pioneering advanced manufacturing techniques to embracing sustainability, Gul Ahmed has remained at the forefront of the industry, setting standards that others aspire to follow. This rich heritage, combined with a forward-looking approach, ensures that Gul Ahmed will continue to deliver superior products and services to its global and local customers for generations to come.



Our Value Chain



Our Product Portfolio

Over the years, Gul Ahmed has significantly expanded its product portfolio to meet the evolving demands of its customers, reflecting the company's commitment to innovation and quality. By integrating modern technology with technical expertise, Gul Ahmed produces a diverse range of products that blend creative artistry with functional design. This approach ensures that each item not only meets high standards of craftsmanship but also aligns with contemporary trends and customer preferences. The company places a strong emphasis on sustainability, ensuring that both the products and their packaging are environmentally responsible, reinforcing Gul Ahmed's dedication to a sustainable future. Our current product portfolio includes:

YARN & DYED YARN

Gul Ahmed produces a vise variety of yarn and dyed yarn which is predominantly sold in the local market. Our diverse yarn portfolio includes carded, combed, compact siro, fancy, plied, core-spun, slub, package-dyed/cone-dyed, and gassed mercerized/dyed yarn, each meticulously crafted to meet the specific needs of our international customers.

FABRIC

At Gul Ahmed, we have the advanced capability to dye and print a wide range of home textile and apparel fabrics within our state-of-the-art facility. Our infrastructure also includes specialized processes like back coating and flock printing, allowing us to offer enhanced solutions tailored to our customers' diverse requirements. Our fabric portfolio is extensive, featuring plain fabrics, sheeting, poplin, canvas, oxford, duck, Bedford cord, herringbone, ottoman, twill, sateen, rib stop, slub, stretch, and mélange fabrics, all crafted to the highest standards of quality.

BLEACHED FIBER

Our latest product addition is the production of high-quality absorbent bleached cotton, specifically designed to meet the stringent demands of the cosmetic and medical industries. In response to the overwhelmingly positive feedback from our export customers, we have expanded our production capacity and upgraded our facilities to develop even higher-grade varieties of bleached cotton, further enhancing our ability to serve this specialized market.

HOME TEXTILE

Our home textile products are crafted to meet all home and office décor needs, setting new trends and fashion standards with meticulous design.

This product line includes a wide range of items, such as:

- Sheets and Pillowcases
- Comforters
- Quilt/Duvet Covers
- Bed-in-a-Bag Sets
- Decorative Pillows
- Curtains
- Upholstery Fabrics

Each product is thoughtfully created to enhance the aesthetic and comfort of any space.

APPAREL

Our apparel collection features a versatile range of pants, trousers, shorts, hoodies, and pullovers designed for men, women, and children. These garments are expertly crafted in both woven and knitted fabrics, ensuring comfort and durability. We export our apparel products globally, catering to esteemed retailers who value high-quality, stylish clothing for their diverse customer base.

Vision

Enriching lives by inspiring change.

Mission

To deliver value to our stakeholders through innovative technology, teamwork and by fulfilling our social and environmental responsibilities.

Values

Integrity:

We always act with honesty and transparency in all that we do. We do what we say and believe in keeping our promises and commitments.

Respect:

We treat our people and business partners with respect, fairness and humbleness. We also encourage people to share their opinions even if it differs from our own.

Passion:

We believe passion is the fuel that inspire and drives us to lead and move forward.

Quality:

We demonstrate quality and strive for excellence through all our actions.

Teamwork:

We are one team and committed to an environment where every person is a valued member and treated with respect. we encourage togetherness believe in recognizing team efforts.

Our Pledge

I hereby commit to Gul Ahmed Textile Mills Limited. that:

I will fulfill all my duties with Integrity, Passion, and Ownership.

I will treat my fellow employees and business partners with Respect.

I will demonstrate Quality and Strive for Excellence through all my actions.

I will support every member of my team and, through Teamwork, ensure that together we make our company a great organization.

Year in Review

Notable Employee Engagement Events

July 2023
Fire Drill & Safety for the 4th Quarter FY 2023

August 2023
Independence Day Celebrations

September 2023
Fire Drill & Safety for the 1st Quarter FY 2024

October 2023
Gul Ahmed awarded 3rd Place by ICAP for Best Sustainability Report

December 2023
Fire Drill & Safety for the 2nd Quarter FY 2024

January 2024
Sehatmand Gul Ahmed Program

January 2024
Heimtextil 2024

February 2024
Gul Ahmed Business & Operational Excellence Awards 2023-24

March 2024
Annual Women's Day Celebration

March 2024
Gul Ahmed & Saylani Welfare Trust - Ramzan Food Distribution Campaign

April 2024
Fire Drill & Safety for the 3rd Quarter FY 2024

June 2024
Gul Ahmed was registered with ICAP as a "Training Organization Outside Practice"

Notable Financial Events

September 2023
BOD Meeting - Audited Annual Accounts for the year ended June 30, 2023

October 2023
71st Annual General Meeting was held in Karachi

October 2023
BOD Meeting - Accounts for the Quarter ended September 30, 2023

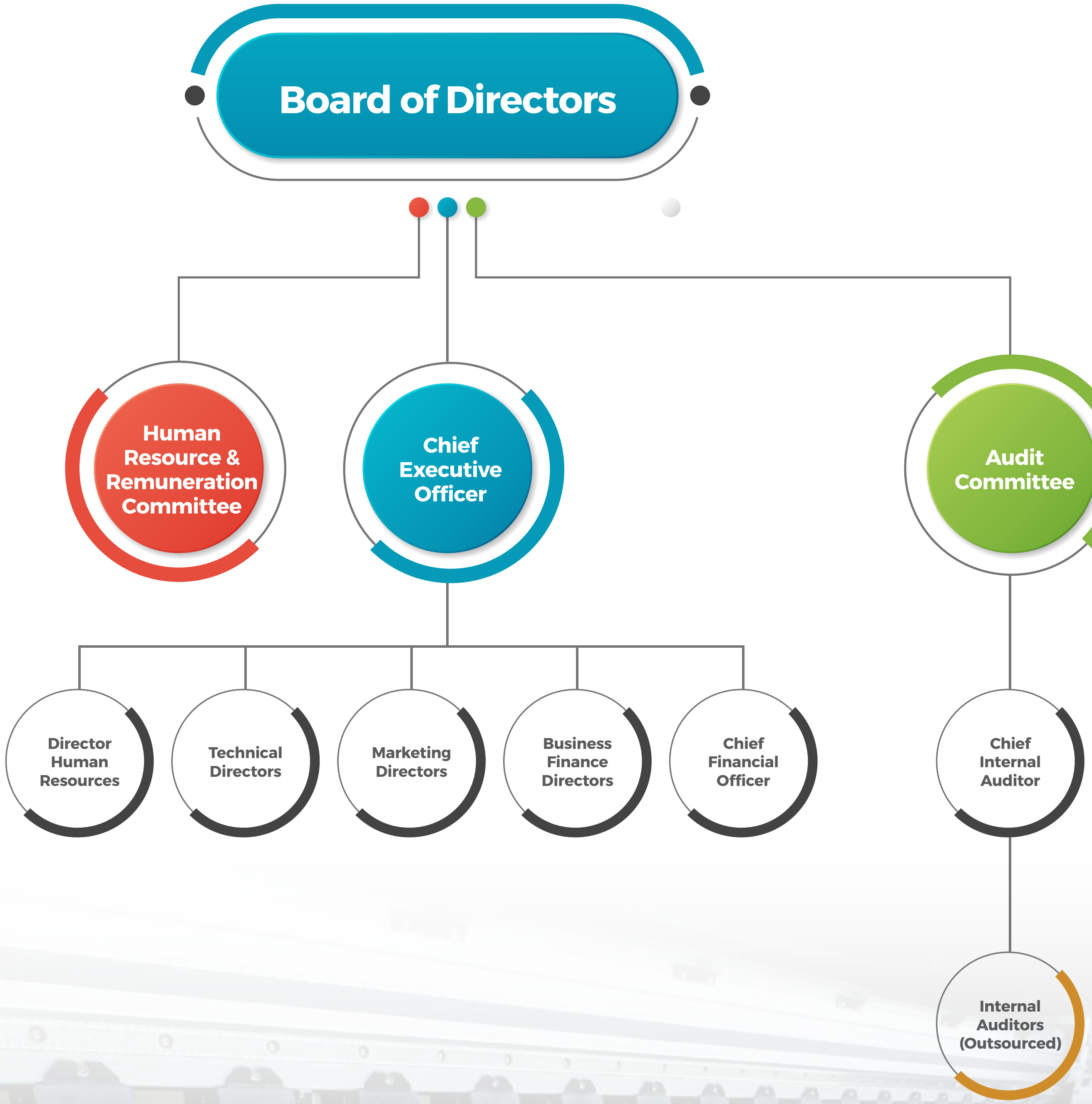
February 2024
BOD Meeting - Accounts for the Half Year ended December 31, 2023

April 2024
BOD Meeting - Accounts for the Nine Months ended March 31, 2024

May 2024
BOD Human Resource and Remuneration Committee Meeting was held

Ethics to Excellence

Organogram



Profile of The Board of Directors:

Mr. Mohomed Bashir
Chairman

Mr. Mohomed Bashir joined the Board of Gul Ahmed Textile Mills Limited in 1982. He is a fellow member of Chartered Institute of Management Accountants (CIMA), United Kingdom.

In recognition of his services he has been awarded Sitara-e-Imtiaz by the President of Pakistan in 2006 and was also conferred with Justice of Peace. On April 7, 2017 he was awarded with the Grade d' Officier in the National Order of Merit by the President of the French Republic.

On 19 February 2020, Mr. Bashir was awarded the Knight of King, Northern Star Order, first class by the King of Sweden, Mr. Carl Gustaf.

Mr. Mohomed Bashir has a very rich and extensive experience in commerce and industry. He is currently the Chairman of the Board of Directors of Gul Ahmed Textile Mills Limited. He is also serving on the Boards of the following organizations:

- Gul Ahmed Holdings (Private) Limited
- Ideas (Private) Limited.
- Habib Metropolitan Bank Limited
- GTM (Europe) Limited – UK
- Gul Ahmed International Limited (FZC) – UAE
- Habib University Foundation
- Gul Ahmed Energy Limited
- Education Fund for Sindh
- International Cotton Association Limited (ICA)
- International Textile Manufacturers Federation (ITMF)

Presently his honorary Government, Trade & Industry and Consular positions include:

- Vice Chairman – International Cotton Association (ICA)
- Chairperson – Apparel, Made-Ups and Technical Textile Council, Ministry of Commerce.
- Member – Sindh Doing Business Reform Council
- Member – National Export Development Board (NEDB)
- Member – Pakistan China Business and Investment Forum
- Member – Prime Minister's Council of Business Leaders, Government of Pakistan, Ministry of Commerce and Textile.
- Member – Task Force on Textile Policy, Govern ment of Pakistan, Ministry of Commerce and Textile.
- Member – Pakistan France Business Council
- Member – Pakistan German Business Council
- Member – Pakistan Swedish Business Council

Previously, he has also held the following honorary Government and Trade & Industry positions;

- Honorary Consul General of Sweden – Sindh / Balochistan (2015 to 2023)
- Chairman – Pakistan Business Council (2014 to 2015)
- Founder/Director – Pakistan Business Council (2005 to 2022)
- President – International Textile Manufacturers Federation (ITMF) (2010 to 2012)
- Member – Tax Reform Commission, Ministry of Finance (2014 to 2016)
- Member – Tax Advisory Council, FBR (2014 to 2016)
- Founder/Trustee – Fellowship Fund For Pakistan (2003 to 2013)
- Member – Advisory Committee, Federal Tax Ombudsman, Government of Pakistan (2011 to 2014)
- Member – Economic Advisory Council, Government of Pakistan (2001 to 2003 and 2008 to 2013)
- Member – Export Promotion Board, Government of Pakistan (1995 to1997 and 2002 to 2007)
- Member – National Strategy on Textiles (2006 to 2007)
- Chairman – Pakistan Britain Advisory Council (2002 to 2005)
- Chairman – All Pakistan Textile Mills Association (1989 to 1990)
- Vice Chairman – All Pakistan Textile Mills Association (1982 to 1985)
- Chairman – Pakistan Swiss Trade and Industry Committee (1981 to 2000)
- Member of Governing Board – Pakistan Design Institute (1981 to 2000)
- Member – Advisory Board of CPLC, Government of Sindh (2010)

Mr. Zain Bashir
Vice Chairman/Executive Director

Mr. Zain Bashir has been a member of the Board since May 1997 and currently serves as the Vice Chairman of the Company. He is a certified director from the Pakistan Institute of Corporate Governance (PICG). In addition to his role in the Company, he serves on the Board of Landhi Infrastructure Development and Management Company, which oversees the enhancement of infrastructure in the Landhi Industrial Area.

He has also held several key leadership roles in industry associations, serving as the Chairman and President of the Landhi Association of Trade and Industry during the periods 2009–2010, 2015–2016, and 2018–2019. In 2012–2013, he acted as Chairman of the Pakistan Bedwear Exporters Association. Additionally, he has been an Executive Committee Member of the Landhi Association of Trade and Industry.

With extensive experience in the textile sector, he has gained profound insights into the industry's operations and challenges.

Mr. Mohammed Zaki Bashir
Chief Executive Officer/Executive Director

Mr. Mohammed Zaki Bashir joined Gul Ahmed Textile Mills Limited in 2005 and became a member of the Board in 2008. He currently serves as the Chief Executive Officer of the Company. He holds a graduate degree in International Business from Regents Business School, UK, and is a certified director from the Pakistan Institute of Corporate Governance (PICG).

In addition to his academic qualifications, he plays an active role in several industry organizations. He is a member of the Executive Committee of the All Pakistan Textile Mills Association (APTMA) and has been a member of the Entrepreneurs Organization (EO) since 2014. EO is a global, peer-to-peer network of over 12,000 influential business owners, with 173 chapters in 54 countries. He is also a member of the Pakistan Textile Council, where he serves on the board of directors, as well as a member of the Young Presidents Organization (YPO) Pakistan.

Through his in-depth understanding of the Company and the industry, he has significantly contributed to its overall growth and success. In addition to his role at Gul Ahmed, he serves on the boards of the following companies:

- Arwen Tech International Limited (FZC) – UAE
- Gul Ahmed Power Company (Private) Limited
- Gul Ahmed International Limited (FZC) – UAE
- GTM (Europe) Limited – UK
- GTM USA Corp. – USA
- Ideas (Private) Limited
- Gul Ahmed Holdings (Private) Limited
- Sky Home USA Corp. – USA
- Pakistan Textile Council

Mr. Ziad Bashir
Non-Executive Director

Mr. Ziad Bashir has been a member of the Board since February 1999. He holds a bachelor's degree in Entrepreneurial Studies from Babson College, USA, and brings extensive experience in the textile sector. He is also a certified director from the Pakistan Institute of Corporate Governance (PICG).

Throughout his career, he has held several prominent positions in industry and trade organizations. He has served as Chairman of the Landhi Association of Trade and Industry and is currently on the Board of Landhi Infrastructure Development and Management Company. Additionally, he has been the President of the Young Presidents Organization (YPO) Pakistan and has served on the Executive Committee of the Pakistan Board of Investment. He is also a member of the Central Managing Committee of the All Pakistan Textile Mills Association (APTMA), as well as a Director on the Board of the Pakistan Business Council. He currently chairs the Pakistan Retail Business Council and serves as the Honorary Consulate General of Denmark in Pakistan.

In addition to his industry roles, he has been actively involved in advising on national economic policies having served on various Prime Minister's Economic Advisory Committees, focusing on key areas such as domestic commerce and information technology. With a longstanding commitment to promoting provincial trade and investment, he has been associated with the Punjab Board of Investment and Trade for nearly a decade. Furthermore, he is a member of several Federal Board of Revenue committees, working to enhance the efficiency of the tax system and contribute to the overall economic development of the country.

Mr. Ehsan A. Malik
Non-Executive Director

Mr. Ehsan A. Malik joined the Board of Directors of the Company in June 2016 and serves as a member of its Audit Committee. He is a fellow of the Institute of Chartered Accountants of England and Wales, the Institute of Chartered Accountants of Pakistan, and an alumnus of both the Wharton and Harvard Business Schools. He is also a certified director from the Pakistan Institute of Corporate Governance (PICG) and currently serves as the Chief Executive Officer of the Pakistan Business Council.

From September 2006 to October 2014, he was the Chief Executive Officer of Unilever Pakistan Limited and a Director of Unilever Pakistan Foods Limited. Prior to this, he was Chairman and CEO of Unilever Sri Lanka Limited. His international appointments include Unilever's regional businesses across Egypt, Lebanon, Jordan, Syria, and Sudan, as well as at Unilever's Head Office in the UK. Before these international assignments, he held senior commercial and financial positions at Unilever Pakistan.

In addition to his role at the Pakistan Business Council, he serves on the boards of Abbott Laboratories Pakistan Limited, National Foods Limited, FrieslandCampina Engro Pakistan Limited, and Standard Chartered Bank Pakistan Limited.

Ms. Zeeba Ansar
Independent Non-Executive Director

Ms. Zeeba Ansar joined the Board as an independent non-executive director in April 2020. She is also the Chairperson of the Human Resource & Remuneration Committee of the Company.

She has over 28 years of private and corporate banking experience. She did her Bachelors in Economics and Statistics from the University of Punjab and then completed her MBA in Marketing and Finance from the Institute of Business Administration. She is a certified director from Pakistan Institute of Corporate Governance.

In her career as a banker she has worked with Deutsche Bank AG as Manager Corporate Banking Department and Faysal Bank as Senior Vice President and Corporate Head-South. She then joined UBL as Executive Vice President and Regional Corporate Head-South and retained the position for 10 years. Her most recent professional engagement was with NIB Bank as Group Head-Corporate and Investment Banking where she worked till 2017.

She is serving as an independent director on the Board of Directors of Cherat Cement Company Limited and SAMBA Bank Limited. In addition to her directorship, she is a member of Board Risk Committee and the Chairperson of the Board Nomination and Remuneration Committee of the SAMBA Bank Limited.

Mr. Kamran Y. Mirza
Independent Non-Executive Director

Mr. Kamran Y. Mirza is a Chartered Accountant, qualifying in November 1968 from the United Kingdom. He began his career in Pakistan as an auditor with A.F. Ferguson & Co. before transitioning in December 1970 to Abbott Laboratories (Pakistan) Limited, a leading multinational pharmaceutical and healthcare company. Initially joining as Chief Financial Officer, he became one of the youngest Managing Directors of Abbott Pakistan in 1977, a position he held for 29 years.

He served as Chairman of the Export Processing Zones Authority from February 2007 to March 2009 and then proceeded to take on the role of Chief Executive Officer of the Pakistan Business Council (PBC), where he served until December 2015. During his tenure he represented PBC on the Board of Investments ("BOI") and other Government Bodies and Institutions.

Currently, he serves on the boards of Colgate Palmolive (Pakistan) Limited, Askari Bank Limited, Rafhan Maize Products Company Limited, and the Education Fund for Sindh (EFS), where he previously held the position of Chairman from December 2012 to October 2016.

Throughout his distinguished career, Kamran Mirza has held several notable leadership positions. He served as Chairman of the Pakistan Mercantile Exchange (PMEX) and the Karachi Stock Exchange (KSE), as well as President of the Overseas Chamber of Commerce & Industry (OICCI) and the American Business Council (ABC). He also chaired the Pharma Bureau, an association of multinational pharmaceutical companies. His past board memberships include prominent organizations such as the Pakistan State Oil (PSO), International Steels Limited, National Bank of Pakistan (NBP), Sarmaya-e-Pakistan Limited, Bank Alfalah Limited, Abbott Laboratories (Pakistan) Limited, Pakistan Textile City Limited, Competitiveness Support Fund, Genco Holding Company, NAVTEC and Safari Club of Pakistan Limited. He also served as chairman of Unilever Pakistan Foods Limited, Phillip Morris (Pakistan) Limited and Karwan-e-Hayat.

Mr. Mirza has been actively involved in various government and advisory roles. He chaired a task force on the pharmaceutical industry for the Planning Commission, served on the Federal Government's Economic Advisory Board, and was a member of the Sindh Wildlife Board.

Additionally, he contributed to the Quality Control Board of the Institute of Chartered Accountants of Pakistan (ICAP) and has also lectured at the Pakistan Institute of Corporate Governance (PICG).

Board Committees

Audit Committee

1. Composition

- Mr. Kamran Y. Mirza - Chairman and Member
- Mr. Mohomed Bashir - Member
- Mr. Ehsan A. Malik - Member
- Mr. Salim Ghaffar – Secretary

2. Terms of Reference

The committee shall be responsible for:

- Reviewing the system of internal controls, risk management and the audit process besides assisting the Board in reviewing financial statements.
- Recommending to the Board of Directors the appointment of external auditors, determining audit fees and settling other related matters.
- Determination of appropriate measures to safeguard the Company's assets.
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors.

Major judgmental areas:

- Significant adjustments resulting from the audit;
- The going concern assumption;
- Any changes in accounting policies and practices;
- Compliance with applicable accounting standards;
- Compliance with listing regulations and other statutory and regulatory requirements;
- Review of preliminary announcements of results prior to publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- Review of the management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations and management's response thereto;
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
- Review of the Company's statements on internal control system prior to endorsement by the Board of Directors;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and considering remittance of any matter to the external auditors or to any other external body;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- Consideration of any other issue of matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee

1. **Composition**

- Ms. Zeeba Ansar - Chairman and Member
- Mr. Mohomed Bashir - Member
- Mr. Zain Bashir - Member
- Mr. Salim Ghaffar - Secretary

2. **Terms of Reference**

The committee shall be responsible for:

- Recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The senior management shall include the first layer of management below the chief executive officer level;
- Undertaking annually a formal process of evaluation of performance of the Board as a Whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- Recommending human resource management policies to the Board;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Operating Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer or Chief Operating Officer;
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the Committee and a statement shall be made by them as to whether they have any other connection with the Company.
- Ensuring that appropriate procedures exist to assess the remuneration levels of the Chairman, Chief Executive Officer (CEO), Non-Executive Directors, Executive Directors, Board Committees and the Board of Directors as a whole.
- Ensuring that the Company adopts, monitors and applies appropriate remuneration policies and procedures.
- Ensuring that reporting disclosures related to remuneration meet the Board's disclosures objectives and all relevant legal requirements.
- Making recommendations to the Board on appropriate remuneration, in relation to both the amount and its compositions, for the Chairman, CEO, Non-Executive Directors, Executive Directors and Senior Executives.
- Developing and recommending to the Board performance-based remuneration incentive programs such as bonus schemes, long-term incentive plans.
- Developing, maintaining and monitoring appropriate Human Resource Policies and Procedures.
- Developing, maintaining and monitoring appropriate talent management programs including succession planning, recruitment, development, retention and termination policies and procedures for senior management.
- Developing remuneration related disclosure objectives for the Company and ensuring that publicly disclosed information meets those objectives, all legal requirements, and is accurate; and
- Developing and monitoring Workplace Health and Safety metrics and initiatives to ensure a safe working environment

Employee Management & Development

Gul Ahmed is committed to fostering a workplace where employees feel valued, empowered, and supported. By implementing employee-centric initiatives, we strive to create an environment that prioritizes their well-being, professional growth, and fair compensation. Our mission is to enrich the lives of our employees by providing equal employment opportunities, addressing their training and development needs, and maintaining a safe and secure work environment.
Through carefully developed HR strategies, we focus on employee enablement, engagement, and empowerment. Our comprehensive talent management approach has enabled us to attract, develop, and retain top talent, contributing to both organizational success and growth in the textile industry.

Employee Benefits

Gul Ahmed ensures full compliance with employee remuneration laws and regulations, with the Human Resource and Remuneration Committee advising the Board on policies and making recommendations for directors and executive managers.

In the fiscal year ending June 2024, we allocated approximately Rs. 18.08 billion toward employee remuneration, a notable increase from Rs. 13.15 billion in 2023, underscoring our commitment to equitable compensation. These adjustments were made in strict adherence to government-mandated minimum wage regulations, guaranteeing that all employees are compensated at or above the minimum wage.

Beyond competitive salaries, Gul Ahmed provides a comprehensive range of benefits, including health and life insurance, Employees Old-Age Benefits (EOBI), Workers Welfare and Profit Participation funds, paid leaves (casual, sick, annual, and maternity), as well as subsidized transportation, dining, and retirement benefits.

Employee Engagement & Well Being

We actively organize and implement Employee Engagement initiatives that are well-received by both employees and management. These initiatives include regular Information Sharing Sessions, departmental picnics and sports events, annual women's day celebration and free medical check-ups.

Our recent "Wellness Month: Sehatmand Gul Ahmed" campaign focused on promoting the eight distinct pillars of well-being: Mental, Social, Intellectual, Occupational, Environmental, Financial, Spiritual, and Emotional. The Human Resource department conducted various activities throughout the month to address each of these pillars.

The primary focus of these activities is to provide a platform where employees' voices are heard and valued. Gul Ahmed recognizes the heart and soul of the organization are the staff, management, and every dedicated worker who plays a vital role in shaping our success. These programs celebrate our people and recognizes that a healthy and happy workforce is the cornerstone of a thriving organization.

Training, Development & Succession Planning

Gul Ahmed is committed to providing its employees with the training and development opportunities they need to succeed. By offering a variety of training programs, both internal and external, we are empowering our team members to expand their skills, knowledge, and career horizons. Additionally, we implement job enrichment and enlargement initiatives to facilitate employee development and engagement. These strategies involve expanding job responsibilities and providing employees with greater autonomy and decision-making authority, leading to increased job satisfaction and motivation.

Our training programs are carefully designed to cater to the specific needs of each employee level, ensuring that they receive the most relevant and effective instruction. We offer a diverse range of training sessions, including:

- Skills Development: These sessions focus on enhancing employees' technical skills and competencies.
- External Trainings: Conducted by industry experts, these trainings provide employ ees with exposure to the latest trends and best practices.

- Leadership Programs: Designed to equip employees with the skills and knowledge they need to take on leadership roles, these programs contribute to our succession planning efforts.
  By investing in our employees' development, we are not only helping them to advance their careers but also strengthening our organization's overall performance.

Training Organization Outside of Practice (TOoP)
In a significant milestone, Gul Ahmed Textile Mills Limited was officially recognized as a Training Organization Outside of Practice (TOoP) by the Institute of Chartered Accountants of Pakistan (ICAP) in May 2024. This accreditation allows us to provide training to aspiring chartered accountancy students as part of their professional studies.

To commemorate this achievement, the President of ICAP, Mr. Farrukh Rehman, visited our company headquarters to present the TOoP Certificate to our CEO, Mr. Zaki Bashir. This recognition underscores Gul Ahmed's commitment to nurturing the next generation of accounting professionals and contributing to the growth of the industry.

We have successfully onboarded our first batch of CA Trainees and are excited to share our knowledge, experience, and technical expertise with these promising young professionals. Our team is dedicated to guiding them through their academic journey and helping them develop the skills necessary for a successful career.

Health, Safety & Environment (HSE)

Gul Ahmed is committed to provide a safe and healthy working environment to its employees where they can work securely without the fear of injury or illness. Our Health and Safety Management ("HSE") System is designed in compliance with the local regulations (Sindh Occupational Safety & Health Act 2017), international standards such as Sustainable Textile Production (STeP) and buyers specific Code of Conducts that are communicated and implemented across the organization.

The HSE Management System implemented at Gul Ahmed is based on the methodology of Planning-Doing-Checking-Acting ("PDCA") cycle in accordance with ISO 45001 -2018, covering all processes of our operations.

HSE Training at Gul Ahmed
At Gul Ahmed, we prioritize the health and safety of our workforce by mandating comprehensive HSE (Health, Safety, and Environment) training for all employees and contractors upon induction, ensuring they are equipped with the necessary knowledge before commencing their assigned tasks. This approach has significantly enhanced overall safety awareness, leading to a marked reduction in accidents and injuries in the workplace.

Beyond induction, our HSE department regularly conducts specialized training sessions throughout the year, led by qualified HSE professionals. These trainings cover critical areas such as Firefighting, Workplace Safety & Ergonomics, First Aid, and Mock Evacuation Drills. These ongoing training initiatives reinforce our commitment to safety and help embed best practices within the workforce.

Furthermore, we have implemented a robust Permit to Work (PTW) system as an integral part of our HSE management framework. The PTW system ensures that all hazardous or non-routine tasks, which pose potential risks, are executed safely and efficiently. This system involves a thorough process of requesting, reviewing, and authorizing tasks, with a strong emphasis on documentation and de-conflicting of concurrent jobs. It guarantees that all relevant personnel are fully aware of the nature and hazards associated with the task, and that safety precautions are in place before work begins. This structured approach minimizes the risk of critical injuries and ensures that all work is completed safely and correctly, further reinforcing our safety culture at Gul Ahmed.

Gul Ahmed HSE Committee
The HSE Committee holds quarterly meetings with equal representation from both workers and management to promptly address occupational health and safety issues. These meetings provide a platform to discuss and resolve concerns, fostering a healthy work environment and facilitating communication between management and workers. Detailed minutes of each meeting are compiled, shared, and displayed for transparency. Workers are encouraged to report hazards through phone calls, safety rounds, and training sessions. All issues raised by the committee are evaluated using the Hazard Identification and Risk Assessment (HIRA) format to continuously improve workplace conditions.

Whistle Blowing Policy

Gul Ahmed has a whistleblowing policy in place. Such policies are essential for creating an open and transparent work environment where employees can raise concerns about potential violations of legal or regulatory requirements, financial misrepresentations, or any other misconduct without fear of retaliation.

Having a well-defined whistleblowing policy demonstrates the Company's commitment to ethical behavior and accountability. It encourages employees to report any issues they may encounter, helping to identify and address problems early, which can ultimately prevent more significant issues from arising.

This policy not only benefits the organization by promoting ethical conduct but also helps protect the rights and interests of employees who may otherwise hesitate to report wrongdoing. It's an important component of maintaining trust, integrity, and compliance within the Company.

The purpose of this policy is to provide a channel to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. without fear of punishment or unfair treatment.

Guiding Principles
Gul Ahmed has outlined a set of measures to ensure the effectiveness and fairness of its whistleblowing policy. These measures are crucial for creating an environment where employees feel safe and encouraged to report any concerns or wrongdoing. The break down of these key points is as follows:

i) **Protection from Victimization:** Guaranteeing that individuals who report protected disclosures (whistleblowers) or those responsible for processing these disclosures are not subjected to any form of victimization is fundamental. This protection helps build trust and encourages employees to come forward with their concerns without fear of retaliation.

ii) **Treatment of Victimization as a Serious Matter:** Making it clear that victimization is taken seriously and that appropriate disciplinary action will be taken against anyone involved in such behavior is a strong deterrent. This sends a clear message that retaliation will not be tolerated.

iii) **Confidentiality:** Ensuring complete confidentiality is vital for the integrity of the process. Whistleblowers need to have confidence that their identity and the information they provide will be protected. This encourages more open reporting.

iv) **Preservation of Evidence:** The commitment not to hide or destroy evidence related to protected disclosures is crucial for maintaining transparency and accountability. This ensures that investigations can proceed effectively.

v) **Disciplinary Action for Evidence Tampering:** Taking disciplinary action against anyone found tampering with or concealing evidence related to protected disclosures reinforces the seriousness of maintaining transparency and integrity.

vi) **Opportunity for the Involved Parties to Be Heard:** Providing an opportunity for all parties involved to be heard is essential for a fair and unbiased investigation process. This ensures that the concerns of all parties are considered and evaluated objectively.

Overall, these measures help create a robust and effective whistleblowing system that not only protects the rights of whistleblowers but also promotes ethical conduct and accountability within the organization.

Whistle Blowing Committee
The Whistle Blowing Committee comprises the following officials of the Company:

i Chief Financial Officer

ii Head of Human Resource

iii Head of Internal Audit Procedure

Procedure - Raising Protected Disclosure
Whistle-blowers may report their protected disclosures to the Whistle Blowing Committee through the following methods:

i Confidential Call

ii Email: whistleblowing@gulahmed.com or bol@gulahmed.com

iii Whistle Blower Drop Box

Handling Protected Disclosures
The commitment to fully investigate each protected disclosure received by the Whistle Blowing Committee is a crucial aspect of an effective whistleblowing policy. Here's why this is important:

i) Ensures Accountability: Full investigations hold individuals and entities accountable for their actions. This means that allegations of wrongdoing are taken seriously, and those responsible are identified and held responsible.

ii) Promotes Transparency: Thorough investigations promote transparency within the organization. When employees see that their concerns are being investigated seriously, it builds trust in the whistleblowing process and the Company's commitment to ethical behavior.

iii) Prevents Retaliation: Employees are more likely to come forward with concerns if they believe that their reports will lead to a comprehensive investigation. This reduces the risk of retaliation against whistleblowers.

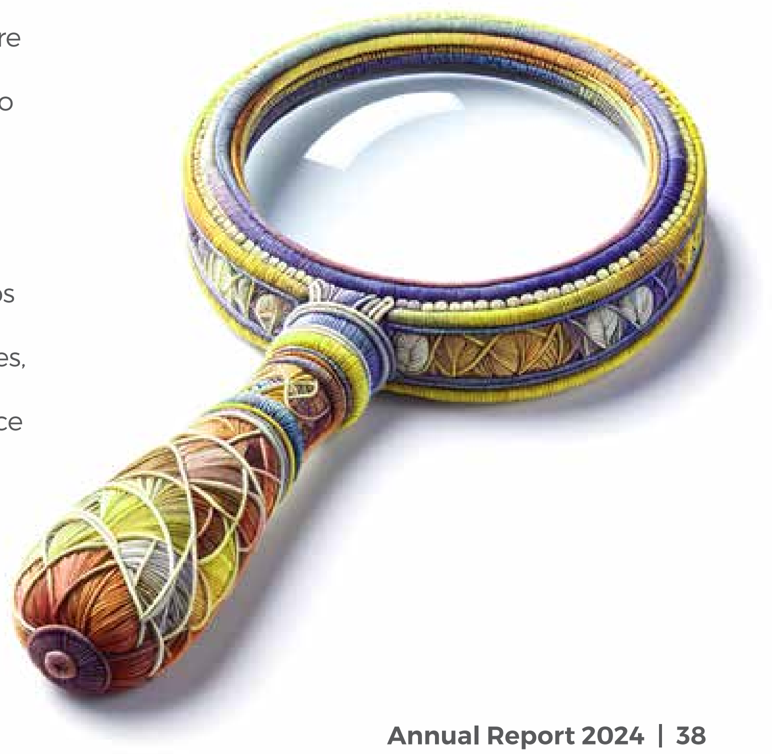
iv) Protects Reputation: Investigating and addressing misconduct proactively helps protect the Company's reputation. It shows stakeholders, including employees, customers, and investors, that the organization takes ethics and compliance seriously.

v) Identifies Systemic Issues: Comprehensive investigations can uncover systemic issues within the organization. Addressing these root causes can help prevent similar problems from occurring in the future.

vi) Legal and Regulatory Compliance: In many jurisdictions, there are legal and regulatory requirements for investigating protected disclosures. Failure to do so can result in legal consequences for the organization.

vii) Improves Organizational Culture: When misconduct is addressed promptly and thoroughly, it sends a message that unethical behavior will not be tolerated. This helps shape a culture of integrity and ethical conduct within the Company.

Overall, committing to fully investigate protected disclosures is a critical step in ensuring that a whistleblowing policy is effective in promoting ethical behavior and compliance with laws and regulations. It demonstrates the organization's dedication to maintaining a culture of integrity and accountability.



Statement of Business Conduct and Ethics Code

Our commitment to ethical behavior is the foundation upon which we build relationships with business partners, colleagues, shareholders, and the public. This code of business conduct and ethics serves as a guide to uphold these values.

Upholding Ethical Principles
When making ethical choices, it's crucial to use sound judgment and avoid any actions that might seem questionable, even if remotely so. If you're unsure whether an action follows the guidelines of the Code, it's important to contemplate:

1. Is it consistent with the Code?
2. Is it ethical?
3. Is it legal?
4. If it were made public, would I be comfortable?

If the answer is "No" to any of these questions, don't do it. If you are still uncertain, ask for guidance. You can seek help from any of the following:

1. The Management
2. Legal Department
3. Human Resource Department
4. Company Secretary

Compliance With Laws, Policies And Procedures
1. Directors/employees shall not make, recommend or cause to be taken any action known or believed to be in violation of any law, regulation, or corporate policy.
2. Directors/employees shall not make, recommend or cause to be made any expenditure of funds known or believed to be in violation of any law, regulation, or corporate policy.

Integrity And Respect For Others
1. Directors/employees shall conduct their activities with the highest principles of integrity, truthfulness, objectivity, and honor.
2. Directors/employees shall neither use their position to engage in unfair, deceptive or misleading practices nor shall they offer, promise or provide anything to a customer or supplier in exchange for an inappropriate advantage for himself or even for the Company.
3. Any person representing the Company to the third parties shall not allow himself/herself to be placed in a position in which an actual or apparent conflict of interest exists.

Confidentiality
1. Directors/employees shall not use or disclose the Company's trade secrets, proprietary information, or any other confidential information gained in the performance of duty.
2. Every employee must be cautious and discreet when using information categorized as "classified" or "confidential-restricted access." Such information should be shared only with the Company's employees who have a legitimate "need to know." Outside parties should have access to such information only if they are under binding confidentiality agreements and have a "need to know."
3. Similarly, when handling sensitive information that has been entrusted to our Company by others, we must always treat it with the maximum care. Doing so, it can protect the Company from potential liability.
4. We must also comply with all laws, regulations, and contractual commitments regarding the valid and enforceable intellectual property rights of third parties, including patents, copyrights, trade secrets, and other proprietary information.
5. If anyone has a question about the use of patented or proprietary information, including the computer software of third parties, he/she should contact Legal Department. In order to use copyright material such as articles, charts, maps, films, and music, permission must be obtained from the copyright owner.

Avoiding Conflict Of Interest
1. It is always expected from every director/employee to act in the best interests of the Company. This means that business decisions should be made free from any conflict of interest. They should also appear impartial. Decisions must be made on sound business reasoning.
2. Directors, employees and their close relatives – must never:
   a) Compete against the Company.
   b) Use their position or influence to secure an improper benefit for themselves or others.
   c) Use Company information, assets or resources for their personal gain or the unauthorized benefit of others.
   d) Take advantage of inside information.
3. It is also a conflict of interest for a director or employee to give or receive gifts or cash in any amount to or from people or companies doing or seeking to do business with the Company. Therefore, we must not:
   a) Accept fees or honoraria in exchange for services provided on behalf of the Company.
   b) Provide or accept gifts or entertainment from anyone doing or seeking business with the Company or any of its affiliates. Generally, modest forms of gifts and entertainment (like souvenirs of the company or magazines and lunch/dinner in connection while performing their duties to the Company) received from vendors are acceptable and do not create a conflict of interest. Consult with Legal Department to learn about the guidelines.
4. Insider Trading
   a) It is illegal to purchase or sell securities of the Company if you have "material nonpublic information" concerning the Company.
   b) If anybody engages in insider trading then he/she will face disciplinary actions including significant civil and criminal penalties.

Company Records And Internal Controls
1. The Company's books and records must be prepared accurately and honestly, both by our accountants who prepare records of transactions and by any of us who contribute to the creation of business records.
2. The Company shall maintain accounting records and issue financial statements as required by the local laws to ensure transparency of information on the Company's financial performance.
3. Reliable internal controls are critical for the security of the Company's assets, proper, complete and accurate accounting, and financial reporting. Everyone must understand the internal controls relevant to his/her position and follow the policies and procedures related to those controls. Everyone is encouraged to talk to their managers or supervisors immediately if ever in a doubt that a control is not adequately detecting or preventing inaccuracy, waste, or fraud.
4. Audits performed by internal and external auditors help ensure compliance with established policies, procedures, and controls. Audits also help identify potential weaknesses so these may be fixed promptly. Everyone is required to cooperate fully with internal and external auditors. This means always providing clear and truthful information and cooperating fully during the audit process.
5. Engaging in any scheme to defraud anyone — of money, property or honest services — violates Company's policy and carries severe penalties. These consequences apply to all dishonest or fraudulent activities, including misusing or stealing assets. The Company relies on its internal controls and the personal integrity of all its directors, employees and contractors to protect assets against damage, theft and other unauthorized use.

Dealing With Various Stakeholders
Every business unit or section of the Company shall follow policies and procedures which are consistent with the Code while dealing with different stakeholders.

1. **Customers**
   a) Treat customers fairly and honestly.
   b) Provide high standards of services and quality products.
   c) Operate effective complaint processes to deal with situations where these standards are challenged.
   d) Aim to provide and promote a range of products and services that meet customer requirements and needs.
   e) Maintain the confidentiality of customer information, except where the law requires/permits disclosure, or the customer has given prior written consent.

2. **Employees**
   a) The Company has maintained a suitable working environment that provides appropriate training, transparent career growth opportunities and competitive remuneration packages including benefits that are also in compliance with the employment-related laws and regulations of Pakistan as well as other relevant countries.

b) It is ensured that all the values and standards required by our business practices are communicated to each employee.
c) Provide a clean, healthy and safe work environment, stressing the obligation on all employees to take every reasonable precaution to avoid injury to themselves, colleagues and members of the public.
d) Provide appropriate facilities to fulfill the needs of special employees
e) The Company follows the laws that prohibit discrimination in employment practices. It is Company's policy to provide equal employment opportunities and to treat applicants and employees without bias. It is our policy that no one is ever subject to discrimination on the basis of:

- Race
- Religion
- Color
- National origin
- Age
- Sex
- Disability
- Personal/Political preference

3. **Suppliers of Goods and Services**
a) Encourage dealing with those suppliers/vendors who operate with values and standards similar to those of the Company.
b) Work together with suppliers/vendors following the laws and policies to improve all aspects of performance.
c) Agree terms of payment when orders for goods and services are placed and pay in accordance with those terms.
d) No one shall engage in unfair, deceptive or misleading practices including receiving or demanding of any favors or benefits from a supplier as an advantage for him to win a bid or contract.

4. **Communities**
a) Contribute to the social and economic wellbeing of communities connected to the places of business of the Company.
b) Encourage employees to participate in projects and initiatives for the welfare of these communities.
c) Work and plan operations of business to minimize adverse environmental impact.

5. **Competitors**
a) Conduct business in accordance with the Code and compete vigorously but honestly.
b) Avoid disclosing any confidential information except as required by the law
c) The Company competes fairly and complies with all applicable competition laws wherever the Company operates. These laws often are complex and vary considerably from country to country. Penalties for violation can be severe. Therefore, directors/employees should seek legal advice.

6. **Governments and Regulators**
a) Comply with all applicable laws, rules and regulations under which the Company operates.
b) Maintain a constructive and open relationship with regulators to foster mutual trust, respect and understanding

From Potential to Performance

Objectives & Strategies

Clear objectives, robust strategies, and detailed planning are essential for an organization's success, as they set measurable goals that align efforts across the company. Strategies provide a structured approach to achieving these goals, helping to navigate competitive and operational challenges, while planning ensures efficient resource allocation. This comprehensive approach enables Gul Ahmed to anticipate changes, adapt swiftly, and maintain a competitive edge. Strategic objectives play a crucial role in driving the Company's growth, guiding decisions, and ensuring sustained success. The Company's key strategic objectives and the corresponding plans that support them are outlined below.

Objectives	To become the leader in the Pakistan textile industry	To increase revenue and profits year on year	To incorporate environmentally friendly practices into our manufacturing process to reduce our overall carbon footprint	To improve operational excellence by reducing waste and maximizing capacity utilization	To expand our business into new markets and capitalize on diversification opportunities	To support local businesses, industries and contribute towards sustainability of the society
Priority	High	High	High	High	Medium	Medium
Timeline	Long Term	Long Term	Short Term	Long Term	Medium Term	Short Term
Current Status	**On-Going:** For FY 2024, Gul Ahmed placed 4th on the list of Top Exporters of Pakistan	**On-Going:** For FY 2024, Gul Ahmed sales have increased by 28% whereas the profit after tax has increased by 19% in comparison to last year.	**On-Going:** Gul Ahmed has entered into negotiations to install 19MW rooftop solar panels on all of its premises. Significantly increasing the proportion of renewable energy within our current energy mix.	**On-Going:** Gul Ahmed operates its own Effluent Treatment Plant, recycling 60% of treated wastewater back into the manufacturing process. Additionally, our cotton waste recycling facility processes up to 200,000 kg of production waste monthly which is then reused in our spinning operations.	**On-Going:** Our Fibre Bleaching plant became operational in 2022, producing high quality bleached cotton primarily for the use in cosmetic and medical industries. This represented a significant addition to our already diverse portfolio of products.	**On-Going:** Over 50% of our total purchases are made locally, supporting the local economy and suppliers while maintaining our commitment to quality. Furthermore, Gul Ahmed has also contributed significantly to the community through its CSR partners. Kindly refer note 29.5 & 29.6 of the unconsolidated financial statements for more details.
Strategy	Focus on innovation in product design, invest in advanced manufacturing technologies, expand into high-growth international markets while building strong partnerships with key suppliers.	Maximize sales by exploring and entering new, untapped markets while providing quality products to existing customers, thereby increasing the Company's global reach. Simultaneously, control and optimize costs to enhance profits and ensure sustainable growth.	Increase the use of renewable energy by exploring additional sources, such as wind power, to reduce energy costs and align with Global Carbon Regulations. This will position the company to successfully enter new product markets thus allowing for sustained future growth.	Increase the use of recycled water in our operations to reduce stress on local water resources. Utilize sustainable, high-quality raw materials that generate less waste, enhancing the overall conversion efficiency from raw materials to finished products.	Conduct market research to identify trends, untapped segments, and growth opportunities. Analyze customer preferences to tailor products, and capitalize on market gaps by offering unique solutions.	Partner on joint product development that utilizes local expertise and resources, producing high-quality, eco-friendly products. Invest in community initiatives that promote sustainability and enhance the skills of the local workforce, ensuring the company has the talent needed to achieve and sustain industry leadership.
Resource allocation	1. Financial Capital 2. Manufactured Capital 3. Intellectual Capital 4. Social & Relationship Capital	1. Financial Capital 2. Manufactured Capital	1. Financial Capital 2. Manufactured Capital 3. Natural Capital	1. Manufactured Capital 2. Natural Capital	1. Intellectual Capital 2. Social & Relationship Capital	1. Social & Relationship Capital 2. Human Capital
KPIs	- Increase in market share - Improvement in ranking of top exporters of Pakistan	- Increase in revenue and profits as compared to last year	- Increase in ratio of renewable energy in our energy mix - Reduction in energy intensity ratio - Achieving Net Zero Emissions	- Reduction in overall waste generation - Increase in ratio of recycled water consumption - Achieving Zero Liquid Discharge	- Growth in sales of Fibre Bleaching division - Entry into new geographical markets	- Increase in proportion of local purchases - Increase in contribution made towards society and CSR initiatives

Key Performance Indicators

Key Performance Indicators (KPIs) are critical metrics that measure the Company's progress towards achieving its strategic objectives. By aligning KPIs with the Company's goals, they serve as a tangible reflection of performance, enabling management to track effectiveness, identify areas for improvement, and make informed decisions. KPIs bridge the gap between strategy and execution, ensuring that all efforts contribute to the long-term success of the organization. In the following section, we outline the Company's key KPIs and provide an assessment of its performance against these benchmarks.

Financial Performance (Financial Capital) Indicators:
Objective: To maximize shareholder value

Direct Export Sales
2024 102,286 million
2023 72,941 million
40.23% ↑

Indirect Export Sales
2024 35,374 million
2023 34,035 million
3.93% ↑

Local Sales
2024 14,300 million
2023 14,473 million
-1.20% ↓

Gross Profit
2024 17,191 million
2023 16,695 million
2.97% ↑

Profit Before Income Tax and Final Taxes
2024 6,537 million
2023 5,949 million
9.88% ↑

Profit After Income Tax and Final Taxes
2024 4,728 million
2023 3,986 million
40.23% ↑

EBTIDA
2024 11,009 million
2023 9,615 million
14.50% ↑

Earning Per Share
2024 Rs. 6.39 per share
2023 Rs. 5.39 per share
18.61% ↑

Return on Equity
2024 11.15%
2023 10.46%
6.60% ↑

Short Term Borrowings*
2024 42,006 million
2023 30.206 million
*Net-off day end un-transferred bank balance
39.07% ↑

Key financial performance indicators (KPIs) are and will remain essential tools for measuring the organization's financial health and operational efficiency. These indicators provide valuable insights for all stakeholders, including investors, management, employees, and partners, enabling informed decision-making and fostering transparency. By closely monitoring KPIs, stakeholders can assess the company's profitability, growth potential, and overall sustainability, ensuring alignment with strategic goals and maintaining confidence in the organization's future success.

Non-Financial Performance Indicators:

Capital Type	Objective	Key Performance Indicator	Performance in 2024
Manufactured Capital	Investing in and optimizing physical assets (including buildings, machinery and technology infrastructure) to improve efficiency, increase production capacity, and support long-term value creation.	Capital expenditure and investments made during the year for the purpose of enhancing and optimizing operational efficiency.	Gul Ahmed has incurred approximately Rs. 4,480 million in upgrading and expanding its operational facilities. For further details refer note 5.2.1 of the unconsolidated financial statements.
Human Capital	Cultivate and harness the skills, knowledge, and abilities of the workforce, while ensuring a safe and supportive work environment that empowers employees to thrive and advance in their careers.	Employee engagement programs and training sessions conducted throughout the year. HSE measures implemented across all Gul Ahmed premises. Record of accidents and fatalities that occurred during the year.	Over the year, our Learning & Organizational Development department has hosted a variety of initiatives, including Wellness Month, Women's Day celebrations, a Breast Cancer Awareness session, and Free Medical Camps. Additionally, our HSE department conducts quarterly fire drills to ensure all personnel are well-trained in emergency response and evacuation procedures which has led to no fatalities or serious injuries occurring during the year.
Natural Capital	Sustainably manage and utilize natural resources such as water, air, land, and biodiversity, ensuring they are preserved and replenished for future use.	Usage of sustainable and recycled raw material in production Reduction in production and non-production waste Treatment and recycling of waste water Increasing usage of renewable sources of energy	Gul Ahmed is one of the largest consumers of Better Cotton Initiative (BCI) Certified cotton. Combined with our cotton waste recycling plant, this has significantly increased our use of sustainable raw materials while also reducing production waste. The company's ETP treats waste water to ensure any water discharged into the industrial drain meets environmental and regulatory standards.
Social & Relationship Capital	Cultivate and strengthen relationships with stakeholders to effectively navigate social expectations, address stakeholder needs, and create shared value, ultimately enhancing business resilience and contributing to societal well-being.	Contributions to CSR initiatives Ensuring full compliance with legal and regulatory requirements to avoid penalties and legal actions.	Gul Ahmed has contributed Rs. 62.1 million to various initiatives through its dedicated CSR partners. For further details kindly refer note 29.5 & 29.6 of the unconsolidated financial statements. No non-compliances of any laws or regulations have been reported during the year
Intellectual Capital	To cultivate, manage, and utilize knowledge, innovations, patents, trademarks, and other intellectual assets—including brand reputation, proprietary processes, and employee expertise—to introduce innovation, safeguard the company's market position and generate long-term value.	Track new customer acquisition, market expansion, and new product introductions to gauge business growth. Monitor market share and brand recognition to assess the effectiveness of marketing strategies and competitive positioning.	Compared to last year, Gul Ahmed has increased sales across all major geographical regions, reflecting strong customer confidence and the expanding global presence of our brand. Refer note 37 of the unconsolidated financial statements for further details.

Stakeholder Engagement & Investor Relations

Effective stakeholder engagement and management are vital to the success of our business, given the complexity of our supply chain and the significant role we play in textile manufacturing. By proactively identifying and understanding the diverse needs and expectations of our stakeholders—including suppliers, customers, employees, and communities—we can build strong, collaborative relationships that drive mutual prosperity. Addressing their concerns and incorporating their feedback into our decision-making process not only enhances our performance but also ensures that our operations align with ethical, sustainable practices that benefit all parties involved.

Shareholders	Engagement Frequency	Engagement Methods	Key Topics	Key Topics Response & Action Taken
Shareholders	Regular	AGM/EOGM, company website, corporate briefing sessions, official press releases	Company performance, on-going economic viability, return on investment, corporate governance, future plans and developments	The directors and management provided shareholders with a comprehensive overview of the company's performance during the annual general meeting, including the approved plans for the future as endorsed by the board of directors. Shareholders have received timely notifications of quarterly and annual results through the dissemination of information via PSX.
Customers	Regular	Customer surveys, exhibitions, trade fairs, customer visits	Product design and development, sustainability alliances, cost and quality of products	Gul Ahmed has consistently adhered to various regulations & quality standards set by our international customers. Compliance with these standards is verified through periodic quality and compliance audits. Furthermore, Gul Ahmed actively participates in various international exhibitions, such as Heimtextil, to expand its reach & connect with potential customers.
Suppliers	Regular	Request for quotations, transaction negotiations, suppliers surveys and evaluations	Product development, availability & quality of supplies, terms and conditions of transactions, adherence to code of business conduct and other local and international laws	We maintain strict supplier evaluation protocols to guarantee compliance with both local and international regulations. Our marketing teams regularly engage in sessions with suppliers to ensure alignment with our quality standards, empowering customers to create organic and sustainable products. This approach aids in minimizing the environmental footprint of our supply chain
Academia	As Needed	Field trips organized by educational institutes, job fairs	Hiring of young graduates and providing employment / internship opportunities, communication in regard to key skills that employers are currently seeking	Our HR Team actively participated in several university-organized job fairs to attract talented graduates to our MTO program. During the year Gul Ahmed became associated with ICAP as a Training Organizations Outside of Practice which would allow Chartered Accountancy Students to join Gul Ahmed to complete their mandatory articleship period.
Employees	Regular	Training sessions, employee grievance handling procedures, HR interactions	Training & career development, employee benefits and performance appraisals, occupational safety and wellbeing, implementation of labor laws	Employee appraisals are conducted annually, with performance serving as the basis for any annual increments, which are aligned with the economic climate of the country. Additionally, annual bonuses are granted to employees based on the Company's performance. We regularly organize training sessions to enhance the skills of our employees, along with sessions led by professionals focused on promoting physical and mental well-being. Mandatory fire evacuation drills & relevant demonstrations are conducted quarterly to underscore the importance of worker safety.
Local Communities / NGOs / Civil Societies	Regular	Welfare and donation drives, meetings, employee engagement	Support provided by the company to the local community in terms of improving living standards, extending medical assistance, providing quality education and developing infrastructure	Throughout the year, Gul Ahmed has donated over Rs.62 million to various NGOs, aimed at extending support to local communities. Additionally, Gul Ahmed conducted its annual blood donation drive in partnership with the Afzaal Memorial Thalassemia Foundation. Furthermore, Gul Ahmed has allocated over Rs.5 million in funds to various organizations, including the Landhi Association of Trade & Industry (LATI), for infrastructure development in the surrounding areas of our premises
Policy Makers / Governments	As needed or on request	Meeting with government officials, Information provided to various government organizations, vsits and conferences	Compliance with laws and regulations, changes in monetary and fiscal policies, direct and indirect tax contributions, approval and renewal of licenses and permits	Continuous monitoring ensures strict compliance with laws and regulations to prevent any violations. Our Directors and senior management actively engage in advisory boards, offering expertise to shape government policies. In terms of tax contributions, Gul Ahmed has paid Rs. 2.07 billion in final and income taxes during the year.

Sustainability Report

The textile industry is undergoing a profound transformation, driven by the European Union's (EU) commitment to a circular economy. With the introduction of new regulations, the Waste Framework Directive, and the Textile Strategy document, the EU is setting the stage for a more sustainable future. These changes carry significant implications not just for textile brands, but also for their suppliers, including Gul Ahmed.

For Gul Ahmed, this shift represents both a challenge and an opportunity. The EU's focus on textile recycling and responsible waste management compels us to adapt our practices to meet these new regulatory demands. Yet, it also offers us the chance to lead in sustainable textile production. By embracing circularity, we can position ourselves as key partners to European textile brands, helping them navigate this evolving regulatory landscape.

As a forward-thinking leader in the textile industry, Gul Ahmed has embraced the principles of circularity and undertaken the following steps to incorporate circularity in its business model:

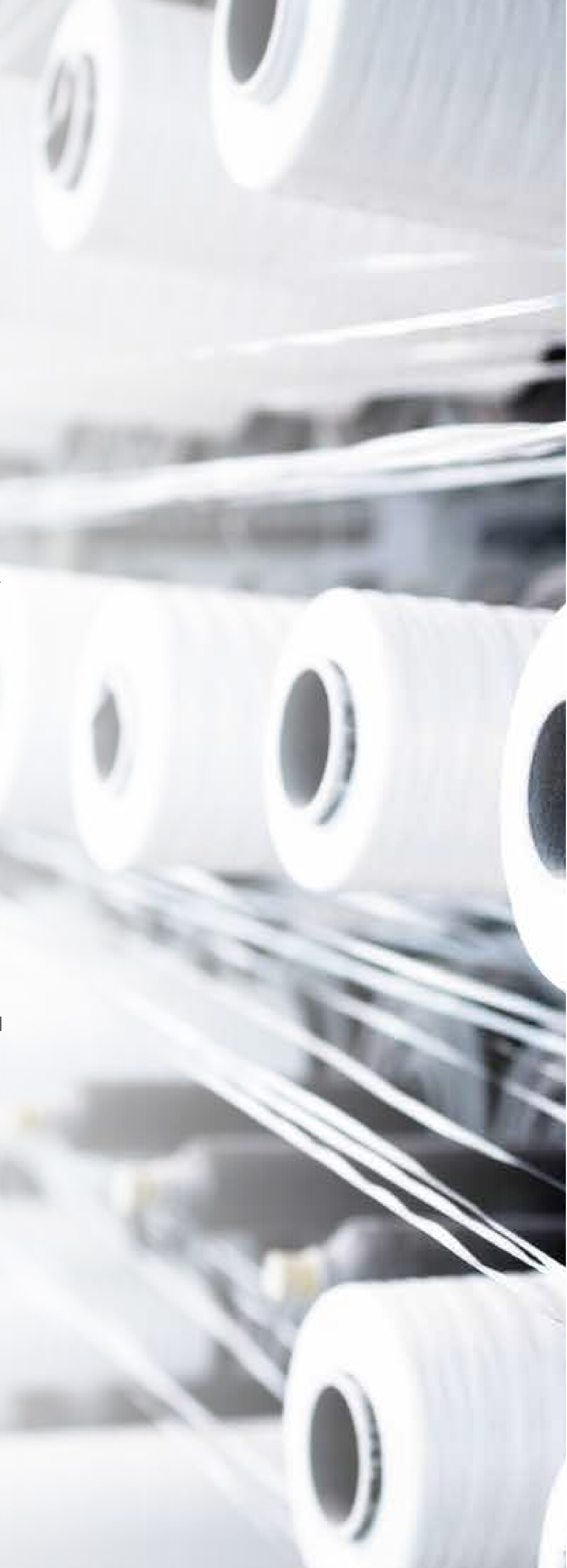
1. Circularity in Materials:
    - To amplify the impact of circularity, Gul Ahmed has established its own cotton waste recycling facility, capable of recycling up to 200,000 kilograms per month. This recycled cotton is reintegrated into our spinning operations, where it is blended with 80% virgin cotton to produce a hybrid yarn that is both environmentally friendly and of premium quality. This innovative approach allows us to reduce waste significantly while ensuring that our products meet the high standards our customers expect.
    - Gul Ahmed's latest product offering, Bleached Absorbent/Surgical Cotton, incorporates recycled cotton waste blended with virgin cotton to create a superior variety specifically designed for the cosmetic and medical industries. This innovative product not only supports our sustainability goals but also meets the stringent quality requirements of these specialized markets.
    - Increasing the use of recycled polyester (rPET), made from recycled plastic bottles, is a key focus of our sustainability strategy. This approach offers numerous advantages, including the reduction of plastic waste in landfills, lower resource consumption compared to virgin polyester production, and a significant decrease in greenhouse gas emissions.
2. Circularity in Operations:
    - Cognizant to the potential of heat generated from our captive power engines, we have invested heavily in Waste Heat Recovery Boilers ("WHRBs"). These WHRBs are sufficiently fulfilling more than 50% of our current steam requirements while requiring no additional heating source. This initiative plays a crucial role in reducing our carbon footprint and advancing our sustainability efforts.
    - Our Effluent Treatment Plant is integral to our sustainability efforts, enabling us to recycle and reuse wastewater generated during the manufacturing process. By effectively treating this water, we significantly reduce our environmental impact and conserve valuable water resources. This initiative reflects our strong commitment to responsible manufacturing practices, ensuring that we minimize waste and contribute to a more sustainable future.

While circularity will remain on the forefront of our sustainability strategy, Gul Ahmed has made several strides in other aspects of sustainable business practices, these include:

1. Being one the largest exports in Pakistan, Gul Ahmed plays a crucial role in bolstering the country's foreign reserves. During FY 2024, the company has increased its export sales in USD terms by nearly 23.2% from $293 million to $361 million.
2. In addition to supporting the foreign reserves of the country, Gul Ahmed has also made substantial contributions to Pakistan's economy through taxes and duties in excess of Rs. 2 billion.
3. During the year Gul Ahmed has made Rs.62.1 million in contribution to societal causes to preserve the environment, improve living conditions, providing quality education and medical assistance.
4. Gul Ahmed has significantly contributed to local employment, with a 3% workforce growth over the past year. By disbursing nearly Rs. 18 billion annually in salaries, wages, and benefits, the company supports the well-being and financial stability of thousands of families in the community.

Gul Ahmed is addressing the energy-intensive demands of textile manufacturing by significantly increasing the use of renewable energy sources. We have begun the installation of 1.42 MW of solar panels and are planning to install an additional 17 MW of solar panels across our remaining facilities in the coming year. Beyond solar energy, we have also signed a memorandum of understanding with Sindh Transmission and Dispatch Company (STDC) to establish a 100 MW wind farm near Jhimpir, Sindh. STDC will collaborate with us to install transmission lines that will deliver the generated electricity to Landhi, Karachi.

We are committed to sustainability as a prime business objective. We have made significant strides in integrating circularity and responsible practices into our operations. Looking ahead, we are doubling down on our efforts to reduce our environmental footprint, support social initiatives, and innovate sustainable manufacturing techniques. By aligning our business with the evolving demands of the global textile industry, we aim to set new standards for sustainability and contribute to a more resilient and sustainable future.



From Adversity to Adaptability

SWOT Analysis

Organizations are shaped not only by external forces but also by their internal strengths and weaknesses. Understanding these internal dynamics, along with external opportunities and threats, is crucial for strategic planning. The SWOT analysis below highlights the critical factors influencing Gul Ahmed's strategic direction and operational effectiveness.

Strengths

Strong Brand: A 70-year legacy of delivering high-quality products has built a strong reputation and customer loyalty.

Diverse Production: Our varied manufacturing techniques allow us to produce a wide range of textile products, meeting diverse market needs.

In-House Power: Self-sufficient power generation ensures continuous production and operational efficiency.

Skilled Workforce: Our experienced and knowledgeable workforce contributes to superior product quality and innovation.

Global Partnerships: Collaborations with leading international brands enhance our market presence and expand our global reach.

Weaknesss

High Dependence on Borrowings: Significant reliance on external financing can increase financial vulnerability and interest costs.

Labour-Intensive Production: The heavy reliance on manual labor may lead to higher operational costs and lower efficiency compared to more automated processes.

High Energy Requirements: Our production processes require substantial energy, leading to increased costs, potential challenges in energy management and concerns regarding its impact on the environment.

Oppourtunities

Collaborating for Net Zero: Partnering with international companies to achieve net zero emissions can help us capture more market share as European carbon regulations tighten.

Increased Circularity: Enhancing recycling and circularity in production can lower costs and contribute to sustainability goals.

Renewable Energy: Investing in solar panels and wind turbines offers a chance to reduce energy costs and lessen our environmental footprint.

Product Diversification: Expanding our product range can tap into new markets and meet evolving consumer demands.

Technological Advances: Adopting cutting-edge production techniques can boost efficiency, reduce waste, and improve product quality.

Threats

Rising Energy Prices: Increasing energy costs will keep squeezing profit margins, making operations more expensive

Adverse Taxation Changes: New taxation policies will raise the financial burden on export-oriented sectors, impacting profitability

Shipping Concerns: Global conflicts and restrictions will continue to disrupt shipping routes leading to delays and increased logistics costs

Fluctuating Raw Material Prices: Volatile prices, quality issues and supply shortages of raw materials will force greater reliance on costly imports.

High Interest Rates: Elevated interest rates will place additional financial strain on the debt-reliant textile sector, increasing the cost of borrowing.

PESTEL Analysis

Significant Factors Affecting the External Environment and Gul Ahmed's Response

Organizations are significantly influenced by their external environment, and it is impossible for them to operate in isolation. The various elements of the external environment that impact Gul Ahmed are as follows:

Factors	Implication on Gul Ahmed	Gul Ahmed's Response
Political	The uncertain political situation in Pakistan has undermined customer and investor confidence, leading foreign clients to shift their orders to neighboring countries.	Senior management is actively planning and analyzing market trends to manage risks. They are increasing communication with political and government bodies to address concerns and focusing on local markets. Efforts are also being made to strengthen investor and stakeholder confidence through targeted sessions.
Economic	Fluctuating exchange rates and high interest rates have decreased business profitability, while rising inflation has eroded customers' purchasing power. These factors combined have created a challenging environment, impacting overall business performance and growth.	The Company has proactively taken steps to mitigate impact of economic factors, including use available instruments to cover for exchange rate fluctuations, converting commercial loans to subsidized loans, managing working capital requirements to limit borrowings, investigating opportunities to diversify, increasing circularity and recycling to control material costs.
Social	A reduction in disposable income has driven consumers toward more affordable textile products, increasing price sensitivity and the need for discounts and promotions. Simultaneously, global consumer trends are increasingly focused on sustainability, compelling organizations to adopt eco-friendly practices. For employees, it is crucial for the organization to engage with the community and local society, enhancing its ability to attract, develop, and retain high-caliber talent.	To maintain margins while keeping products attractive and affordable for customers, the management has proactively implemented austerity and cost reduction measures. These steps will enable the company to meet customer price expectations while ensuring financial viability. In addition, Gul Ahmed has actively engaged in several CSR initiatives aimed at supporting and developing the local community. These efforts include funding educational institutions, providing scholarships, and organizing food drives to assist those in need.
Technological	Continuous improvement and technological advancements in manufacturing processes enable organizations to enhance efficiency and reduce production costs. This, in turn, allows them to offer lower prices to customers, thereby increasing their market share. It is crucial for Gul Ahmed to adopt these innovations promptly to stay competitive against regional rivals.	Throughout the year, we have invested in upgrading plant and machinery to ensure our production facilities remain current. Additionally, we are actively investing in and negotiating for increased use of renewable energy sources. This shift aims to lower energy costs and enhance our competitiveness in the market.
Environmental	Gul Ahmed must invest in sustainable practices to comply with European carbon regulations and meet rising consumer demand for eco-friendly products. Though these changes may initially impact profitability due to investment required, they are essential for maintaining market share, enhancing brand loyalty, and driving long-term financial growth through increasing customer based and improved efficiency in operations.	Gul Ahmed has proactively implemented several initiatives to comply with European and global carbon regulations, all aimed at reducing our carbon footprint and achieving our targets of net-zero emissions and zero liquid discharge. These efforts include investments in renewable energy, enhancing material and water recycling within our operations, and utilizing sustainable and organic raw materials. Together, these measures form a comprehensive sustainability strategy designed to meet our long-term environmental goals.
Legal	Compliance with legal and regulatory requirements is crucial for smooth operations. Staying informed and adhering to the latest laws ensures that Gul Ahmed avoids future legal complications. Any failure to comply could lead to penalties and legal actions that risk damaging the Company's reputation.	Gul Ahmed complements its professional team by consulting legal and tax experts as needed to ensure full compliance with all regulatory requirements. The Company prides itself on transparent operations and has a clean record with no history of legal violations or penalties.

Risk Management

In today's complex global economy, effective risk management is vital for a company's success. It's no longer about avoiding risk but strategically managing it to create value. As markets, customers, regulations and shareholder demands evolve, risk management has become an essential part of business strategy, helping companies navigate modern challenges and thrive.

Risk Management Methodology:
At Gul Ahmed, our risk management methodology is built around a structured four-step process designed to identify potential risks and implement countermeasures to mitigate their adverse impacts on operations and financial performance. These steps include:

Identification of Business Process:

The first step involves identifying business processes that are of utmost significance to the company and therefore are essential to be protected from any adverse impacts.

Identification of Associated Risks:

Once the business process is identified, the next step is to assess its susceptibility to principal risks. These are the risks most likely to emerge due to the inherent characteristics and vulnerabilities of the business process

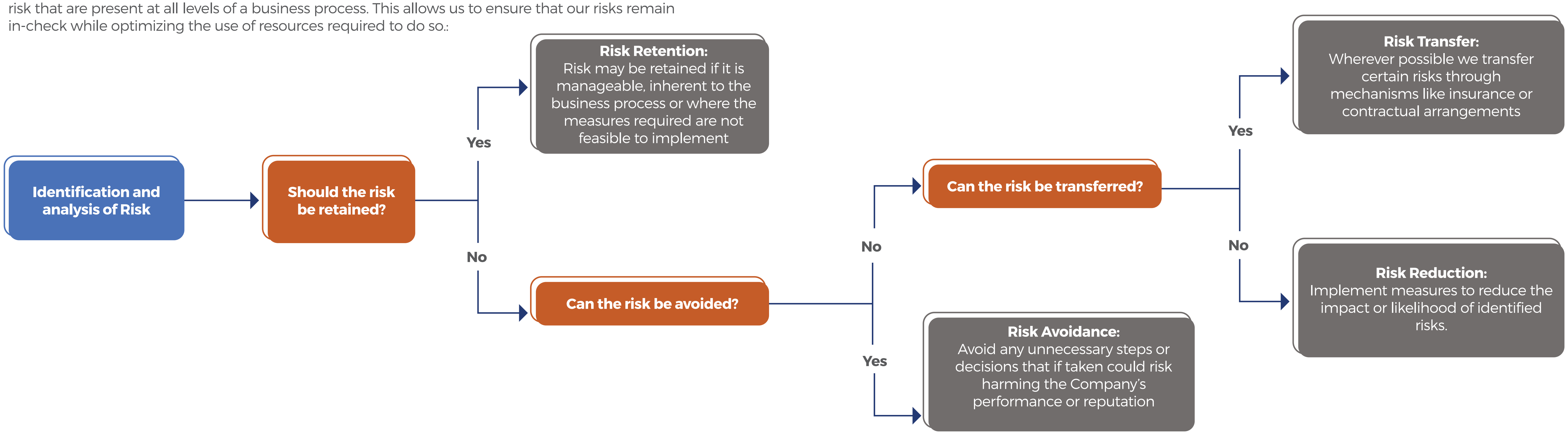
Analysis of Associated Risks:

This involves assessing the likelihood of each risk occurring, identifying its sources—whether internal or external—and evaluating the potential impact on the business. This analysis helps in prioritizing and addressing these risks effectively.

Mitigating Risks:

Once the risk analysis is complete, the final step is to take appropriate action based on our risk management framework. This involves implementing strategies to mitigate the identified risks and reduce their potential impact on the business.

Risk Mitigation:
The below mentioned decision tree shows the framework that we employ to determine how to tackle risk that are present at all levels of a business process. This allows us to ensure that our risks remain in-check while optimizing the use of resources required to do so.:



Risk Management

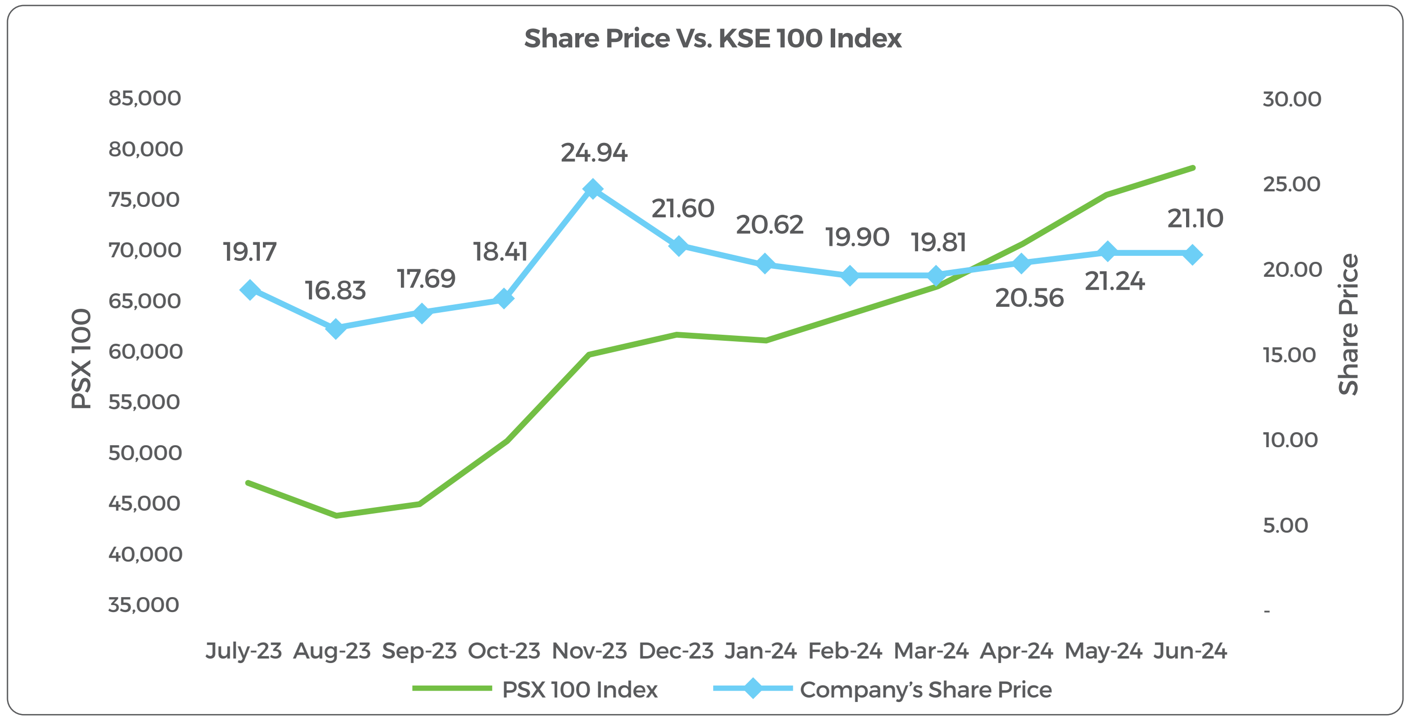
The following table presents an overview of potential risks associated with our business operations. It includes a detailed analysis of each identified risk, evaluating factors such as likelihood, impact, and sources. Additionally, the table outlines the strategies and measures implemented to mitigate these risks.

Category of Risk	Risk	Source	Likelihood	Magnitude	Capital Impacted	Effect on Strategic Objectives	Risk Mitigation Initiatives
Strategic Risk	Political and economic uncertainty	External	Medium	Medium	Social & Relationship Capital, Financial Capital	The uncertainty created by these factors limits management's ability to make informed decisions, allocate resources effectively, and pursue long-term growth opportunities. This unpredictability can disrupt operations, affect cost structures, and compromise overall profitability.	The Company recognizes that mitigating political risks requires open and constructive communication with government and political institutions. By clearly conveying how policy changes could negatively impact business and competitiveness, the Company aims to influence decisions, minimize short-term disruptions, and better prepare for long-term regulatory changes, ensuring continued resilience and competitiveness.
	Adverse changes in government policies	External	High	High	Social & Relationship Capital, Financial Capital		
Commercial Risk	Increased competition	External	Medium	Medium	Social & Relationship Capital, Financial Capital	As new players enter the market or existing competitors become more aggressive, the company may experience price pressure, shrinking market share, and declining margins.	In order to maintain its competitiveness the company adjusts its pricing strategies, develops new markets for its products, enhances product differentiation, and invest more in marketing and innovation in order to create a distinct brand image which emphasizes quality and value for money.
	Changes in customer preferences	External	Low	Medium	Social & Relationship Capital, Financial Capital, Intellectual Capital	Shifts in consumer demand can render the company's current offerings obsolete, jeopardizing its market relevance and hindering growth objectives such as increasing brand loyalty or penetrating new customer segments	The company is fully capable adapting its product lines to match customer preferences along with sourcing new materials and developing designs that align with emerging trends in fashion, sustainability, and consumer preferences.
	Shortage of raw material and adverse fluctuation in raw material prices	External	High	High	Social & Relationship Capital, Financial Capital, Natural Capital	A shortage of raw materials can significantly increase production costs, delay manufacturing timelines, and reduce profitability. Moreover, it may necessitate an over-reliance on imports, exposing the company to the risks associated with exchange rate fluctuations and geopolitical instability.	To mitigate the challenges posed by raw material shortages, company seeks to diversify its suppliers base, build strategic partnerships, implement effective inventory management techniques, explore alternative materials and reduce material wastages.
Operational Risk	Production breakdown due to mechanical failure	Internal	Low	High	Manufactured Capital, Financial Capital	Mechanical failures can cause production stoppages, affect delivery timelines, increase costs, and reduce customer satisfaction, thereby compromising the company's strategic objectives of efficiency and profitability.	To improve machinery reliability and minimize downtime, the company implements preventive maintenance schedules, invests in regular upgradation of its equipment, establishes redundancies, maintains a buffer capacity for critical manufacturing processes and provides comprehensive employee training.
	HSE threat to employees, assets and inventory	Internal	Low	High	Human Capital, Manufactured Capital	HSE risks can lead to operational shutdowns, legal penalties, reputational damage, and injuries to employees, all of which negatively impact strategic goals such as employee retention, operational efficiency, and sustainability.	The company implements comprehensive HSE policies, provides ongoing safety training for employees, and invests in safety equipment and infrastructure. In addition to this quarterly mock evacuation drills are conducted which help create a safer working environment, reduce accidents, and ensure compliance with regulatory requirements.
	Employee Turnover	Internal	Medium	Medium	Human Capital	High turnover disrupts operations, reduces efficiency, increases recruitment and training costs leading to adverse financial impact, moreover, the loss of talented employees leads to stagnation in business process innovation whereby hampering operational excellence and resource optimization.	To create a positive and productive work environment, the company offers competitive compensation and benefits, provides opportunities for career development, fosters employee engagement and implements effective training and onboarding programs.
Financial Risk	High debt burden, increasing finance cost and worsening working capital structure	Internal	Medium	High	Financial Capital	Excessive debt can severely limit a company's financial flexibility, increase financial risk, and restrict capital allocation, hindering growth opportunities, diminishing profitability, and jeopardizing overall financial stability, particularly in the face of rising interest rates.	To mitigate the challenges of high debt in the textile industry, the company employs several strategies. By optimizing capital expenditures, improving inventory management, and utilizing subsidized financing from the SBP, the company effectively manages its liquidity and financial risk while minimizing finance costs.
	Adverse changes in exchange rates	External	Medium	Medium	Financial Capital	Exchange rate fluctuations can significantly impact the company's profitability, operational planning, and competitiveness. A rise in exchange rates can increase costs for imports, especially raw materials and fuel, while a sudden decline can reduce export revenue. Unexpected changes can also create uncertainty in financial modeling, hindering strategic decision-making and eroding the company's global market position.	The company utilizes forward contracts and the SBP Export Finance Scheme to mitigate exchange rate risks. These instruments allow the company to restrict its future exchange rates whereby helping to manage foreign exchange exposure and enhance financial resilience.

Share Price Sensitivity Analysis

The Company acknowledges that it is exposed to various external factors that are beyond its control. These external factors can have a significant impact on the Company's performance, profitability, and ultimately, its share prices. To provide a snapshot of the share price performance in relation to the PSX 100 Index, here is a summary of the share prices at each month end during the reviewed year. The comparison of the Company's share price to the PSX 100 Index over these months provides insights into how external factors, market conditions, and investor sentiment may have influenced the Company's performance and share price movements.

Month	Company's Share price	PSX 100 Index
July-23	19.17	48,035
Aug-23	16.83	45,002
Sep-23	17.69	46,233
Oct-23	18.41	51,920
Nov-23	24.94	60,531
Dec-23	21.60	62,451
Jan-24	20.62	61,979
Feb-24	19.90	64,579
Mar-24	19.81	67,005
Apr-24	20.56	71,103
May-24	21.24	75,878
Jun-24	21.10	78,445



Sensitivity analysis is an essential practice to assess and mitigate the impact of various external factors on the company's profitability and share price. Here are the key external factors affecting the share price of the company, along with their potential impacts:

- **Cotton Market Dynamics:** Any shortage or excess of cotton in the market, both locally and internationally, can disrupt profitability. Shortages may lead to higher purchasing costs, impacting margins.
- **Exchange Rate Fluctuations:** Exchange rate fluctuations can affect export sales when the company deals in multiple currencies. Unfavorable exchange rates can make the company less competitive in comparison to regional competitors.
- **Interest Rate Fluctuations:** Changes in interest rates can impact the Company's finance costs and influence management decisions regarding expansion and modernization. Anticipated interest rate increases may affect profitability and share prices.
- **Government Pronouncements:** Government decisions related to rebates, taxes, duties, and refinance rates are highly price-sensitive. These decisions can significantly affect the Company's performance and management's strategic choices.
- **Foreign Government Actions:** Actions by foreign governments, such as granting GSP Plus status by the European Union to Pakistan, can boost the export revenue of the textile industry. Conversely, actions like subsidies to competitors in energy prices or lower tax/duty rates in competing countries can affect the competitiveness of Pakistan's textile industry.
- **Economic Growth in Export Markets:** Economic growth in countries where the company exports its products is crucial. Strong economic performance in these markets can drive demand for the company's products and positively impact profitability and share prices.

Conducting sensitivity analysis helps the Company assess the potential risks and opportunities associated with these external factors. By monitoring trends, analyzing historical results, and testing the effects of critical variables, the Company can make informed decisions to safeguard profitability and shareholder value in a dynamic business environment.

Assessment to Achievement

Audit Committee Report

The Audit Committee (the Committee) has concluded its annual review of the conduct and operations of the Company during 2024 and reports that:

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the Auditors of the Company.
- Understanding and compliance with Company codes and policies have been affirmed by the members of the Board, the management and employees of the Company individually. Equitable treatment of shareholders has also been ensured.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, for the financial year ended June 30, 2024, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equities of the Company and its subsidiaries for the year under review.
- The Chief Executive and the Chief Financial Officer have endorsed the financial statements and consolidated financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Directors' Report is drafted and endorsed by the Board of Directors, and is presented in compliance with the requirements of Companies Act, 2017. The Committee has reviewed and endorsed the report as to the compliance with regulations and acknowledges that business of the Company is fairly discussed in the Directors' Report.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All Directors have access to the Company Secretary. All direct or indirect trading and holdings of Company's shares by Directors and Executives or their spouses were notified to the Company Secretary along with the required information which was notified by the Company Secretary to the Board. All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and Executives of the Company from dealing in Company's shares, prior to each Board meeting involving announcement of interim/final results, distribution to shareholders or any other business decision, which could materially affect the share price of the Company, along with maintenance of confidentiality of all business information.

Internal Audit

- The internal control framework has been effectively implemented through an independent outsourced Internal Audit function established by the Board which is independent of the External Audit function.
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.
- The Audit Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- The Head of Internal Audit has direct access to the Chairperson of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to the management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

External Auditors

- The statutory Auditors of the Company, KPMG Taseer Hadi & Co., Chartered Accountants, have completed their Audit assignment of the "Company's Financial Statements", the "Consolidated Financial Statements" and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended June 30, 2024 and shall retire on the conclusion of the 72nd Annual General Meeting.
- The Audit Committee has reviewed and discussed audit observations with the external auditors.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the Annual General Meeting of the Company during the year and have confirmed attendance of the 72nd Annual General Meeting scheduled for October 26, 2024.

Karachi: September 25, 2024

Kamran Y. Mirza
Chairman Audit Committee

Chairman's Review

It is my privilege to present the Chairman's Review for the financial year ended 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 forward-thinking, 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

چیئرمین کا جائزہ

مجھے یہ اعزاز حاصل ہوا ہے کہ میں مالی سال 30 جون 2024 کو ختم ہونے والے سال کے لئے چیئرمین کا جائزہ پیش کر رہا ہوں جو کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 کے مطابق ہے ۔ یہ جائزہ ہماری شفافیت، قیادت اور ہماری حکمت ِ عملی کی سمت کے تعیّن کی عہد بستگی کی عکاسی کرتا ہے ۔

ہماری کمپنی نے اہم چیلنجوں کے اس سال کو حالات پر قابو پانے اور درست حکمت ِ عملی کی بصیرت کے ساتھ مکمل کیا ہے ۔ مالی سال کے لئے ہم نے 500 ملین امریکی ڈالر سے زائد کا مساوی ریکارڈ تجارتی حجم درج کروایا جو متحرک تجارتی ماحول میں اپنے آپ کو ڈھالنے اور ترقی کرنے کی ہماری صلاحیت کو ظاہر کرتا ہے ۔ یہ کارکردگی ہماری حکمت عملیوں کی اثرپذیری اور ہماری ٹیم کی لگن کو نمایاں کرتی ہے ۔ تاہم بلند شرح سود، توانائی کی بڑھتی ہوئی لاگت، اور افراط زر نے منافع کے حاشیہ پر کافی دباؤ ڈالا ۔

اعلیٰ ترین قیادت اور اخلاقی طرز عمل کے معیارات کے لئے ہمارا عزم ہماری کارکردگی کا مرکز ہے ۔ بورڈ آف ڈائریکٹرز شفافیت، جوابدہی، اور دیانتداری کو سختی سے برقرار رکھتے ہوئے اس بات کو یقینی بناتا ہے کہ قیادت میں بہترین طریقوں کا مستقل طور پر اطلاق کیا جائے ۔ ہم نے رسک مینجمنٹ اور اندرونی کنٹرولز کے لئے جامع انتظامات کئے ہیں، اور ہم ضابطے کی تعمیل اور کاروباری اخلاقی طریقوں کے لئے وقف ہیں، ذی نفع افراد کے اعتماد کو تقویت دیتے ہیں اوراپنی اجتماعی ساکھ کو بڑھاتے ہیں ۔ ہم اس بات کو یقینی بناتے ہیں کہ ہماری قیادت کے طریقے متعلقہ قوانین اور ضوابط کے مطابق ہوں، جس میں ہمارا کردار اور ذمہ داریاں واضح ہوں ۔ مالی سال 2023-2024 کے دوران بورڈ نے کل پانچ اجلاس منعقد کیئے جن میں آڈٹ کمیٹی کا اجلاس شامل تھا جس نے ہماری کارکردگی اور ہماری ذیلی کمیٹیوں کی مستقل نگرانی کو یقینی بنایا ۔

مالی سال 2023-2024 کے لئے بورڈ کی سالانہ خود تشخیص نے اطمینان بخش نتاءج حاصل کیئے ہیں ۔ ہمارا یہ تجزیہ اپنی کارکردگی کی پیمائش کرنے اور بہتری کے شعبوں کی نشاندہی کرنے کے لئے ناگزیر ہے ۔ ہمارا تشخیصی عمل کئی اہم اجزاء پر روشنی ڈالتا ہے۔

الف بورڈ کے اراکین مختلف پس منظر اور تجربات کی ایک وسیع سلسلہ لاتے ہیں، بشمول آزاد اور غیر ایگزیکٹو ڈائریکٹرز جو تمام اہم فیصلوں میں یکساں طور پر شامل ہیں ۔ یہ ترکیب اس بات کو یقینی بناتی ہے کہ بورڈ کمپنی کے مقاصد کو موثر طریقے سے حاصل کرنے کے لئے تمام تر ضروری مہارت، صلاحیتیں اور تجربے کا حامل ہے ۔

ب کمپنی کی حکمت ِ عملی سے متعلق اہداف کو تشکیل دینے اور راہنمائی کرنے میں بورڈ کی فعالیت ۔ اس میں اس بات کا جائزہ لینا شامل ہے کہ بورڈ حکمت ِ عملی کے منصوبوں کی تشکیل اور عمل درآمد میں کس حد تک حصہ ڈالتا ہے اور کمپنی کو مارکیٹ کے بدلتے ہوئے حالات کے مطابق ڈھالنے کو یقینی بنانے کے ضمن میں کیا کردار ادا کرتا ہے ۔

ج بورڈ نے مضبوط قیادت کا ایک ڈھانچہ تعمیر کیا ہے جو شفافیت، بہترین طریقوں کی پابندی، اور کمپنی بھر میں اخلاقی رویے کو فروغ دینے کو یقینی بناتا ہے۔

د ایک مربوط اور فعال بورڈ کو یقینی بنانے کے لئے بورڈ کے متحرک عمل، بشمول ڈائریکٹرز کے مابین باہمی تعلقات اور تعاون کا معیار، موثر روابط، تنظیمی عمل، اورتنازعات کو تعمیری طرز پر منظم کرنے کی صلاحیت اہم اور قابل ِ غور شعبے ہیں ۔

جب ہم آگے بڑھتے ہیں تو ہماری تدبیری توجہ جدت اور عملی برتری کے ذریعے پائیدار ترقی میں اضافہ کرنے پر ہوتی ہے ۔ قابل تجدید توانائی میں ہماری سرمایہ کاری پائیدار ترقی کو آگے بڑھانے اور حصص یافتگان کی قدر کو بڑھانے کے لئے مرتب کی گئی ہے ۔ ہم مارکیٹ میں اپنی موجودگی کو بڑھائیں گے اور صارفین کے ساتھ اپنے تعلقات بہتر کریں گے جبکہ ماحولیاتی اور سماجی ذمہ داری کے لئے پرعزم رہیں گے ۔ ذہانت اور دور اندیشی سے ہم آئندہ ملنے والے مواقع سے فائدہ اٹھانے اور چیلنجز کے لئے موثر طریقے سے سمت کا تعین کرنے کا ارادہ رکھتے ہیں، اپنے ذی نفع افراد کے لئے طویل مدتی قدر کو یقینی بناتے ہوئے اور اپنی صنعت کی قیادت کو مستحکم کرتے ہیں ۔

آخر میں، میں اپنے حصص یافتگان، ملازمین، اور شراکت داروں کا ان کی غیر متزلزل حمایت اور لگن کے لئے پُر خلوص شکریہ ادا کرتا ہوں ۔ ہم مل کر اپنے تدبیری مقاصد کو آگے بڑھائیں گے اور اعتماد اور دیانتداری کے ساتھ اپنے اہداف حاصل کریں گے ۔

محمد بشیر کراچی
چیئرمین
کراچی: 25 ستمبر 2024

Directors` Report to the Shareholders

The Directors of your company are pleased to present the financial results of the company for the fiscal year ended 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 reduced 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 in '000s	2022-2023 USD in '000s	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%

*all amounts are in PKR million except for Earnings per share which is in Rupees per share

Sales Performance:

When converted to PKR, our export revenue, has experienced a substantial increase of 40.22%, driven by favourable 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:

1. **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 unconsolidated financial statements; please refer to note 36 for further information.

2. **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 unconsolidated financial statements; please refer to note 36 for further information.

3. **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 unconsolidated 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 is 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. Ziad Bashir Mr. Ehsan A. Malik
d) Female Non Executive Directors	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 Ansari – 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 managed, 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 managed 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 ulnerable 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 55 to 60 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 69.4% , Banks/Insurance Companies /Mutual Funds own 14.3%, Director's own 7.4%, and individuals own 8.9% 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 57 of the Annual Report.

Corporate Social Responsibility
Corporate social responsibility is discussed in detail on page 51 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. 2.3 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 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, signaling 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	**Mohammed Zaki Bashir**
Chairman	Chief Executive Officer

September 25, 2024
Karachi

مستقبل کا اقتصادی منظرنامہ

عالمی تجارت میں اس سال 2.5 فیصد اور 2025 ء میں 3.4 فیصد کی نمو کی توقع ہے جو پچھلے سال کے مقابلے میں واضح بہتری دکھاتی ہے لیکن وبائی مرض سے پہلے کی دو دہائیوں میں دیکھی گئی نمو کی شرحوں سے اب بھی کم ہے ۔ تجارتی منظرنامہ کئی خطرات کا سامنا کرتا ہے جن میں کم عالمی طلب، بڑھتی ہوئی جغرافیائی سیاسی کشیدگی، اور سمندری نقل و حمل میں ممکنہ خلل شامل ہیں ۔ اس کے علاوہ موجودہ سال متعدد انتخابات کے ساتھ تجارتی پالیسی کی غیر یقینی صورتحال اور مزید تحفظ پسند اقدامات کے امکانات میں اضافہ ہوا ہے جو تجارت اور اقتصادی سرگرمیوں کو مزید متاثر کر سکتے ہیں.

پیش گوئی ہے کہ 2025 میں 2.9 فیصد اور 2026 ء میں 2.8 فیصد تک مسلسل کمی کے ساتھ مالی سال 24 میں عالمی افراط زر میں 3.5 فیصد تک کمی واقع ہوگی ۔ یہ سست روی خدمات کی طلب میں اعتدال، اجرت کی نمو میں سست روی، اور اشیاء کی قیمتوں میں معمولی کمی کی بدولت بنیادی افراط زر میں نرمی کے نتیجے میں متوقع ہے ۔

پاکستان کی معیشت نے مالی سال 25 کا آغاز مضبوط مثبت رفتار کے ساتھ کیا ہے اور یہ رفتار سال کے لئے ایک سازگار منظرنامہ طے کرتی ہے ۔ موجودہ اکاؤنٹ بیلنس میں بہتری نظر آئی ہے، کنزیومر پرائس انڈیکس (سی پی آئی) افراط زر کو سنگل ہندسوں یعنی 9.60 فیصد تک کم کر دیا گیا ہے اور ٹیکس کی آمدنی توقعات سے بڑھ گئی ہے جس سے بھرپور اقتصادی صحت کی نشاندہی ہوتی ہے ۔

تاہم مستقل افراط زر اور بڑھتی ہوئی توانائی کی قیمتیں صنعتوں میں عملی منافع کو دباؤ میں رکھتی رہیں گی ۔ خاص طور پر ٹیکسٹائل کے شعبے کے لئے عالمی کپاس کی قیمتوں میں اتار چڑھاؤ اور خام مال کی قیمتوں میں اتار چڑھاؤ خطرات پیدا کرتے ہیں ۔ اس کے علاوہ صنعت کو بین الاقوامی منڈیوں سے بڑھتی ہوئی مسابقت کا تعین کرنا ہوگا جو مقامی تیار کنندگان پر قیمت کی مسابقت کو برقرار رکھنے کے لئے دباؤ ڈالتی ہے جبکہ زیادہ پیداواری لاگت کا انتظام کرتی ہے ۔ جولائی سے گیس کی قیمتوں میں 10 فیصد اور جنوری 2025 سے اضافی 33 فیصد اضافے سے یہ دباؤ مزید بڑھ جائے گا جس سے پیداواری لاگت میں واضح طور پر اضافہ ہوگا ۔ توانائی کی لاگت میں یہ اضافہ عالمی سطح پر مقابلہ کرنے کی صنعت کی صلاحیت کو کمزور کر سکتا ہے کیونکہ مقامی تیار کنندگان زیادہ لاگت کو قیمت کی مسابقت کے ساتھ متوازن کرنے کے لئے جدوجہد کرتے ہیں ۔

مزید برآں ملک کا مالیاتی خسارہ اور بڑھتا ہوا بیرونی قرض اقتصادی عدم استحکام کو مزید بڑھاتا ہے جس سے کاروباروں کے لئے مالیاتی حالات سخت ہو سکتے ہیں اور قرض لینے کی لاگت میں اضافے کا امکان ہے ۔ اس کے علاوہ سیلاب اور خشک سالی جیسے موسمیاتی واقعات کی بدولت پاکستان کی کمزوری زرعی پیداوار کے لئے خطرات پیدا کرتی ہے جو براہ راست ٹیکسٹائل صنعت کے لئے خام مال کی دستیابی کو متاثر کرتی ہے ۔

فکسڈ ٹیکس ریجیم (ایف ٹی آر) سے نارمل ٹیکس ریجیم (این ٹی آر) میں حالیہ منتقلی پاکستان کی ٹیکسٹائل صنعت کے لئے بڑے چیلنجز پیش کرتی ہے ۔ اہم مسائل میں انتظامی اور تعمیل کے اخراجات میں اضافہ، غیر واضح معیار کی بنیاد پر بار بار پڑتال اور ٹیکس کی واپسی میں ممکنہ تاخیر شامل ہیں جو نقد بہاؤ کو متاثر کر سکتے ہیں ۔

اس کے علاوہ ایکسپورٹ فیسیلیٹیشن اسکیم (ای ایف ایس) کے تحت مقامی سپلائی پر زیرو ریٹنگ کو ہٹانے سے برآمدات پر منفی اثر پڑے گا کیونکہ یہ برآمد کنندگان کو سیلز ٹیکس کی واپسی کے ایک طویل عمل کو متعین کرنے پر مجبور کرے گا جس کی وجہ سے ای ایف ایس کی مطلوبہ کارکردگی کو نقصان پہنچے گا ۔

انکم ٹیکس اور سیلز ٹیکس کی واپسی (ریفنڈز) میں یہ تاخیر زیر عمل سرمائے کی ضرورت کو مزید بڑھاتی ہے جو بدلے میں مالی وسائل پر دباؤ ڈالتی ہے ، منافع پیدا کرنے کی صلاحیت کو کم کرتی ہے اور قرض لینے کی لاگت میں اضافہ کرتی ہے ۔

لاحق واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے دوران کمپنی کی مالی حالت پر اثر انداز ہونے والے کوئی بھی مادّی تغیرات اور معاہدے نہیں ہوئے ہیں ۔

تشکر

ہم اپنے پُر خلوص ملازمین اور اپنے صارفین کی غیر متزلزل حمایت ، مالیاتی اداروں ، حصص یافتگان، اور معزز بورڈ آف ڈائریکٹرز کے شکر گزار ہیں ۔

منجانب بورڈ

محمد بشیر	محمد زکی بشیر
چیئرمین	چیف ایگزیکٹو آفیسر

25 ستمبر 2024 ء
کراچی

- تکنیکی ترقیات کمپنی کے لئے قومی اور بین الاقوامی سطح پر مسابقت نبھانے کو مشکل بنا رہی ہیں؛

- پاکستان جیسے متحرک اقتصادی ماحول میں، خاص طور پر موجودہ ٹیکس دہندگان پر نئے محصولات اور ٹیکسوں کے اطلاق کے ساتھ کام کرنا چیلنج ہے۔ یہ تبدیلیاں مادّی اخراجات کو بڑھا سکتی ہیں اور تیار شدہ مصنوعات کی قیمتوں کو متاثر کر سکتی ہیں جس سے لاگت کے انتظام میں پیچیدگی بڑھ جاتی ہے;234;

- برآمد کنندگان کے لئے ٹیکس کے نظام میں تبدیلی یعنی حتمی ٹیکس کے نظام (ایف ٹی آر) سے عام ٹیکس کے نظام (این ٹی آر) پر منتقلی عالمی ہم منصبوں کے ساتھ مسابقت کے لئے بہت چیلنجنگ ہو گی;234;

- مقامی سپلائی پر برآداتی سرمایہ کاری اسکیم (ای ایف ایس) کی واپسی اور ایسی سپلائی پر 18فیصد جنرل سیلز ٹیکسن نافذ کرنے سے حکومت سے ایسی سپلائی پر ادا کئے گئے حصے کی واپسی میں تاخیر کی وجہ سے گردشی سرمایہ روک دیا جائے گا;234; اور

- پاکستان کے قدرتی گیس کے ذخائر کی کمی نے، خاص طور پر سپلائی کی سطح کو برقرار رکھنے کے لئے چیلنجز پیدا کئے ہیں۔ اس کے علاوہ ملک کا درآمد شدہ وسائل سے چلنے والی تھرمل بجلی کی پیداوار پر بھاری انحصار اسے ایندھن کی قیمتوں میں اضافے اور غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی سے ہونے والے قیمتوں کے اتار چڑھاؤ کے لئے مجروح کر دیتا ہے۔

اگرچہ خطرے کا انتظام کرلینا نئی بات نہیں ہے، لیکن منڈیوں، صارفین، ضابطوں، ملازمین اور حصص یافتگان کی بڑھتی ہوئی طلب نے اسے کاروباری حکمت عملی کا ایک اہم جزو بنا دیا ہے۔ کمپنی کے خطرے کے انتظام کے فلسفے، قیادت اور بڑے خطرات اور مواقع پر ایک تفصیلی باب سالانہ رپورٹ کے صفحات ۔۔۔۔۔ سے ۔۔۔۔۔ پر دستیاب ہے۔

حصے داری کا طریقۂ کار

30 جون 2024 تک حصے داری کا طریقۂ کار اور اضافی معلومات آپ کی کمپنی کی سالانہ رپورٹ کا حصہ ہیں۔ وابستہ کمپنیاں اور عوامی شعبے کی کمپنیاں ۔۔۔۔۔ کی مالک ہیں، بینک / انشورنس کمپنیاں /باہمی سرمائے ۔۔۔۔۔ کے مالک ہیں، ڈائریکٹرز ۔۔۔۔۔ کے مالک ہیں اور عام افراد پوری حصے داری میں سے ۔۔۔۔۔ کے مالک ہیں

اندرونی مالیاتی اختیار کی مناسبت

بورڈ آف ڈائریکٹرز نے اندرونی مالیاتی اختیار کا ایک جامع نظام قائم کیا ہے جس کا مقصد کمپنی کے ہموار اور موثر عمل کو یقینی بنانا ہے۔ ان اختیارات میں دھوکہ دہی کی روک تھام، اثاثوں کا تحفظ، قانونی تعمیل، مالیاتی کھاتوں کی درست تشکیل اور قابل اعتماد مالیاتی معلومات کی بروقت فراہمی شامل ہیں۔ ان کی فعالیت کو برقرار رکھنے کے لئے باقاعدہ جائزے اور تجدید کی جاتی ہے جو سخت مالیاتی قیادت اور احتساب کے لئے ہمارے عزم کے عکاس ہیں۔

خطرے کے انتظام پر سالانہ رپورٹ کے صفحہ ۔۔۔۔۔ پر تفصیلات درج ہیں۔

اجتماعی سماجی ذمہ داری

اجتماعی سماجی ذمہ داری پر سالانہ رپورٹ کے صفحہ ۔۔۔۔۔ پر تفصیلات درج ہیں۔

ماحولیاتی اور سماجی قیادت

ہمارے ملک میں ایک نمایاں برآمد کنندہ کے طور پر، کمپنی اپنے کارکنان اور تمام متعلقہ ذی نفع افراد(اسٹیک ہولڈرز) کی صحت کے تحفظ اور حفاظت کے لئے پرعزم ہے۔ ہم نے ماحولیاتی، سماجی، اور قیادت (ای ایس جی) کی تعمیل پر توجہ مرکوز کرنے والی ایک خصوصی ٹیم قائم کی ہے، جو ان اہم شعبوں کے لئے ہماری انتظامیہ کے مضبوط عزم کی عکاس ہے۔

ہماری سہولیات ماحولیاتی اور حفاظتی معیارات کے ساتھ سختی سے ہم آہنگ ہیں اور خطرناک مادّوں کے اخراج کو ختم کرنے کے لئے فعال اقدامات نافذ کررہی ہیں۔ یہ عزم ماحولیاتی ذمہ داری پر ہماری توجہ اور ان برادریوں کی فلاح و بہبود کی حمایت کے لئے ہمارے عزم کو ظاہر کرتا ہے جن کی ہم خدمت کرتے ہیں۔ ہماری مربوط ای ایس جی حکمت عملی ہمارے عمل میں پائیدار اور اخلاقی طریقوں کو برقرار رکھنے کے عزم کو اجاگر کرتی ہے۔

اجتماعی قیادت کا ضابطہ (سی سی جی)

کمپنی کی انتظامیہ اچھی اجتماعی قیادت کو نافذ کرنے اور بہترین طریقوں کی تعمیل کرنے کے لئے پرعزم ہے۔ جیسے کہ اجتماعی قیادت کے ضابطے کے تحت درکار ہے، ڈائریکٹرز درج ذیل بیان کرتے ہوئے خوشی محسوس کرتے ہیں:

i ۔ کمپنی کی انتظامیہ کے ذریعہ تیار کردہ اس کے مالیاتی بیانات کی حالت، عمل کے نتاءج، نقد بہاؤ اور مساوات میں تبدیلیوں کو منصفانہ طور پر پیش کیا جاتا ہے۔

ii ۔ کمپنی کے مناسب کھاتے برقرار رکھے گئے ہیں۔

iii ۔ مالیاتی بیانات کی تیاری میں مناسب حساب کا لاءحۂ عمل مستقل طور پر لاگو کیا گیا ہے، اور حساب کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں۔

iv ۔ مالیاتی بیانات کی تیاری میں پاکستان میں قابلِ اطلاق بین الاقوامی مالیاتی اندراج کے معیارات کی پیروی کی گئی ہے۔

v ۔ اندرونی اختیارات کا نظام وضع میں مضبوط ہے اور موثر طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

vi ۔ بورڈ کے ڈائریکٹرز اپنے فراءض اور ذمہ داریوں سے بخوبی واقف ہیں جیسا کہ اجتماعی قوانین اور اندراج کے ضوابط میں بیان کیا گیا ہے۔ اندراج کے ضوابط کی دفعات کی تعمیل میں ہمارے چھ ڈائریکٹرز نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) کے بورڈ ڈیولپمنٹ سیریز کے تحت کارپوریٹ گورننس لیڈرشپ اسکلز پروگرام میں شرکت کی اور مکمل کیا ہے۔

vii ۔ ایک ڈائریکٹر یعنی چیئرمین ضروری علم اور تجربے کے ساتھ ڈائریکٹرز کے تربیتی پروگرام میں شرکت کی ضرورت سے مستثنیٰ ہے۔

viii ۔ کمپنی کے قائم رہنے کی صلاحیت کے بارے میں کوئی خاص شبہات نہیں ہیں۔

ix ۔ اندراج کے ضوابط میں تفصیل سے بیان کردہ اجتماعی قیادت کے بہترین طریقوں سے کوئی مادّی انحراف نہیں ہوا ہے۔

x ۔ 30 جون 2024 تک غیر پڑتال شدہ کھاتوں کی بنیاد پر پروویڈنٹ فنڈ کی سرمایہ کاری کی قیمت ۔۔۔۔۔ بلین روپے ہے (مالی سال 2023: پڑتال شدہ کھاتوں کے مطابق 1.60 بلین روپے)۔

xi ۔ درج ذیل کے بارے میں بیانات مالیاتی بیانات کی تحریروں میں شامل ہیں:

ہبورڈ کے اجلاسوں کی تعداد اور ڈائریکٹرز کی حاضری۔

ہ پچھلے چھ سالوں کے لئے اہم مالیاتی اعدادو شمار۔

ہ حصے داری کا طریقۂ کار۔

کمپنی کے ڈائریکٹرز، چیف ایگزیکٹیو، چیف فائنانشل آفیسر اور کمپنی سیکریٹری اور ان کے شریکِ حیات اور نابالغ اولاد نے کمپنی کے حصص میں کوئی تجارت نہیں کی۔

ڈائریکٹرز کی تربیت

کمپنی کے ڈائریکٹرز اپنے فراءض کی انجام دہی کے لئے موزوں تربیت کے حامل ہیں اور کمپنیز ایکٹ، 2017 اور پاکستان اسٹاک ایکسچینج رول بک کے ضوابط کے تحت اپنے اختیارات اور ذمہ داریوں سے واقف ہیں۔

بورڈ کا جائزہ

اجتماعی قیادت کے ضابطہ، 2017 کی تعمیل کرتے ہوئے بورڈ نے اپنی کارکردگی کے جائزے کے لئے ایک جامع طریقۂ کار کی منظوری دی ہے۔ کمپنی نے ایک سوالنامہ متعارف کرایا ہے جو بورڈ کے دائرہ کار، مقاصد، افعال، اور کمپنی کی کارکردگی اور نگرانی کا احاطہ کرتا ہے۔ بورڈ نے ہر ڈائریکٹر سے موصول ہونے والے ردّ عمل کی بنیاد پر تمام عوامل کا جائزہ لیا ہے۔

پڑتال کنندگان (آڈیٹرز)

موجودہ بیرونی پڑتال کنندگان، میسرز کے پی ایم جی (KPMG) تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے 30 جون 2024 ء کو ختم ہونے والے سال کے لئے سالانہ پڑتال مکمل کر لی ہے اور پڑتال کی ایک شفاف رپورٹ جاری کی ہے۔ پڑتال کنندگان کمپنی کی سالانہ اجلاسِ عام کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی وجہ سے دوبارہ اپنی تقررّی کی پیشکش کی ہے۔

پڑتال کنندگان 26 اکتوبر 2024 کو منعقد ہونے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ بورڈ نے ریٹائر ہونے والے پڑتال کنندگان کی جگہ کمپنی کے پڑتال کنندگان کے طور پر 30 جون 2025 کو ختم ہونے والے سال کے لئے میسرز یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقررّی کی سفارش کی ہے۔

بورڈ، سبکدوش ہونے والے پڑتال کنندگان کی جانب سے کمپنی کو فراہم کی گئی ان کی قیمتی خدمات کے لئے قدردانی کو محفوظ رکھنا چاہتا ہے۔

کاروباری کارکردگی کا طبقاتی جائزہ کمپنی مختلف اقسام کے کاروباری طبقات میں کام کرتی ہے لیکن ذیل میں صرف اہم طبقات کا ذکر کیا گیا ہے۔

1. **کتائی اسپننگ:**

گل احمد کتائی کا ایک انتہائی موثر اور جدید پلانٹ چلاتا ہے جو ہماری آمدنی میں اضافے اور منافع کے لئے بہت اہم ہے ۔ یہ حصہ نہ صرف اندرون ملک کپڑے کی صنعت کو اعلیٰ معیار کا کاتا ہوا دھاگہ فراہم کرتا ہے بلکہ ہمارے داخلی کام کے لئے ضروری خام مال بھی فراہم کرتا ہے ۔ ہمارے کتائی کے پلانٹ کی جدید صلاحیتیں اور تدبیری نقطہ نظر اس بات کو یقینی بناتے ہیں کہ ہم مسابقتی اور مارکیٹ کی طلب کو پورا کرتے ہیں نیز ٹیکسٹائل سیکٹر میں ہماری قیادت کو قوی کرتے ہیں ۔

مالی سال 24 میں کتائی کو خالص فروخت میں نمایاں اضافہ حاصل ہوا جو پچھلے سال کی اسی مدت کے دورانیئے کے مقابلے میں تقریباً 10.7 فیصد کی نمو کو ظاہر کرتا ہے ۔ فروخت کی لاگت بھی کم از کم اجرت اور بجلی اور ایندھن کی لاگت کی وجہ سے بڑھ گئی لیکن مجموعی منافع میں اضافہ اور بھی نمایاں تھا جو 16.5 فیصد سے بڑھ کر 18 فیصد ہو گیا ۔ منافع میں اضافے کی بنیادی وجہ درآمد شدہ خام مال سے مقامی طور پر حاصل کردہ پائیدار مواد پر منتقلی ہے ۔ اس کے علاوہ خریداری کے بہتر وقت نے پیداواری کارکردگی اور لاگت کی بچت کو زیادہ سے زیادہ بڑھانے میں اہم کردار ادا کیا ۔

یہ مثبت پیش رفت لاگت کے کامیاب انتظام اور آپریشنل بہتری کا اشارا دیتی ہے جس کے نتیجے میں مجموعی منافع میں نمایاں اضافہ ہوا ہے ۔ طبقاتی نتاءج کی تفصیل منسلک کیئے گئے غیر مستحکم مالیاتی بیانات کے آپریٹنگ طبقاتی نتاءج میں دی گئی ہے؛ مزید معلومات کے لئے براہِ مہربانی نوٹ 36 سے رجوع کیجئے۔

2. **ہوم ٹیکسٹائل:**

ہوم ٹیکسٹائل کے شعبے میں ہماری کمپنی مختلف قسم کی ارزش افزودہ ٹیکسٹائل کی تیاری اور برآمد پر توجہ مرکوز کرتی ہے، جو کمپنی کے کل برآمدی حجم کا 82 فیصد ہے۔

مالی سال 24 کے لئے کمپنی نے پاکستانی روپے میں خالص فروخت میں نمایاں اضافہ دیکھا، جو پچھلے سال کی اسی مدت کے مقابلے میں تقریباً 38.3 فیصد بڑھ گیا۔ یہ افزائش آمدنی کی پیداوار میں فراوانی اور مارکیٹ میں موجودگی میں اضافے کی نشاندہی کرتی ہے۔ تاہم اس فروخت میں اضافے کو فروخت کی لاگت میں اضافے سے پورا کیا گیا، جس کی وجہ سے مجموعی منافع 11.5 فیصد سے کم ہو کر 7.2 فیصد ہو گیا ۔

اخراجات میں اضافے کی وجہ کئی عوامل تھے، جن میں خام مال کی زیادہ قیمتیں ، توانائی کی بھاری قیمتیں ، بڑھتی ہوئی کم از کم اُجرت اور شدید عالمی مقابلہ شامل ہیں جس کی وجہ سے منافع مزید کم ہوا ۔ فروخت اور تقسیم کے اخراجات میں تقریباً 46.4 فیصد کا نمایاں اضافہ ہوا جو بنیادی طور پر فروخت میں اضافے اور بحیرہ احمر میں مسائل کی وجہ سے باربرداری کے اخراجات میں اضافے کی وجہ سے ہوا ۔

کاروباری کارکردگی کا طبقاتی جائزہ منسلک کیئے گئے غیر مستحکم مالیاتی بیانات کے آپریٹنگ طبقاتی نتاءج میں تفصیل سے دیا گیا ہے؛ مزید معلومات کے لئے براہ مہربانی نوٹ 36 سے رجوع کیجئے ۔

3 **ملبوسات**

یہ طبقہ بنیادی طور پر برآمدات پر توجہ مرکوز رکھتا ہے اور بہت سی بین الاقوامی خوردہ فروش چینز کے لیے ترجیحی فراہم کنندہ ہے ۔ مالی سال 24 میں ملبوسات کمپنی نے پچھلے سال کی اسی مدت کے مقابلے میں پاکستانی روپے خالص فروخت میں 38 فیصد اضافہ دیکھا ۔ اس نمایاں ترقی کے باوجود، فروخت کی لاگت بھی کم از کم اجرت اور توانائی کی لاگت کی بدولت سے بڑھ گئی جس کی وجہ سے مجموعی منافع میں 3 فیصد کمی واقع ہوئی ۔ یہ نتیجہ اخراجات کے انتظام کے چیلنجوں کو نمایاں کرتا ہے جبکہ نمایاں آمدنی میں اضافہ حاصل کرتا ہے ۔

فروخت اور تقسیم کے اخراجات میں 59 فیصد کا اضافہ ہوا ہے جو فروخت میں اضافے کے ساتھ ساتھ مال برداری اور ترسیلات کے اخراجات میں اضافے کی بدولت ہے ۔

کاروباری کارکردگی کا طبقاتی جائزہ منسلک کئے گئے غیر مستحکم مالیاتی بیانات کے آپریٹنگ طبقاتی نتائج میں تفصیل سے دیا گیا ہے؛ مزید معلومات کے لئے براہِ مہربانی نوٹ 36 سے رجوع کیجئے ۔

بورڈ کی تشکیل

30 جون 2024 ء تک بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے:

ڈائریکٹرز کی کل تعداد

الف) مرد: 06

ب) خواتین: 01

بورڈ کی تشکیل ذیل میں درج ہے:

تفصیلات	نمبر	ڈائریکٹرز کے نام
الف ۔ آزاد ڈائریکٹرز	02	محترمہ زیبا انصار محترم کامران وائی مرزا
ب ۔ ایگزیکٹیو ڈائریکٹر	02	محترم محمد ذکی بشیر محترم زین بشیر
ج ۔ غیر ایگزیکٹیو ڈائریکٹرز	03	محترم محمد بشیر محترم زیاد بشیر محترم احسان اے ملک
د ۔ خواتین غیر ایگزیکٹیو ڈائریکٹرز	00	-

بورڈ کی کمیٹیاں

پڑتال (آڈٹ) کمیٹی

محترم کامران وائی مرزا ۔ چیئرمین

محترم محمد بشیر ۔ رکن

محترم احسان اے ملک رکن

انسانی وسائل اور مشاہرہ کمیٹی

محترمہ زیبا انصار ۔ چیئرپرسن

محترم محمد بشیر ۔ رکن

محترم زین بشیر ۔ رکن

غیر ایگزیکٹیو ڈائریکٹرز کی مشاہرہ پالیسی

- کمپنی نے غیر ایگزیکٹیو اور آزاد ڈائریکٹرز کے لئے ایک جامع مشاہرہ پالیسی تیار کی ہے ۔ پالیسی کے اہم نکات میں شامل ہے :
- ضڈائریکٹر کا مشاہرہ مارکیٹ پر مبنی ہے، جو ان کے تجربے اور مہارت کا عکاس ہے ۔
- آزاد ڈائریکٹرز کوئی تنخواہ نہیں لیتے ، صرف بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے فیس وصول کرتے ہیں ۔
- ڈائریکٹرز کے لئے اجلاس میں شرکت کی فیس بورڈ کے ذریعہ طے اور منظور کی جاتی ہے ۔
- انسانی وسائل اور مشاہرہ کمیٹی (ایچ آر اور آر سی) اجلاس میں شرکت کی فیس کی سفارش کرتی ہے، جو بورڈ کی منظوری سے مشروط ہے، آزاد ڈائریکٹرز کی فیس با المشافہ حاضری سے مربوط ہے ۔
- ڈائریکٹرز کو بورڈ، کمیٹی، یا جنرل میٹنگز میں شرکت سے متعلق سفر، رہائش، اور دیگر اخراجات کی مد میں ادائیگی کی جاتی ہے ۔
- ڈائریکٹرز جو قانونی ذمہ داریوں سے ماورا فراءض انجام دیتے ہیں وہ بورڈ سے طے شدہ اضافی مشاہرہ وصول کر سکتے ہیں ۔

بڑے خطرات اور غیر یقینی صورتحال

آج کے کاروبار کو مختلف خطرات اور غیر یقینی صورتِ حال کا سامنا ہے جس میں سے کسی کا بھی موثر انتظام اگر نہ کیا جائے تو ہماری کمپنی کے لئے بڑے خطرے کا باعث بن سکتی ہیں ۔

آج کے کاروباری ماحول میں کمپنیاں بے شمار خطرات اور غیر یقینی صورتحال کا سامنا۔ کرتی ہیں جن میں سے ہر ایک کا اگر موثر طریقے سے انتظام نہ کیا جائے تو ہماری کمپنی کے لئے بڑے خطرات پیدا ہو سکتے ہیں ۔ ان چیلنجوں سے نمٹنے کے لئے انتظامیہ نے خطرات کی شناخت، تشخیص، اور تخفیف کے لئے ایک مضبوط طریقہ کار قائم کیا ہے ۔ جن بڑے خطرات کا ہم اس وقت سامنا کر رہے ہیں ان میں شامل ہیں :

- مقامی فروخت سے متعلق وصولیوں پر ڈیفالٹ کا خطرہ؛
- کپاس اور دھاگے کی قیمتوں میں اتار چڑھاؤ، درآمدی پالیسیوں میں تبدیلی، یوٹیلیٹی کی شرح میں تبدیلی اور سود کی مختلف شرحیں؛

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

آپ کی کمپنی کے ڈائریکٹرز کو 30 جون 2024 کو اختتام پذیر ہونے والے مالی سال کے مالی نتاءج پیش کرتے ہوئے خوشی ہو رہی ہے ۔

معاشی اور صنعتی جائزہ

عالمی معاشی منظرنامہ:
سال کے آغاز میں عالمی معیشت نے حالیہ رُکاوٹ کے بعد سے بتدریج بحالی کے آثار ظاہر کیئے ہیں ۔ معاشی سرگرمیوں اور بین الاقوامی تجارت میں اضافہ ہوا ہے، بنیادی طور پر جس کا انحصار ایشیا سے مضبوط ٹیکنالوجی کی برآمدات پر ہے ۔ جاری جغرافیائی سیاسی غیر یقینی صورتحال اور بلند شرح سود کے باوجود عالمی معیشت مالی سال 24 میں 2.6 فیصدکی مستحکم شرح نمو برقرار رکھنے کی پیش گوئی کی گئی ہے جو پچھلے سال کے مطابق ہے ۔ مالی حالات میں بھی 2023-2024 کے دوران بہتری آئی ہے جو ترقی یافتہ معیشتوں میں کم خطرے کے پریمیئم سے واضح ہے ۔ اس نے پائیدار معاشی استحکام میں اعتماد کو تقویت دی ہے اور افراط زر میں کمی کا باعث ہے ۔

افراط زر فی الحال نیچے کی طرف گیا ہے لیکن یہ بہت سی ترقی یافتہ معیشتوں میں مطلوبہ سطح سے اوپر ہے اور افراط زر کے اہداف کے ساتھ ابھرتی ہوئی منڈیوں کا تقریباً ایک چوتھائی ہے ۔ ابتدائی کمی توانائی کی قیمتوں میں کمی اور رسد کے تسلسل کے مسائل میں با آسانی معاونت کر رہی تھی لیکن یہ رجحان کم ہو گیا ہے کیونکہ توانائی کی قیمتیں دوبارہ بڑھ گئی ہیں اور بنیادی افراط زر بالخصوص خدمات میں برقرار رہے ۔ نتیجتاً افراط زر بتدریج تنزلی کا شکار ہے جو توقع سے زیادہ سست روی سے ترقی کر رہا ہے اور مالی سال 24 میں اوسطاً 5;46;3 فیصد ہے ۔

جغرافیائی سیاسی متحرک عمل عالمی معیشت پر نمایاں طور پر اثر انداز ہے اور جاری تنازعات اور کشیدگی کے ساتھ عدم استحکام پیدا کر رہا ہے ۔ یوکرین کی صورتحال حل طلب ہے، جس کی وجہ سے توانائی کی فراہمی اور تجارتی بہاؤ میں رُکاوٹ آرہی ہے ۔ اس وقت امریکہ اور چین کے مابین تعلقات میں بدستور کشیدگی ہے جو تجارتی پالیسیوں، ٹیکنالوجی اور تدبیری مفادات پر جاری اختلافات سے واضح ہے ۔ یہ مستقل مسائل عالمی تجارت اور سرمایہ کاری کے طریقۂ کار پر نمایاں طور پر اثر انداز ہیں ۔

پاکستان کا معاشی منظرنامہ:
مالی سال 24 میں، پاکستان کی معیشت نمایاں طور پر مستحکم رہی جس کی خاص بات افراط زر میں کمی، بنیادی مالیاتی اضافہ، اور کرنٹ اکاؤنٹ میں کم سے کم خسارہ ہے ۔ اہم شعبے میں مثبت پیش رفت دکھائی دی جس میں زراعت نے زبردست کارکردگی کا مظاہرہ کیا اور بڑے پیمانے پر صنعتی ترقی کے لئے تیار ہے ۔ جون 2024 تک صارف کی قیمت کا اشاریہ (سی پی آئی) افراط زر سال بہ سال 12.6 فیصد تک کم ہو گیا جو جون 2023 میں 29.4 فیصد تھا ۔ سال کے لئے اوسط سالانہ افراط زر 23.4 فیصد تک کم ہو گیا جو پچھلے سال 29.2 فیصد تھا ۔

مالیاتی انتظام میں بہتری آئی ہے جس کے ساتھ مالیاتی خسارہ جی ڈی پی کے 6.8 فیصد تک کم ہو گیا ہے جو پچھلے سال 7.8 فیصد تھا ۔ محصولات کی نمو مضبوط تھی، جس میں ٹیکس شدہ اور غیر ٹیکس شدہ محصولات دونوں میں نمایاں ترقی سے 38 فیصد اضافہ ہوا ۔

مالی سال 24-23 کے دوران برآمدات میں 2.9 بلین ڈالر کا اضافہ ہوا جو پچھلے سال کی اسی مدت (ایس پی ایل وائی) میں 27.7 بلین ڈالر سے بڑھ کر 30.7 بلین ڈالر تک پہنچ گیا ۔ اس کے برعکس درآمدات میں 4.2 بلین ڈالر کی کمی واقع ہوئی جو 55.2 بلین ڈالر سے کم ہو کر 51.0 بلین ڈالر پر آ گئی ۔ اس کے علاوہ بیرون ملک کارکنوں کی طرف سے بھیجے گئے ترسیلات زر کے ذخائر مالی سال 24-23 میں 30.3 بلین ڈالر تک پہنچ گئے جو پچھلے سال کی اسی مدت میں 27.3 بلین ڈالر سے سال بہ سال 10.7 فیصد زیادہ ہیں، جس نے کرنٹ اکاؤنٹ خسارے کو 0.7 بلین ڈالر تک کم کرنے میں مدد کی جو مالی سال 23 میں 3.3 بلین ڈالر تھا ۔ غیر ملکی براہ راست سرمایہ کاری میں بھی نمایاں طور پر 16.9 فیصد اضافہ دکھائی دیا ۔

معاشی استحکام کو مزید فروغ دینے کے لئے حکومت نے 7 بلین ڈالر کی 37 ماہ کی ایکسٹینڈڈ فنڈ فیسیلیٹی (EFF) کے انتظام کے لئے آئی ایم ایف کے ساتھ عملے کی سطح کا معاہدہ حاصل کیا ہے ۔ تاہم معاہدے سے منسلک جاری بات چیت اور شرائط نے مارکیٹ کے اعتماد میں اتار چڑھاؤ پیدا کیا ۔

پاکستان کا ٹیکسٹائل کا شعبہ:
مالی سال 24-23 میں پاکستان کے ٹیکسٹائل کے شعبے نے برآمدات میں معمولی اضافہ دیکھا، جو 0.93 فیصد سے بڑھ کر 16.65 بلین ڈالر تک پہنچ گیا جو پچھلے سال 16.50 بلین ڈالر تھا ۔ ذیل میں ٹیکسٹائل برآمدات کے زمرے کے لحاظ سے تفصیل دی گئی ہے:

زمرہ	2023-2024 '000s امریکی ڈالر میں	2023-2024 '000s امریکی ڈالر میں	تبدیلی
بُنے ہوئے کپڑے	4,407,573	4,436,750	-0.66%
تیار شدہ کپڑے	3,563,647	3,491,948	2.05%
پلنگ پوش چادریں	2,802,670	2,691,649	4.12%
سوتی کپڑا	1,865,964	2,022,000	-7.72%
تولیئے	1,055,109	999,593	5.55%
سوتی دھاگہ	955,510	844,283	13.17%
تیار کردہ اشیاء	715,333	692,544	3.29%
دیگر	1,290,092	1,323,001	-2.49%
کل میزان	16,655,898	16,501,768	0.93%

توانائی کی قیمتوں میں 173 فیصد اضافہ ہوا ہے اور افراط زر کی بلند شرح اور محدود کرنسی کے ساتھ ہمارے برآمد کنندگان کو علاقائی ہم منصبوں کے مقابلے میں مسابقت رکھنے میں نمایاں مراحل درپیش ہیں ۔ مزید برآں مالی سال 2023 میں اوسط 3 ماہ کے KIBOR کی شرح 18 فیصد سے بڑھ کر مالی سال 2024 میں 23 فیصد ہو گئی ہے جس سے لاگت پر دباؤ بڑھ رہا ہے، خصوصاً پر جب علاقائی حریفوں کے مقابلے میں شرحوں کا موازنہ کیا جائے ۔ یہ اضافہ مجموعی طور پر مارکیٹ میں ہماری ساکھ کو متاثر کر رہا ہے اور ہمارے کاموں پر مالی دباؤ بڑھا رہا ہے ۔

انتظامی اور مالی کارکردگی
برآمدی منڈیوں میں قیمتوں کے دباؤ، سیاسی عدم استحکام، بلند مالیاتی لاگتوں، اور توانائی کی قیمتوں میں اتار چڑھاؤ جیسے چیلنجوں کے باوجود، ہم نے مالی سال 24-23 کے دوران اپنے آرڈر کے حجم کو کامیابی سے بڑھایا اور پیداواری صلاحیت میں زیادہ سے زیادہ اضافہ کیا ۔ کمپنی کی برآمدی آمدنی امریکی ڈالر میں 23.51 فیصد بڑھ گئی ہے، یعنی پچھلے سال اسی مدت میں 302 ملین ڈالر تھی جو مالی سال 2024 میں بڑھ کر 373 ملین ڈالر ہو گئی جو ملک کی مجموعی ٹیکسٹائل برآمدات کی 0.93 فیصد کی شرح نمو سے نمایاں طور پر زیادہ ہے ۔ اس کارکردگی نے خالص فروخت میں نمایاں اضافہ کیا، جو پچھلے سال کے 111.97 بلین روپے سے 27.85 فیصد بڑھ کر 143.14 بلین روپے ہو گئی ۔ تاہم فروخت میں یہ اضافہ مجموعی، انتظامی اور خالص منافع کے ضمن میں ہ میں مذکورہ بالا مشکلات سے بچانے میں ناکام رہا ۔ ذیل میں 30 جون 2024 کو ختم ہونے والے سال کے لئے ہمارے اہم مالیاتی پیمائش کا خلاصہ پیش ہے ۔

زمرہ تفصیل	2024	2023	%
برآمدی فروخت	99,403	70,893	40.22%
بالواسطہ برآمدی فروخت	32,031	29,116	10.01%
مقامی فروخت	11,711	11,958	(2.06%)
مجموعی منافع	17,191	16,695	2.97%
منافع قبل از ٹیکس	6,537	5,949	9.88%
منافع بعد از ٹیکس	4,728	3,986	18.61%
فرسودگی اور قرض کی ادائیگی	16,436	14,963	9.84%
آمدنی فی حصص	6.39	5.39	18.55%

تمام رقومات ملین پاکستانی روپے میں ہیں ماسوائے آمدنی فی حصص کے جو روپے فی حصص میں ہے ۔

فروخت کی کارکردگی:
پاکستانی روپے میں تبدیل ہونے پر ہماری برآمدی آمدنی میں 40.22 فیصد کا نمایاں اضافہ ہوا، جو زر مبادلہ کی سازگار شرح کے اثرات اور امریکی ڈالر میں زیادہ برآمدی حجم کی مرہون منت ہے ۔ بالواسطہ برآمدات بھی مالی سال 24 کے دوران، پچھلے سال اسی مدت کے مقابلے میں 10.01 فیصد بڑھ گئی ہیں ۔ مقامی فروخت پچھلے سال کی سطح کے مطابق مستحکم رہی ہے ۔ فروخت میں یہ مجموعی اضافہ انتظامیہ کے تدبیری اقدامات کی فعالیت کو اجاگر کرتا ہے جس میں بروقت سرمایہ کاری اور برآمدی اور مقامی منڈیوں میں حاصل ہونے والے مواقع سے فائدہ اٹھانا شامل ہے ۔

اخراجات اور مالیاتی پیمائش:
فروخت کی لاگت میں 32 فیصد کا نمایاں اضافہ ہوا ہے، جو کئی عوامل کی بدولت ہے بشمول قدرتی گیس کے نرخوں میں تیزی سے اضافہ جو 1,100 روپے سے بڑھ کر 3,000 روپے فی ایم ایم بی ٹی یو (MMBTU) ہو گیا ہے (جس میں مخلوط قدرتی گیس اور RLNG کی شرحیں شامل ہیں)، سال کے دوران اوسطاً 23.89 فیصد افراط زر کی بلند شرح اور کم از کم اُجرت میں 25,000 روپے سے بڑھ کر 32,000 روپے تک اضافہ ہے ۔

ملک کی محدود گیس کی فراہمی کی وجہ سے کمپنی کو نسبتاً زیادہ مہنگے متبادل ایندھن پر انحصار کرنا پڑا، جس سے توانائی کی مد میں مجموعی اخراجات میں زبردست اضافہ ہوا ۔ ایندھن اور بجلی کے اخراجات میں اضافہ ہوا جو 5.8 بلین روپے سے بڑھ کر 12 بلین روپے ہو گئے، جس سے 6.1 بلین روپے یا 105 فیصد کا اضافہ ظاہر ہوا ۔ توانائی کے اخراجات میں یہ اضافہ کمپنی کے منافع پر بری طرح اثر انداز ہوا ہے ۔

توانائی کے ان بڑھتے ہوئے اخراجات کے جواب میں کمپنی نے ایک منصوبہ مکمل کیا ہے جس میں بالائی چھت پر 2 میگاواٹ شمسی توانائی (سولر پاور) کی تنصیب کا منصوبہ شامل ہے اور بالائی چھت پر 17 میگاواٹ کا ایک اور منصوبہ مکمل کیا ہے جس کی توقع ہے کہ مالی سال 25 کی تیسری سہ ماہی تک فعال ہو جائے گا ۔ سرمایہ کاری کی اس تدبیر کا مقصد مہنگے روایتی توانائی کے ذراءع پر انحصار کم کرنے اور پائیداری کے لئے پختہ عزم کو اجاگر کرنا ہے ۔

فروخت کے اخراجات میں 47.55 فیصد کا نمایاں اضافہ ہوا ہے جو بنیادی طور پر مال برداری کے اخراجات میں 70 فیصد اور تنخواہوں اور اجرتوں میں 25 فیصد اضافے کی بدولت ہوا ہے ۔ بحیرہ احمر میں تجارتی جہازوں پر حالیہ حملوں نے اس اہم حدبندی کے ذریعے سمندری نقل و حمل میں خلل ڈالا ہے جس کی وجہ سے جہازوں کو طویل متبادل راستے اختیار کرنے پر مجبور کیا گیا ہے جس کی وجہ سے مال برداری کی شرحوں میں اضافہ ہوا ہے ۔ اس کے علاوہ زر مبادلہ کی شرح میں اتار چڑھاؤ نے اس معاملے کو مزید پیچیدہ بنا دیا ہے جس سے مال برداری کے مجموعی اخراجات میں مزید اضافہ ہوا ہے ۔ اس کے برعکس انتظامی اخراجات میں 1.26 فیصد کا معمولی اضافہ دیکھا گیا ہے ۔

گیس کی قیمتوں میں تبدیلی کے ساتھ 6.5 بلین روپے کے قرضوں میں اضافے اور ای آر ایف (ERF) کے لئے مالی سال 23 میں اوسطاً 11 فیصد سے بڑھ کر مالی سال 24 میں اوسطاً 19 فیصد اور KIBOR پر مبنی قرضوں کے لئے اوسطاً 18 فیصد سے بڑھ کر اوسطاً 23 فیصد ہونے کے باوجود کمپنی نے اپنے مالیاتی اخراجات کو پچھلے سال کے مقابلے میں مستحکم رکھا ۔ یہ کامیابی تدبیری مالیاتی منصوبہ بندی اور مطابقت کے ذریعے حاصل کی گئی ۔ ہمارے فعال نقطۂ نظر میں برآمدی مالیاتی منصوبہ (ای ایف ایس) اور متعین اخراجات (ایف ای) میں سرمایہ کاری کو سازگار شرحوں پر محفوظ کرنا ہماری اس کامیابی کی بنیادی وجہ تھی ۔ ان کم لاگت مالیاتی اختیارات کا فائدہ اٹھا کر اور اپنے قرض کا موثر طریقے سے انتظام کر کے ہم نے زیادہ قرض لینے کے اخراجات کے اثرات کو پورا کیا اور مجموعی مالیاتی اخراجات کی سطح کو برقرار رکھا ۔

Independent Auditor's Review Report To The Members Of Gul Ahmed Textile Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Gul Ahmed Textile Mills Limited ("the Company") for the year ended 30 June 2024 in accordance with the requirements of Regulation No. 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

Date: October 4, 2024
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

UDIN: CR202410106IeMqaNpi5

Statement Of Compliance With Listed Companies (Code Of Corporate Governance) Regulations 2019

Gul Ahmed Textile Mills Limited
For the year ended June 30, 2024

Gul Ahmed Textile Mills Limited (hereinafter referred to as "The Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations,2019 ("the Regulations") in the following manner:

1. The total number of Directors are Seven (7) as per the following:

   a. Male: Six (6)

   b. Female: One (1)

2. The composition of Board is as follows:

   a) Independent Directors
   Ms. Zeeba Ansar
   Mr. Kamran Y. Mirza

   b) Non-Executive Directors
   Mr. Mohomed Bashir
   Mr. Ziad Bashir
   Mr. Ehsan A. Malik

   c) Executive Directors
   Mr. Zain Bashir
   Mr. Mohammed Zaki Bashir

   d) Female Directors
   Ms. Zeeba Ansar

*Following the election of Directors, the Board was reconstituted on 1 April, 2023 comprising 7 directors including 2 independent directors. One third of 7 come to 2.33 and the fraction was not rounded upward to one to have 3 independent directors in observance of general mathematic principle.

3. The Directors have confirmed that none of them is serving as a Director on more than seven (7) listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Companies Act,2017 (the Act) and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board. However, minutes of one meeting of Board of were circulated late due to oversight by 22 days.

8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All the directors, except chairman, have attended and completed directors' training course conducted by Pakistan Institute of Corporate Governance (PICG). The Chairman has the prescribed education and experience required for exemption under clause 19(2) of CCG Regulations accordingly he is exempted from attending directors' training program pursuant to the clause 19(2) of the CCG Regulations.

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a) Audit Committee:
Mr. Kamran Y. Mirza - Chairman
Mr. Ehsan A. Malik - Member
Mr. Mohomed Bashir - Member

b) HR and Remuneration Committee:
Ms. Zeeba-Ansar - Chairman
Mr. Mohomed Bashir - Member
Mr. Zain Bashir - Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a)	Audit Committee	Four quarterly meetings
b)	HR and Remuneration Committee	One annual meeting

15. The Board has outsourced the internal audit function to Grant Thornton Anjum Rahman Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Company has also designated a full-time employee as Head of Internal Audit.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with non-mandatory requirements i.e. other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

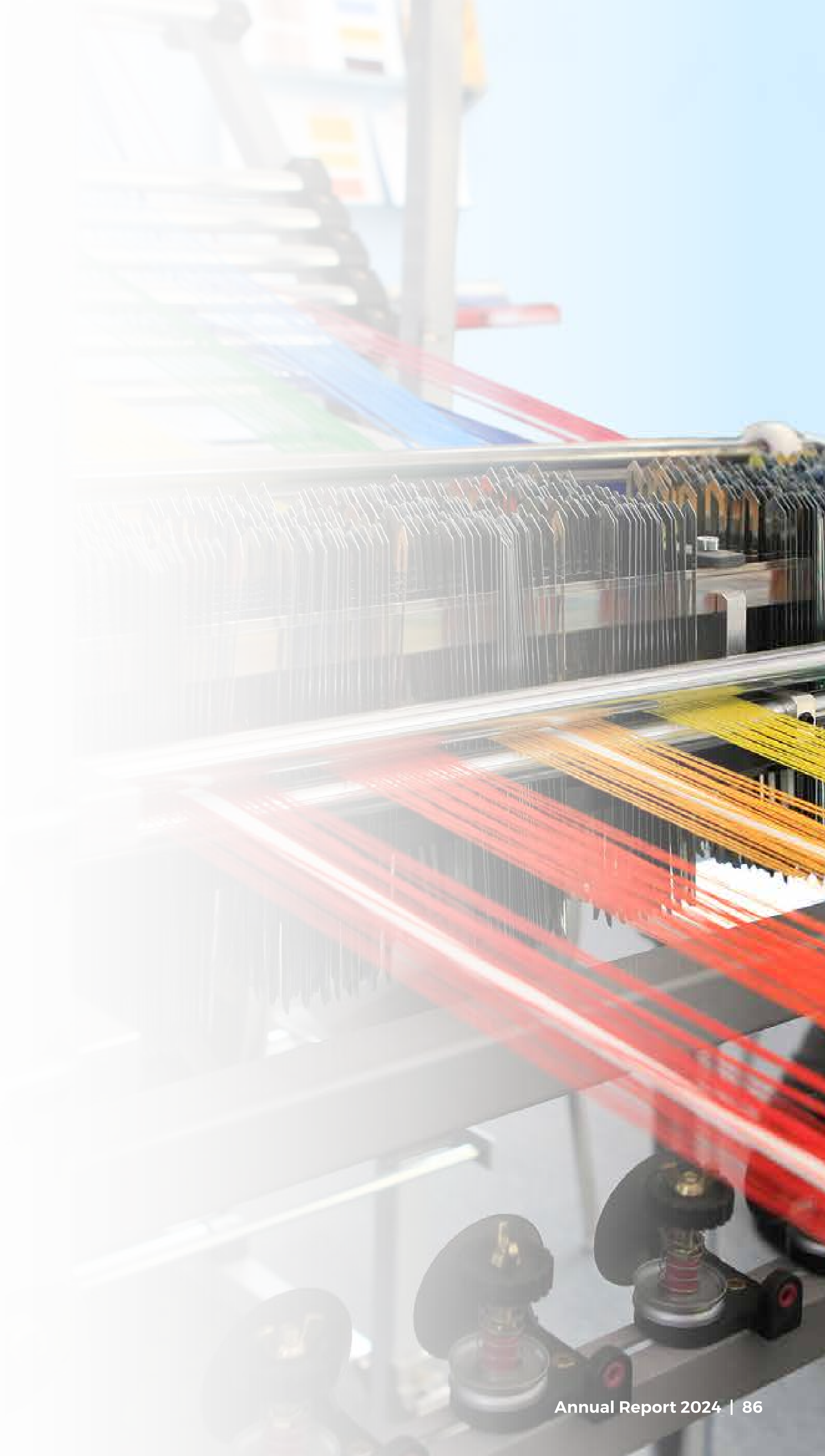
i. The requirement of Nomination Committee is optional in regulation no.29.The Board takes care of the responsibilities prescribed for nomination committee so a separate nomination committee is not considered necessary.

ii. The requirement of Risk Management Committee is optional in regulation no. 30. The Risk management carried out at the overall Company's level by the executive management of the Company headed by the CEO. The Company's management monitors potential risks and risk management procedures are carried out to identify, assess and mitigate any identified or potential risks. Therefore, it is not considered necessary to have a separate committee in this respect.

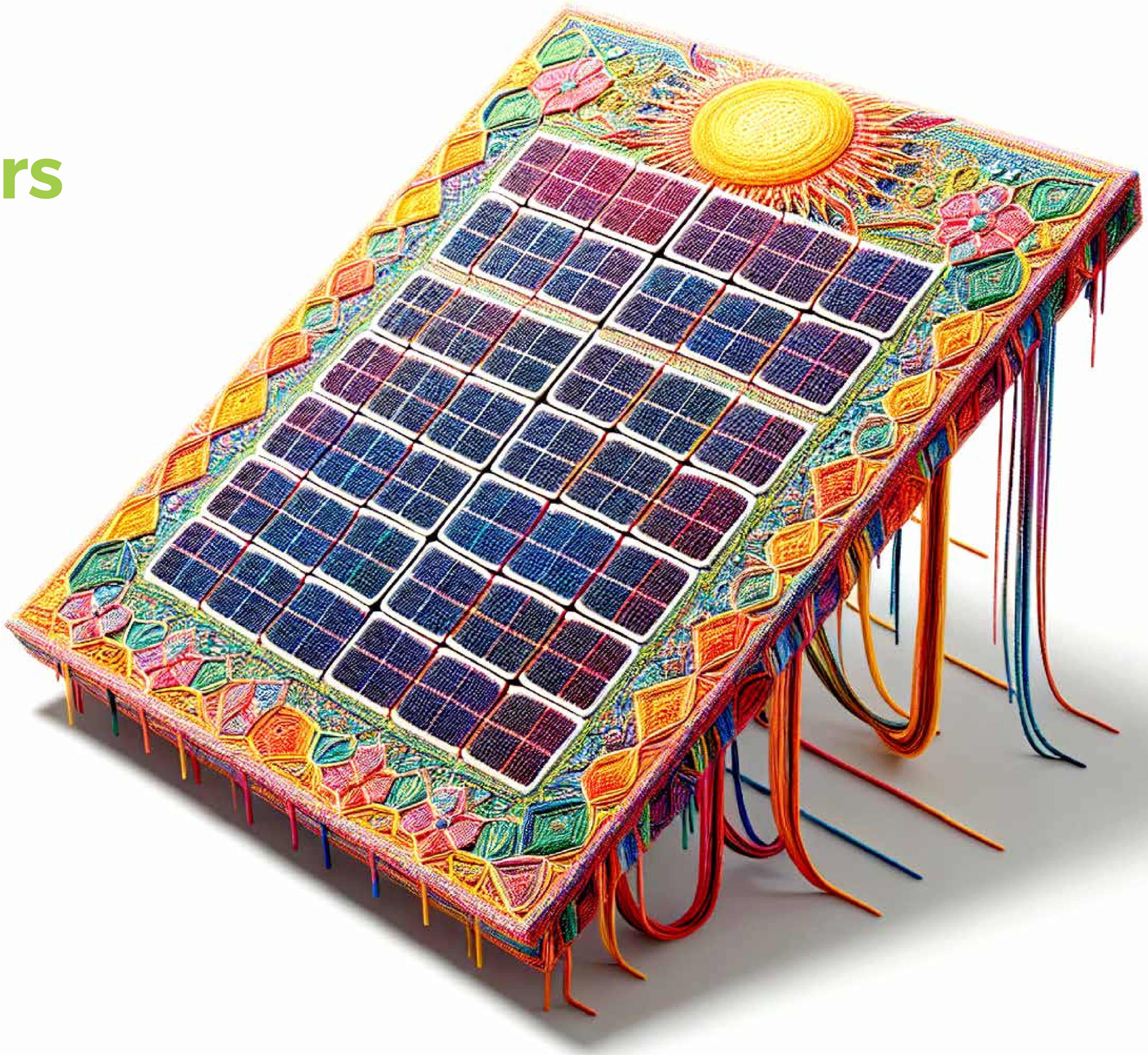
iii. Since the requirement with respect to disclosure of significant policies on the website is optional in regulation no. 35(1), the Company has uploaded only limited information in this respect on the Company's website. However, significant related information related to policies, like risk management etc. is disclosed in the annual reports of the Company which are duly uploaded on the website and are available for everyone accessing the website. The Company will however, review and place key elements of other policies if considered necessary.

Mohomed Bashir	**Mohammed Zaki Bashir**
Chairman	Chief Executive Officer

Karachi
September 25, 2024



From Numbers to Narratives



Financial Highlights

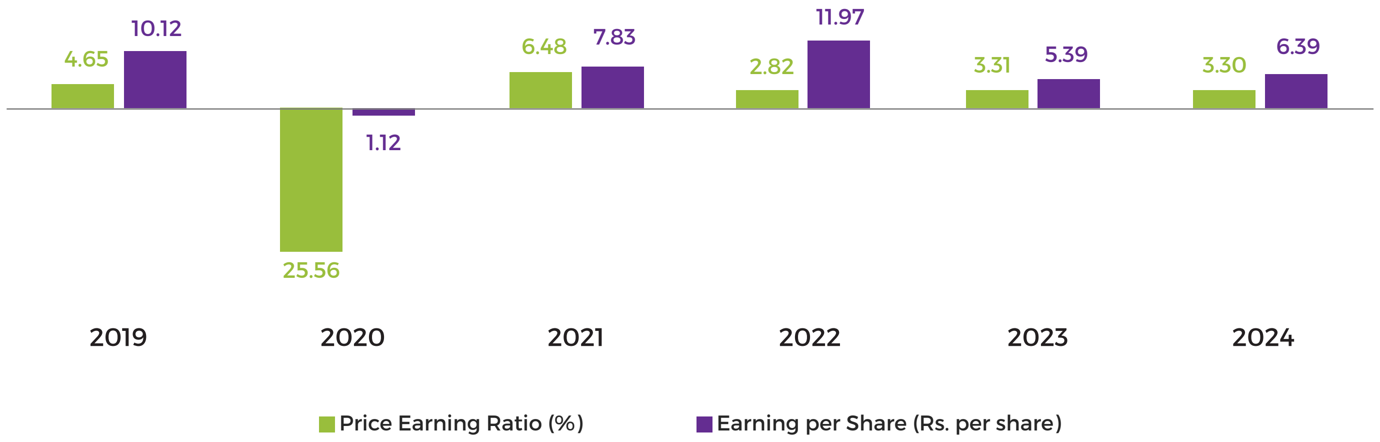
Profit & Loss		2024	2023	2022	2021	2020	2019
Sales	Rs. Million	143,146	111,968	100,257	78,774	53,941	57,288
Gross profit	Rs. Million	17,191	16,695	17,368	12,869	9,069	11,982
Earnings before interest and tax	Rs. Million	11,964	11,297	13,138	7,506	1,932	5,482
Profit / (loss) before final tax and income tax	Rs. Million	6,537	5,949	10,469	5,562	(76)	4,008
Profit / (loss) after tax	Rs. Million	4,728	3,986	8,862	4,425	(479)	3,609
Cash dividend	Rs. Million	-	-	-	428	891	891
Bonus dividend	Rs. Million	-	1,233	856	-	713	-
Balance Sheet							
Property, plant and equipment	Rs. Million	50,024	50,122	45,842	38,351	26,250	18,994
Intangible	Rs. Million	45	38	52	78	90	45
Long term investment, loans, advances & deposits	Rs. Million	3,755	3,792	3,816	3,747	2,862	491
Net current assets	Rs. Million	6,119	6,926	8,748	5,539	606	4,818
Total assets employed	Rs. Million	59,943	60,878	58,458	47,715	29,808	24,348
Represented by							
Share capital	Rs. Million	7,410	7,401	6,167	5,312	4,278	3,565
Reserves	Rs. Million	37,353	32,671	29,966	21,952	9,685	11,768
Shareholders' equity	Rs. Million	44,762	40,072	36,133	27,264	13,963	15,333
Long term loans	Rs. Million	14,592	20,117	20,551	18,571	13,446	8,857
Deferred and other long term liabilities	Rs. Million	599	689	1,774	1,880	2,399	158
Total capital employed	Rs. Million	59,952	60,878	58,458	47,715	29,808	24,348
Cash Flow Statement							
Operating activities	Rs. Million	4,075	16,269	5,468	(1,635)	(20)	160
Investing activities	Rs. Million	(3,889)	(7,931)	(10,664)	(9,867)	(8,806)	(4,899)
Financing activities	Rs. Million	(3,540)	(9,405)	10,634	6,837	2,298	875
Cash and cash equivalents at the end of the year	Rs. Million	(4,766)	(1,412)	(345)	(28,852)	(24,998)	(18,470)

Financial Ratios

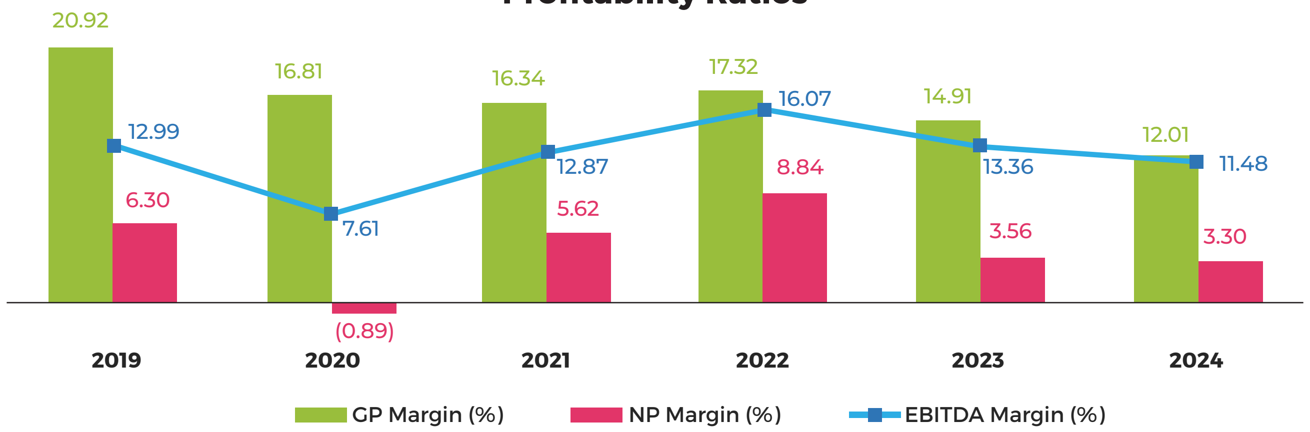
Profitability ratios		2024	2023	2022	2021	2020	2019
Gross profit ratio	Percent	12.01	14.91	17.32	16.34	16.81	20.92
Operating leverage ratio	Times	0.21	(1.20)	2.75	6.27	11.09	2.56
EBITDA margin to sales	Percent	11.48	13.36	16.07	12.87	7.61	12.99
Net profit margin	Percent	3.30	3.56	8.84	5.62	(0.89)	6.30
Profit before tax margin	Percent	4.57	5.31	10.44	7.06	(0.14)	7.00
Return on equity	Percent	11.15	10.46	27.96	21.46	(3.27)	25.82
Return on capital employed	Percent	19.80	18.93	24.75	19.36	7.13	24.94
Liquidity ratios							
Current ratio	Times	1.08	1.11	1.15	1.12	1.02	1.16
Quick / acid test ratio	Times	0.41	0.47	0.56	0.57	0.29	0.39
Cash to current liabilities	Times	0.00	0.01	0.03	0.01	0.01	0.02
Cash flow from operations to sales	Times	0.03	0.15	(0.05)	(0.02)	(0.00)	0.00
Capital structure ratios							
Financial leverage ratio	Times	1.34	1.33	1.64	1.84	2.82	1.89
Weighted average cost of debt	Percent	9.58	9.50	4.88	4.34	5.87	4.54
Debt to funding ratio	Percent	57.20	57.14	61.78	64.80	73.81	65.41
Interest cover ratio	Times	2.20	2.11	4.92	3.86	0.96	3.72
Turnover ratios							
Inventory turnover days	Days	126	139	130	140	192	151
Inventory turnover ratio	Times	2.88	2.61	2.81	2.62	1.90	2.42
Debtor turnover days	Days	61	79	84	60	43	40
Debtor turnover ratio	Times	5.97	4.57	4.36	6.03	8.45	9.19
Creditors turnover days	Days	111	119	105	113	175	136
Creditors turnover ratio	Times	3.27	3.04	3.26	2.92	1.83	2.44
Fixed assets turonver ratio	Times	2.86	2.33	2.19	2.05	2.05	3.02
Total assets turnover ratio	Times	1.10	0.93	0.85	0.83	0.78	1.05
Operating cycle	Days	76	99	109	87	60	55
Investor information							
Earnings per share	Rupees	6.39	5.39	11.97	7.83	(1.12)	10.12
Price earning ratio	Times	3.30	3.31	2.82	6.48	(25.56)	4.65
Price to book ratio	Times	0.35	0.33	0.58	0.99	0.88	1.10
Dividend yield ratio	Times	-	-	-	0.02	0.09	0.05
Cash dividend per share	Rupees	-	-	-	1.00	2.50	2.50
Bonus shares issued	Percent	-	20.00	20.00	-	20.00	-
Dividend payout ratio	Times	-	-	-	0.13	0.25	0.43
Dividend cover ratio	Rupees	-	-	-	7.83	(0.45)	4.05
Break - up value per share	Rupees	60.48	54.15	58.59	51.33	32.64	43.01
Market value per share							
at the end of the year	Rupees	21.10	17.81	33.81	50.73	28.63	47.12
high during the year	Rupees	25.96	32.94	60.80	58.32	49.62	58.40
low during the year	Rupees	16.83	17.81	32.80	28.93	21.45	38.25
EBITDA	Rs. Million	16,436	14,963	16,112	10,141	4,103	7,442

Graphical Analysis

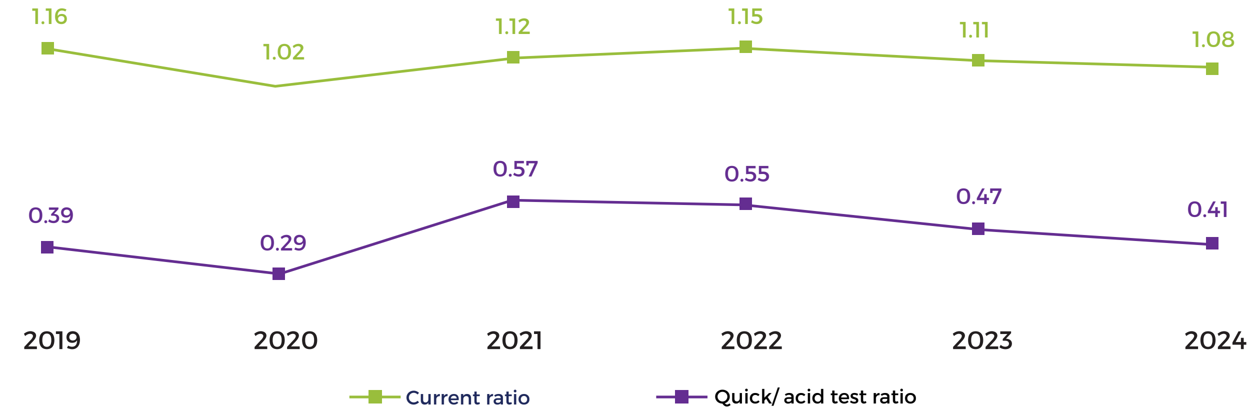
Investor Ratios



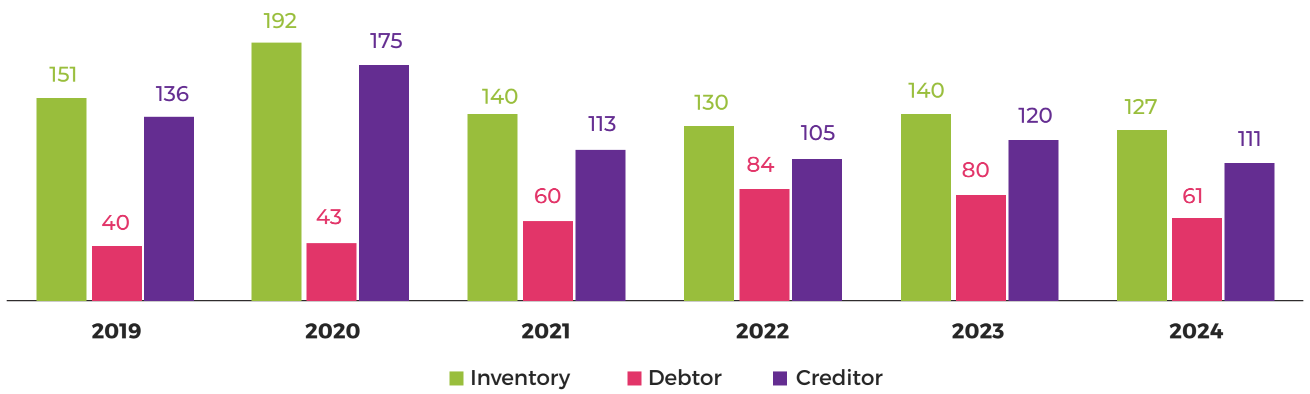
Profitability Ratios



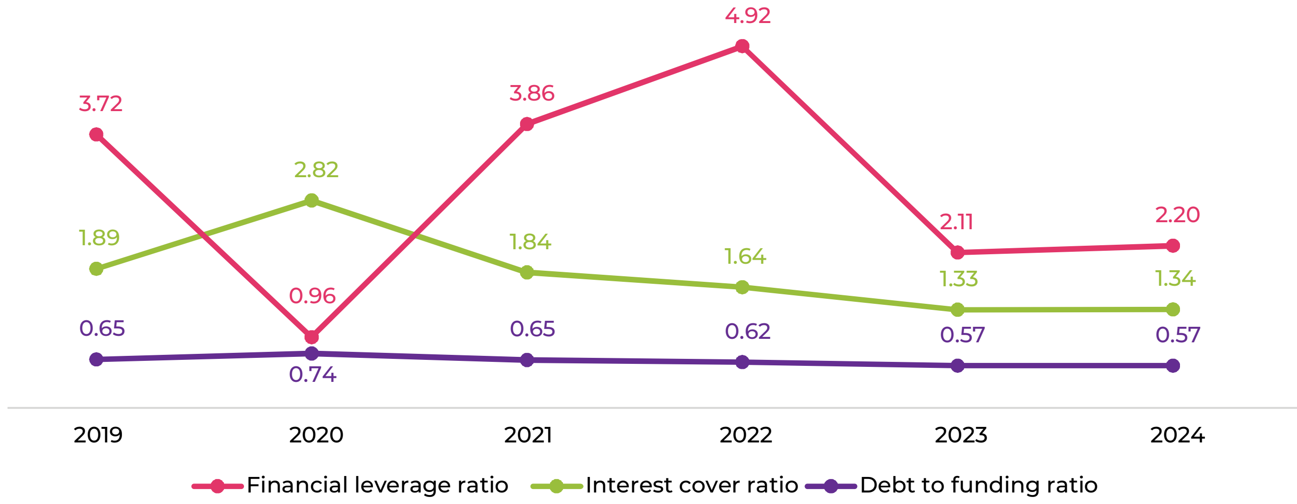
Liquidity Ratios



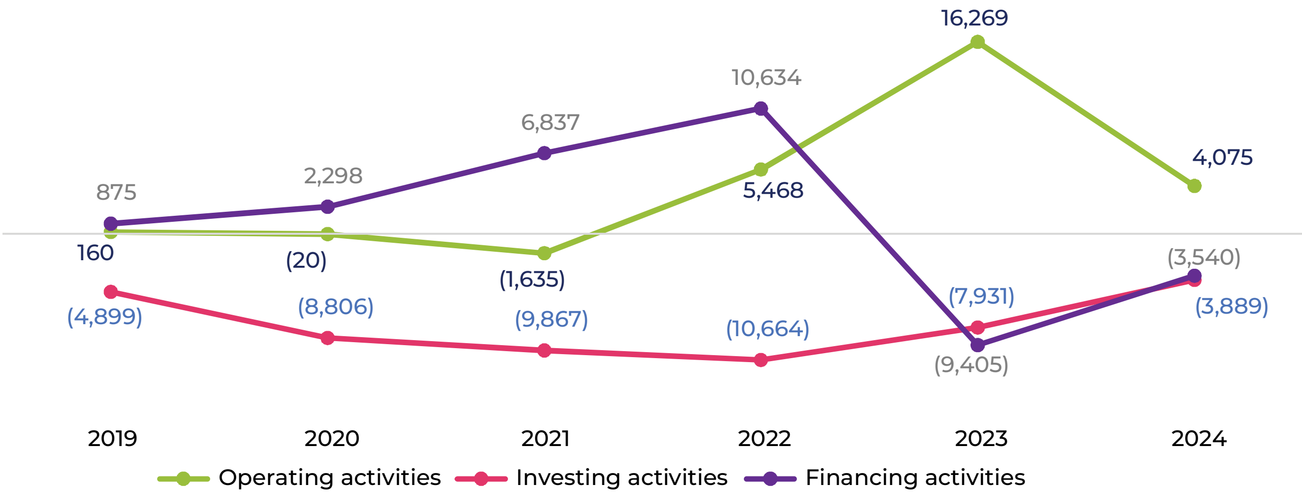
Turnover Days



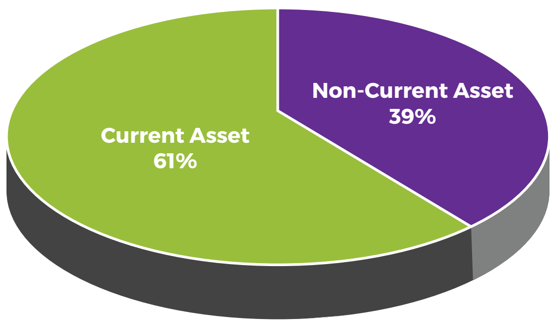
Capital Structure Ratios



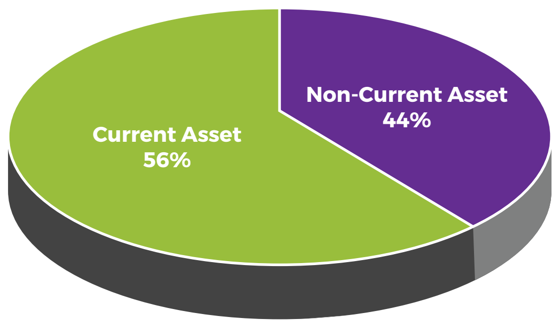
Cashflow from Activities (Rs. in million)



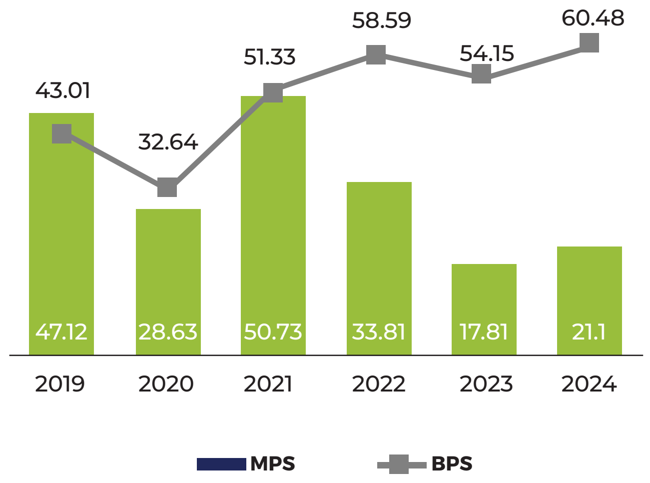
Assets 2024



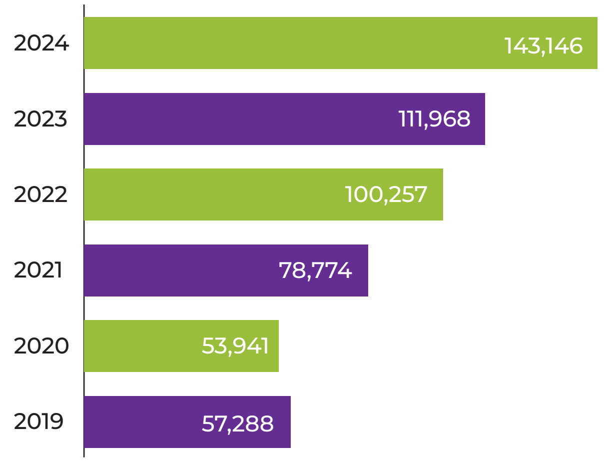
Assets 2023



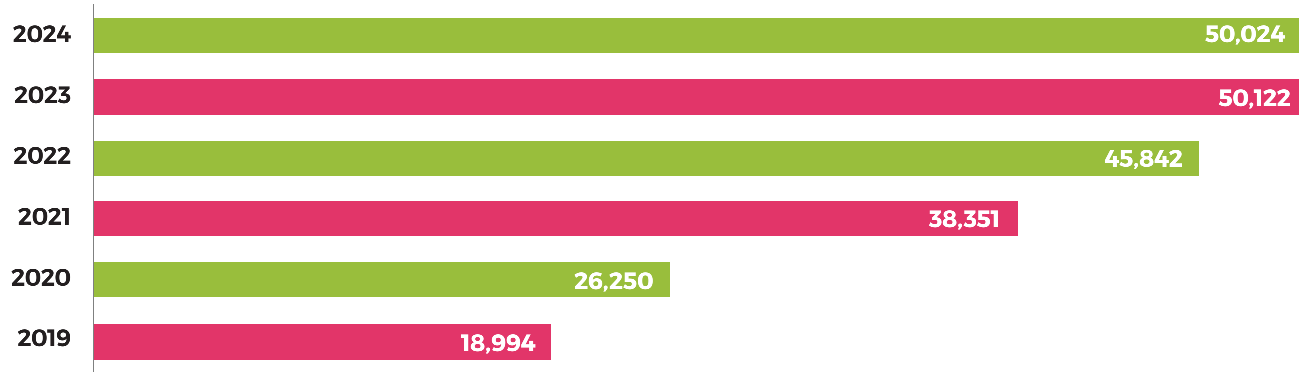
Market and Break Value per share



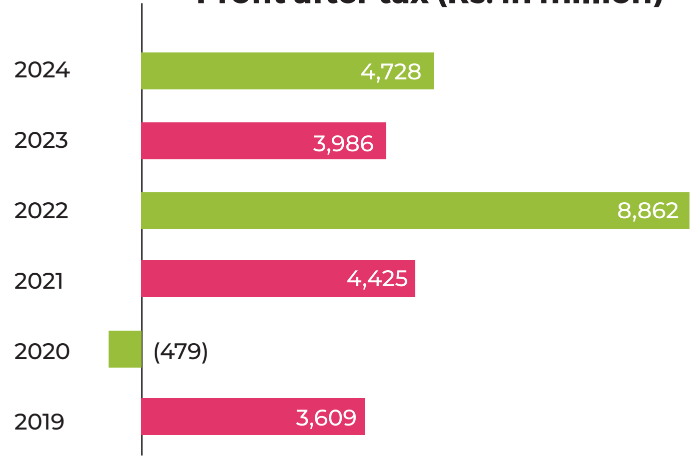
Sales Growth (Rs. in million)



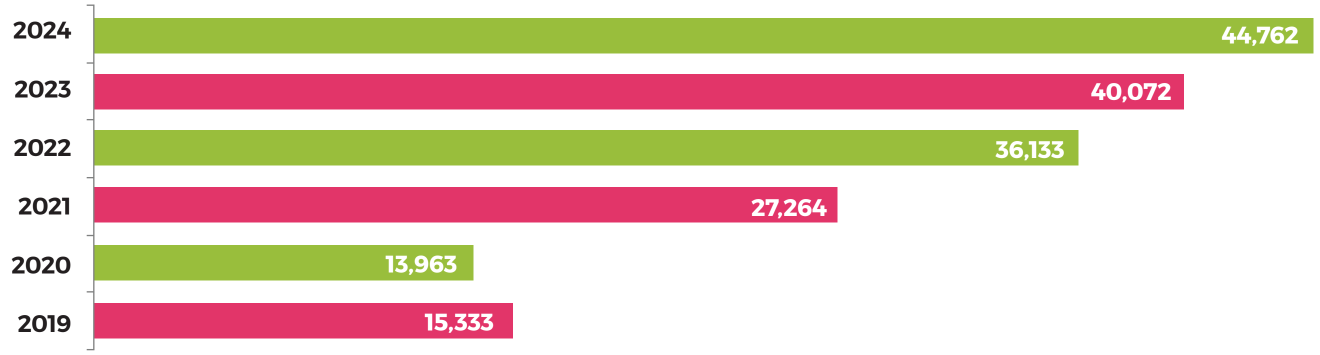
Fixed Assets (Rs. in million)



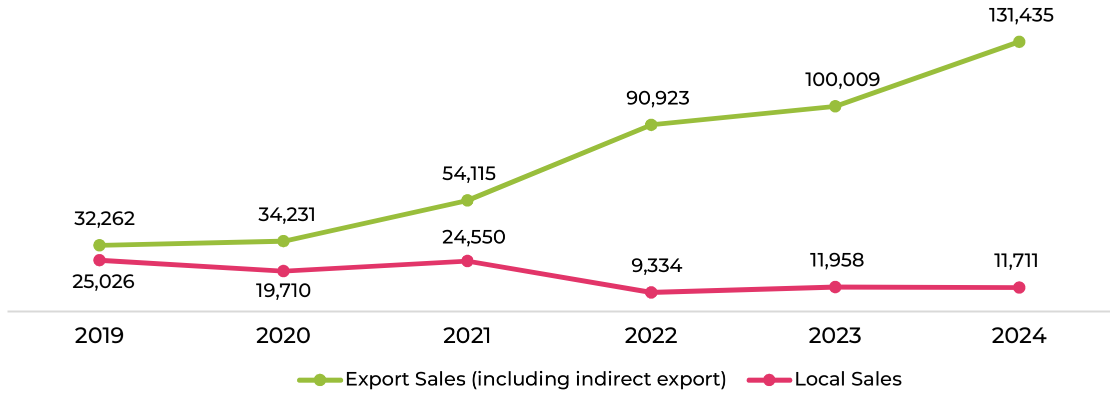
Profit after tax (Rs. in million)



Equity Growth (Rs. in million)



Export & Local Sales (Rs. in million)



Horizontal Analysis

	2024		2023		2022		2021		2020		2019	
	Amount in Million	Change (%)	Amount in Million	Change (%)	Amount in Million	Change (%)	Amount in Million	Change (%)	Amount in Million	Change (%)	Amount in Million	Change (%)
Balance Sheet												
Total equity	44,753	11.7	40,071	10.9	36,133	32.5	27,263	95.3	13,963	(8.9)	15,333	21.5
Total non-current liabilities	15,190	(27.0)	20,806	(6.8)	22,324	9.2	20,452	29.1	15,844	75.8	9,015	28.8
Total current liabilities	76,545	22.3	62,588	6.3	59,669	27.6	46,749	20.1	38,914	29.3	30,104	27.3
Total equity and liabilities	136,488	10.5	123,466	4.5	118,127	25.0	94,464	37.5	68,721	26.2	54,452	25.9
Total non-current assets	53,824	(0.2)	53,952	8.5	49,710	17.9	42,176	44.4	29,201	49.5	19,530	18.9
Total current assets	82,664	18.9	69,514	1.6	68,417	30.8	52,287	32.3	39,520	13.2	34,922	30.1
Total assets	136,488	10.5	123,466	4.5	118,127	25.0	94,464	37.5	68,721	26.2	54,452	25.9
Profit & loss account												
Net sales	143,146	27.8	111,968	11.7	100,257	27.3	78,774	46.0	53,941	(5.8)	57,288	25.6
Cost of sales	(125,955)	32.2	(95,289)	15.0	(82,889)	25.8	(65,905)	46.9	(44,872)	(1.0)	(45,306)	25.7
Gross profit	17,191	3.1	16,679	(4.0)	17,368	35.0	12,869	41.9	9,069	(24.3)	11,982	25.1
Distribution expenses	(3,247)	47.5	(2,201)	12.4	(1,958)	(41.2)	(3,329)	(26.5)	(4,528)	(2.6)	(4,648)	18.0
Administrative expenses	(3,471)	1.3	(3,428)	54.4	(2,221)	(6.5)	(2,375)	(12.4)	(2,713)	1.3	(2,677)	15.9
Other expenses	(491)	13.6	(432)	(49.8)	(860)	65.7	(519)	96.5	(264)	(15.3)	(312)	49.9
Other income	1,983	191.9	679	(16.0)	809	(6.0)	861	134.1	368	(67.7)	1,137	472.6
Operating profit	11,964	5.9	11,297	(14.0)	13,138	75.0	7,506	288.6	1,932	(64.8)	5,482	65.3
Financial expenses	(5,426)	1.5	(5,348)	100.3	(2,669)	37.3	(1,944)	(3.2)	(2,008)	36.3	(1,473)	49.3
Profit / (loss) before taxation	6,537	9.9	5,949	(43.2)	10,469	88.2	5,562	(7,407.4)	(76)	(101.9)	4,008	72.2
Income tax expense*	(1,810)	(7.8)	(1,963)	22.2	(1,607)	41.3	(1,137)	182.0	(403)	1.0	(399)	57.5
Profit / (loss) after taxation	4,728	18.6	3,986	(55.0)	8,862	100.3	4,425	(1,023.0)	(479)	(113.3)	3,609	73.9

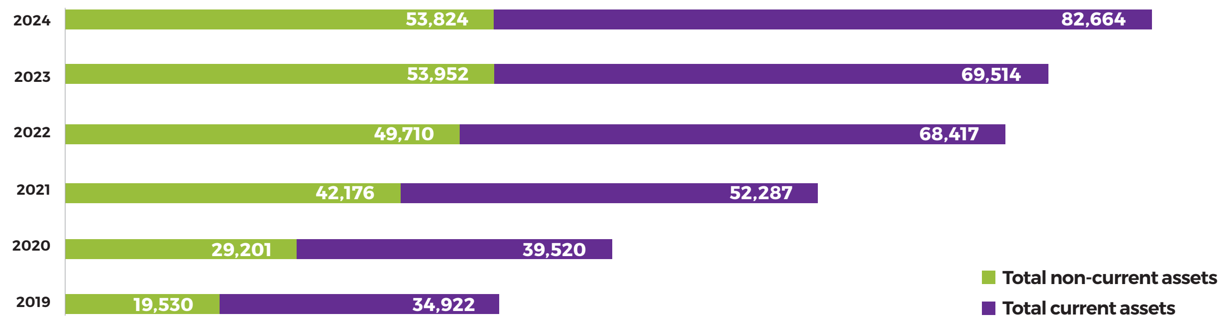
*Inclusive of final taxes

Vertical Analysis

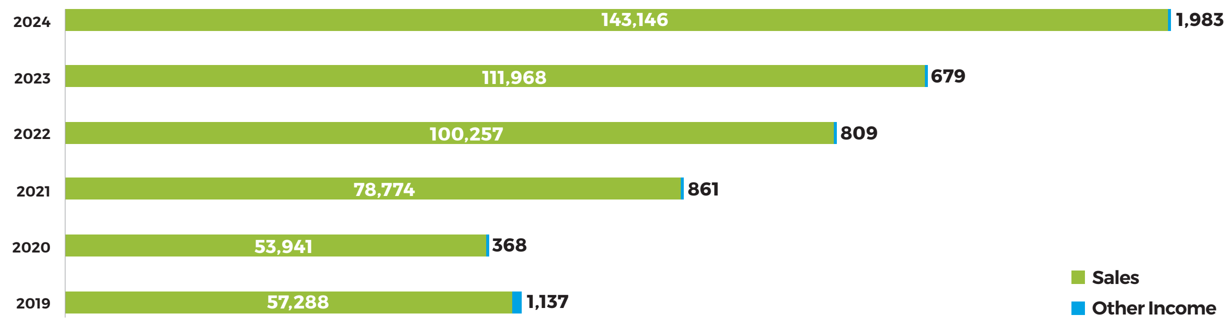
	2024		2023		2022		2021		2020		2019	
	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)
Balance Sheet												
Total equity	44,753	32.8	40,071	32.4	36,133	30.8	27,263	28.9	13,963	20.3	15,333	28.2
Total non-current liabilities	15,190	11.1	20,806	16.8	22,324	19.0	20,452	21.7	15,844	23.1	9,015	16.6
Total current liabilities	76,545	56.1	62,588	50.7	59,669	50.2	46,749	49.5	38,914	56.6	30,104	55.3
Total equity and liabilities	136,488	100.0	123,466	100.0	118,127	100.0	94,464	100.0	68,721	100.0	54,452	100.0
Total non-current assets	53,824	39.4	53,952	43.7	49,710	42.1	42,176	44.6	29,201	42.5	19,530	35.9
Total current assets	82,664	60.6	69,514	56.3	68,417	57.9	52,287	55.4	39,520	57.5	34,922	64.1
Total assets	136,488	100.0	123,466	100.0	118,127	100.0	94,464	100.0	68,721	100.0	54,452	100.0
Profit & loss account												
Net sales	143,146	100.0	111,968	100.0	100,257	100.0	78,774	100.0	53,941	100.0	57,288	100.0
Cost of sales	(125,955)	(88.0)	(95,289)	(85.1)	(82,889)	(82.7)	(65,905)	(83.7)	(44,872)	(83.2)	(45,306)	(79.1)
Gross profit	17,191	12.0	16,679	14.9	17,368	17.3	12,869	16.3	9,069	16.8	11,982	20.9
Distribution expenses	(3,247)	(2.3)	(2,201)	(2.0)	(1,958)	(2.0)	(3,329)	(4.2)	(4,528)	(8.4)	(4,648)	(8.1)
Administrative expenses	(3,471)	(2.4)	(3,428)	(3.1)	(2,221)	(2.2)	(2,375)	(3.0)	(2,713)	(5.0)	(2,677)	(4.7)
Other expense	(491)	(0.3)	(432)	(0.4)	(860)	(0.9)	(519)	(0.7)	(264)	(0.5)	(312)	(0.5)
Other income	1,983	1.4	679	0.6	809	0.8	861	1.1	368	0.7	1,137	2.0
Operating profit	11,964	8.4	11,297	10.1	13,138	13.1	7,506	9.5	1,932	3.6	5,482	9.6
Financial expenses	(5,426)	(3.8)	(5,348)	(4.8)	(2,669)	(2.7)	(1,944)	(2.5)	(2,008)	(3.7)	(1,473)	(2.6)
Profit / (loss)before taxation	6,537	4.6	5,949	5.3	10,469	10.4	5,562	7.1	(76)	(0.1)	4,008	7.0
Income tax expense*	(1,810)	(1.3)	(1,963)	(1.8)	(1,607)	(1.6)	(1,137)	(1.4)	(403)	(0.7)	(399)	(0.7)
Profit / (loss)after taxation	4,728	3.3	3,986	3.6	8,862	8.8	4,425	5.6	(479)	(0.9)	3,609	6.3

*Inclusive of final taxes

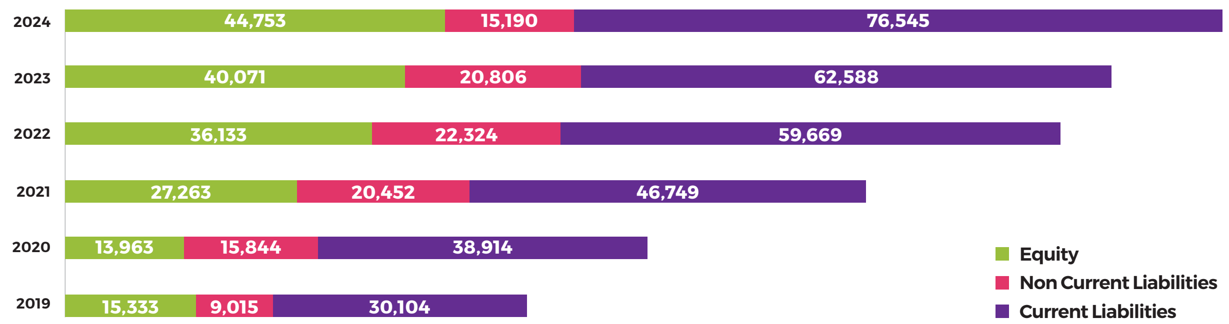
Non Current & Current Assets (Rs. in Million)



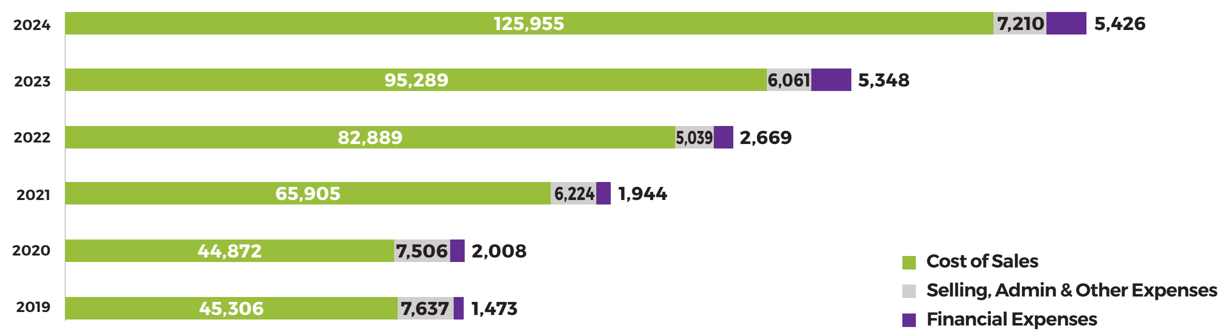
Sales & Other Income (Rs. in million)



Equity & Liabilities (Rs in millions)



Cost of Sales and Expenses (Rs in million)



Comment on Financial Analysis

Shareholder's Equity

The company's shareholder equity increased by 11.7% to Rs. 44.8 billion in FY 2024 due to strong financial performance. The board decided to retain all profits and not pay dividends to reinvest in future growth. Additionally, Rs. 23.0 billion was allocated to a capital reserve for long-term investments, capacity expansion, and business process improvements. This reserve is not available for shareholder distribution.

Non-Current & Current Liabilities

The company reduced long-term financing by 27.5% and increased short-term borrowings by 39.1%. This shift was due to replacing long term KIBOR-based loans with ERF-based short-term borrowing and expanding working capital lines to mitigate the impact of a nearly 250% increase in power generation costs driven by rising natural gas prices. The remaining liabilities remained relatively stable.

Non-Current & Current Assets

The company reduced its capital expenditure due to high financing costs, resulting in a decrease of about Rs. v3.5 billion in capital work in progress. Despite this, total company assets increased by Rs. 13.0 billion, primarily driven by a 27.5% rise in stock-in-trade. This inventory increase is consistent with the company's sales growth, indicating effective inventory management to meet higher demand.

Sales and Cost of Sales

The company's net sales experienced a substantial growth of 27.8%, reaching Rs. 143.1 billion. This increase was primarily driven by a remarkable 40.2% surge in direct exports. Geographically, sales to Germany and the United Kingdom witnessed the most significant expansion compared to the previous year. A key contributor to this growth was the substantial increase in home textile product sales, totaling approximately Rs. 22.5 billion.

Concurrently, the cost of sales increased by 32.2%, resulting in a contraction of gross profit margins from 14.9% to 12.0% year-over-year. This decline was primarily attributed to a combined increase of Rs. 22.2 billion in raw materials and conversion costs. While this increase can be partially explained by higher sales volumes and inflationary pressures, the most significant impact on gross profit margins stemmed from the unprecedented 104.6% surge in fuel, power, and water costs compared to the previous year.

Operational Expenses, Other Income and Finance Costs

The most substantial increase in operational expenses was observed in freight and shipping charges, which experienced a significant uptick of approximately 69.8%. This surge was primarily attributable to several factors, including a general rise in shipping rates and disruptions in traditional shipping routes due to the ongoing Israel and Palestine conflict. Excluding these freight and shipping costs, the remaining operational expenses and finance costs exhibited a relatively stable profile compared to the previous year, reflecting the management's diligent efforts to control costs and optimize resource allocation.

On a positive note, our other income derived from exchange gains on currency realization and derivative financial instruments witnessed a notable increase of Rs. 1.4 billion. This favorable outcome was a direct result of the management's prudent decision to mitigate foreign exchange exposure through the effective use of forward contracts and the Export Finance Scheme (EFS).

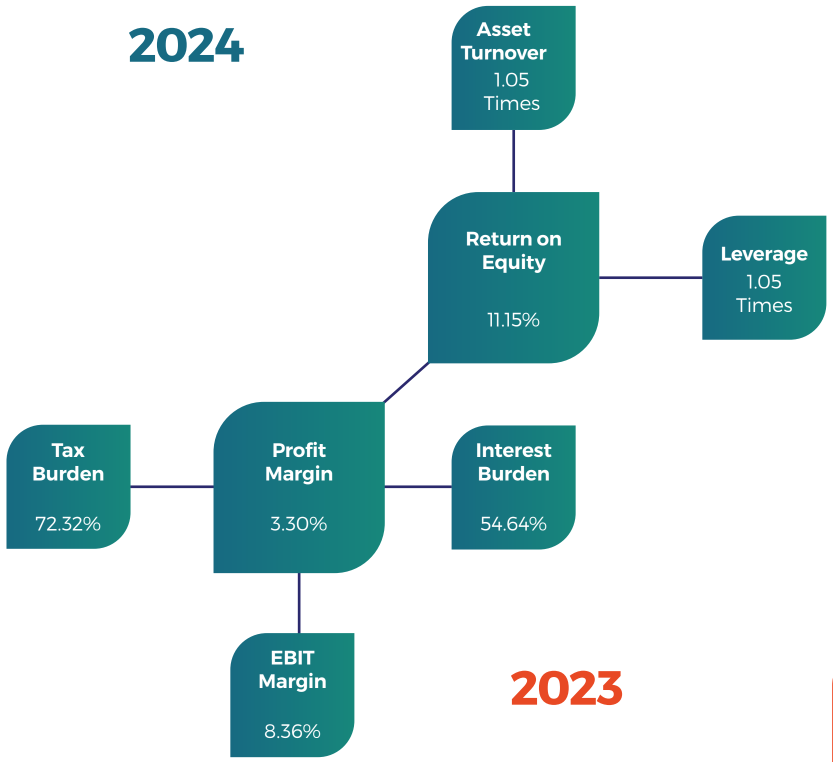
Cashflows

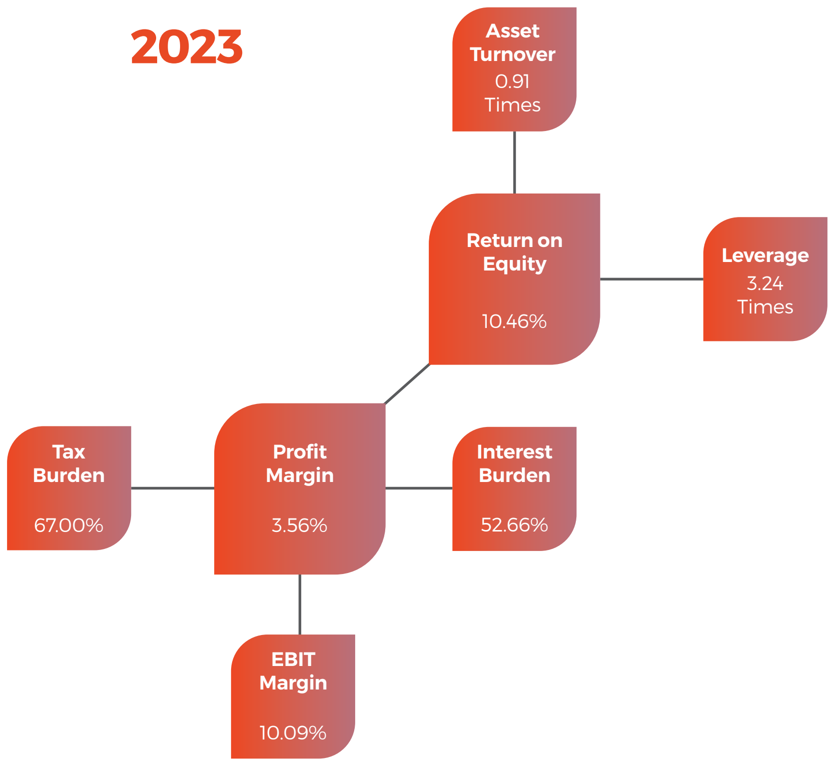
As of June 30, 2024, the company's cash and cash equivalent position exhibited a deficit of Rs. 4.8 billion. While net cash utilized in investing and financing activities experienced a decrease of Rs. 4.0 billion and Rs. 5.9 billion, respectively, the primary driver of the overall increase in the cash and cash equivalent deficit was the reduction in net cash from operating activities.

Net cash from operating activities declined notably to Rs. 4.1 billion from Rs. 16.3 billion in the previous year. This reduction was primarily attributable to the increase in stock-in-trade that the company was compelled to maintain in order to meet the escalating demands of its expanding sales.

DuPont Analysis

		2024	2023	2022	2021	2020	2019
Return on Equity (ROE)	Percent	11.15	10.46	27.96	21.46	(3.27)	25.82
Asset Turnover	Times	1.05	0.91	0.85	0.83	0.78	1.05
Leverage	Times	3.22	3.24	3.73	4.58	4.69	3.90
Net Profit Margin	Percent	3.30	3.56	8.84	5.62	(0.89)	6.30
Interest Burden	Percent	54.64	52.66	79.68	74.10	(3.94)	73.12
Tax Burden	Percent	72.32	67.00	84.65	79.55	629.82	90.04
EBIT Margin	Percent	8.36	10.09	13.10	9.53	3.58	9.57

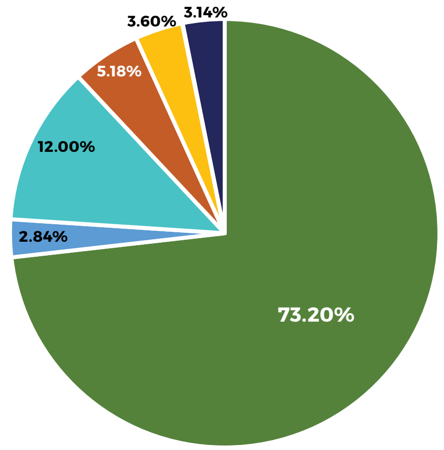




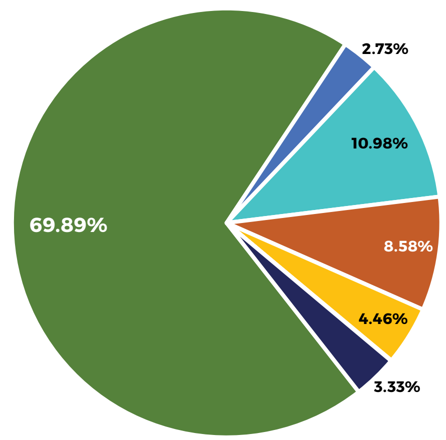
Value Addition & Distribution

	2024		2023	
	Rs. In '000s	(%)	Rs. In '000s	(%)
Value Addition				
Net Sales (including Sales Tax)	148,670,279	98.7%	119,044,884	99.4%
Other Income	1,982,933	1.3%	679,374	0.6%
	150,653,212	**100.0%**	**119,724,258**	**100.0%**
Value Distribution				
Cost of Sales (excluding employee remuneration)	110,278,792	75.6%	83,669,553	72.3%
Distribution & Admin Expenses (excluding employee remuneration)	4,283,267	2.9%	3,271,151	2.8%
Employee Remuneration	18,078,132	12.4%	13,148,448	11.4%
Government Tax (including income tax, sales tax, WWF & WPPF)	7,796,668	5.3%	10,267,304	8.9%
Providers of capital (Finance Cost)	5,426,456	3.7%	5,337,306	4.6%
Contributions to society (Donations)	62,095	0.0%	44,477	0.0%
	145,925,409	**100.0%**	**115,738,239**	**100.0%**
Value Retained	**4,727,803**		**3,986,019**	

Distribution of Value - 2024



Distribution of Value - 2023



- Cost of Sales
- Distribution & Admin Expenses
- Employee Remuneration
- Government Tax
- Providers of capitala (Finance Cost)
- Value Retained

Quarterly Performance Analysis

	FY 23 - 24			
	Q1	Q2	Q3	Q4
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024
	(Rupees in '000)			
Sales - net	35,641,767	33,459,964	36,044,349	37,999,764
Cost of sales	(31,652,884)	(29,327,413)	(32,084,745)	(32,889,780)
Gross profit	**3,988,883**	**4,132,551**	**3,959,604**	**5,109,984**
Selling and distribution cost	(743,861)	(707,563)	(880,577)	(915,464)
Administrative cost	(949,430)	(819,889)	(952,423)	(749,725)
Other operating cost	(91,562)	(88,798)	(121,950)	(188,830)
	(1,784,853)	(1,616,250)	(1,954,950)	(1,854,019)
Operating profit	**2,204,030**	**2,516,301**	**2,004,654**	**3,255,965**
Other income	504,259	257,093	246,342	975,239
Finance costs	(1,590,148)	(1,576,914)	(745,218)	(1,514,176)
Profit before taxation	**1,118,141**	**1,196,480**	**1,505,778**	**2,717,028**
Taxation	(521,354)	(492,986)	(496,427)	(298,858)
Profit after taxation	**596,787**	**703,494**	**1,009,351**	**2,418,170**
Earnings per share - basic and diluted	**0.81**	**0.95**	**1.36**	**3.27**

	FY 22 - 23			
	Q1	Q2	Q3	Q4
	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
	(Rupees in '000)			
Sales - net	27,497,071	23,511,192	29,428,177	31,531,172
Cost of sales	(23,856,468)	(20,712,593)	(24,977,980)	(25,725,088)
Gross profit	**3,640,603**	**2,798,599**	**4,450,197**	**5,806,084**
Selling and distribution cost	(504,603)	(471,344)	(485,717)	(739,285)
Administrative cost	(757,767)	(874,169)	(909,012)	(887,381)
Other operating cost	(113,400)	(74,369)	(92,226)	(152,186)
	(1,375,770)	(1,419,882)	(1,486,955)	(1,778,852)
Operating profit	**2,264,833**	**1,378,717**	**2,963,242**	**4,027,232**
Other income	131,781	591,056	(193,839)	133,875
Finance costs	(698,713)	(1,141,277)	(1,375,369)	(2,132,184)
Profit before taxation	**1,697,901**	**828,496**	**1,394,034**	**2,028,923**
Taxation	(325,404)	(764,175)	(385,513)	(488,243)
Profit after taxation	**1,372,497**	**64,321**	**1,008,521**	**1,540,680**
Earnings per share - basic and diluted	**1.85**	**0.09**	**1.36**	**2.08**

Quarter 1:

The Company encountered significant challenges during the first quarter of the fiscal year, including escalating borrowing costs, material prices, fuel and energy expenses, inflation, wage adjustments, and currency fluctuations. Despite a decline in Pakistan's textile exports, the Company's exports grew by 30%, and domestic sales increased by 23% compared to the same period last year (SPLY).

Profitability, on the other hand, was severely impacted by soaring energy and finance costs. Fuel & Power expenses increased by 57% due to reduced gas supply and reliance on costly alternatives while finance costs surged by 128%, driven by higher borrowing rates, with export refinance rates rising from 4% to 19% and KIBOR-based rates from 15% to 22%.

Quarter 2:

The global economic landscape, marked by tightening monetary policies and central banks addressing inflationary pressures, presented both opportunities and challenges. Despite core inflation remaining above target, the global economy exhibited resilience.

The Company's export sales in USD increased by 13% compared to the same period last year (SPLY), while Pakistan's textile exports continued to decline. Currency fluctuations, coupled with higher USD sales, drove a 64% increase in export sales when measured in Rupees. Our local sales, including indirect exports, grew by 14%, contributing to a 42% overall sales increase. This growth was supported by timely business process improvements and targeting profitable local niche markets.

Higher material, energy, and wage costs led to a 42% increase in the cost of sales. Despite lower operating profit, the Company maintained strong operating cash flows compared to SPLY. This achievement was attributable to efficient working capital management, which enabled the Company to avoid additional bank borrowings and meet all financial obligations.

Quarter 3:

The Company's performance in the third quarter demonstrated a significant improvement compared to both the second quarter of this year and the same period last year. Net sales experienced a notable increase, with export sales rising to Rs. 25.52 billion from Rs. 18.46 billion in the previous year and Rs. 23.99 billion in the second quarter. Local sales, including indirect exports, reached Rs. 11.1 billion, slightly below the Rs. 11.38 billion recorded in the previous year but surpassing the Rs. 10.36 billion achieved in the second quarter. The average US dollar exchange rate during the quarter stood at Rs. 279.60, compared to Rs. 260.90 in the previous year.

A noteworthy achievement was the repayment of Rs. 5.00 billion in borrowings, which reduced the total debt to Rs. 56.18 billion, a decrease of Rs. 2.78 billion since the last financial year. However, rising expenses, driven by higher material costs, energy prices, and increased minimum wages, continued to impact the Company's operations.

Quarter 4:

Despite challenges like export market pricing pressures, political instability, high financing costs, and fluctuating energy prices, the Company expanded order volumes and maximized production. Export revenue surged by 35% compared to the same period last year (SPLY), driving net sales to Rs. 37.99 billion, up 21% from Rs. 31.53 billion in SPLY. However, gross, operating, and net profits were affected by rising costs.

The cost of sales increased by 28%, driven by energy costs as natural gas tariffs rose from Rs. 1,100 to Rs. 3,000 per MMBTU, along with high inflation and wage increases. To mitigate energy expenses, the Company completed a 2 MW solar project and is finalizing a 17 MW rooftop project, expected to be operational by Q3 FY25.

Despite Rs. 6.5 billion in additional borrowings and rising markup rates (ERF from 11% to 19%, KIBOR-based loans from 18% to 23%), finance costs remained stable through strategic financial planning, leveraging EFS and FE financing at favourable rates, and effective debt management.

From Accounts to Accountability

INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Gul Ahmed Textile Mills Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Gul Ahmed Textile Mills Limited** (the Company) which comprise the unconsolidated statement of financial position as at 30 June 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the profit, other comprehensive loss, the changes in equity and its cash flow for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S.No.	Key audit matters	How the matter was addressed in our audit
1	Revenue Recognition	
	Refer notes 3.16 & 26 to the unconsolidated financial statements. The Company's revenue for the year ended 30 June 2024 was Rs. 143,145 million. The Company's revenue is principally generated from the sale of textile goods and related processing services. We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.	Our audit procedures in this area included, amongst others: • Obtaining an understanding of the process relating to recognition of revenue; • Inspecting revenue agreements with customer on sample basis to understand and assess the terms and conditions therein which may affect the revenue recognition; • Performing verification on a sample basis of revenue transactions recorded during the year with underlying documentation including sales invoices and other dispatch documents; • Comparing on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, goods declaration and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Evaluating the appropriateness of disclosure presented in the unconsolidated financial statements in accordance with the requirement of the accounting and reporting standards as applicable in Pakistan.
2	Valuation of Stock-in-trade	
	Refer notes 2.4 (c), 3.6 and 10 to the unconsolidated financial statements. As at 30 June 2024, the Company's stock-in-trade amounting to Rs. 49,014 million. Several estimates and judgments are involved in the valuation of stock-in-trade, in determining the net realizable values, and in assessing the appropriate level of provisioning required for the stock-in-trade. This includes the assessment of available facts and circumstances, the physical condition of the stock-in-trade,utilization market selling prices, and the estimated selling cost of the stock-in-trade. The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock-in-trade being considered as a key audit matter.	Our audit procedures in this area included, amongst others: • Obtaining an understanding of policies and procedures followed by the Company with respect to valuation of stock-in-trade; • Assessing appropriateness of the Company's accounting policies for valuation of stock-in-trade and compliance of those policies with the accounting and reporting standards as applicable in Pakistan; • Assessing the adequacy of the allowance for obsolescence, by taking into consideration the status of the ageing and conditions of the stock-in-trade and historical usage pattern; • Comparing the net realizable values, to the cost of finished goods to assess whether any adjustments are required to value stock-in-trade in accordance with applicable accounting and reporting standards; and • Assessing the adequacy of the related disclosures in the notes to the unconsolidated financials statements. in accordance with requirements of the accounting and reporting standards as applicable in Pakistan.

3	Presentation of long-term financing	
	Refer notes 3.18.2 and 17 to the unconsolidated financial statements. The Company has long-term borrowings from banks and other financial institutions amounting to Rs. 17,825 million as at reporting date. The long-term borrowings is subject to financial covenants imposed by banks and other financial institutions. Compliance to these covenants are critical as the non-compliance might result in reclassification from non-current liabilities to current liabilities. Given the impact of non-compliance of covenants on financial position and liquidity of the Company, it is considered as a key audit matter.	Our audit procedures in this area included, amongst others: • Reviewing loan agreements and facility letters on sample basis to ascertain the terms and conditions of repayment, Covenants, rates of markup used and disclosed by management and ensured that the borrowings have been approved at appropriate level; • Comparing the date of repayments made by the Company on sample basis in respect of borrowing with the dates stipulated in the loan repayment schedules to ensure these were made on agreed time schedule; • Checking the Company's compliance with the covenants on sample basis as at the year end, as outlined in the loan agreements; and • Ensuring that the long term financing has been properly classified and related securities and other terms are adequately disclosed in the unconsolidated financial statements.

Information other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The Other Information comprises the information included in the Company's Annual Report for the year ended 30 June 2024 but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as Management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 04 October 2024
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

UDIN: AR202410106i4D9mltsz

Unconsolidated Statement of Financial Position

As at June 30, 2024

	Note	June 30, 2024	June 30, 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.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2024

	Note	June 30, 2024	June 30, 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

	Note	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
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2024

	Note	June 30, 2024	June 30, 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
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2024

	Share Capital	Reserves				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

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2024

	Note	**June 30, 2024**	June 30,2023
		------------ (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

	Note	**June 30, 2024**	June 30,2023
		------------ (Rupees in '000) ------------	
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
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2024

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 les 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.

3.9 **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.

3.10 **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.

3.11 **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.

3.12 **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.

3.13 **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.

3.14 **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.

3.15 **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.

3.16 **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.

3.17 **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.

3.18 **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.

3.18.1 **Financial assets**

3.18.1.1 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 cash outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company' 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.

3.18.1.2 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.

3.18.1.3 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.

3.18.2 Financial liabilities

3.18.2.1 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.

3.18.2.2 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 aswel 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.

3.18.2.3 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.

3.18.3 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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.

3.23 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

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in ‘000)		
30 June 2024			
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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 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, S.I.T.E., Karachi, Karachi West S.I.T.E. 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)			

	Note	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) ------------	

5.2 Capital work in progress (CWIP)

	Note	June 30, 2024	June 30, 2023
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:

	Note	June 30, 2024	June 30, 2023
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

	June 30 2024	June 30 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.

	Note	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) ------------	

6 INTANGIBLE ASSETS - ACQUIRED

	Note	June 30, 2024	June 30, 2023
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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 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	**June 30, 2024**	June 30, 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	**June 30, 2024**	June 30, 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

	Note	**June 30, 2024**	June 30, 2023
9.1 Movement in provision for slow moving / obsolete items			
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	**June 30, 2024**	June 30, 2023
		------------ (Rupees in '000)	------------
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

	Note	**June 30, 2024**	June 30, 2023
10.1 Movement in provision for slow moving			
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	**June 30, 2024**	June 30, 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

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

June 30, 2024

	Note	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

June 30, 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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Loans and advances - considered good			
Advances to suppliers		1,434,883	1,213,921
Current portion of loans to employees		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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 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

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
---------------(Number of Shares)---------------			------------ (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

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
---------------(Number of Shares)---------------			------------ (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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) ------------	
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	June 30, 2024	June 30, 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	Mark-up /profit rate per annum	June 30, 2024	June 30, 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	-	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	June 30, 2024	June 30, 2023
						(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 &	32 quarterly	13 September 2027	30,724	2.75% p.a payable quarterly	438,367	561,263
						3,562,997	4,746,816

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit rate per annum	June 30, 2024	June 30, 2023
				(Rupees in '000)			
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 (Private) 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 (Private) 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 and are secured against the charge over assets of the company.

18. DEFERRED TAXATION

	Note	**June 30, 2024**	June 30, 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	**June 30, 2024**	June 30, 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	**June 30, 2024**	June 30, 2023
		------------- (Rupees in '000)	-------------

20.1 Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability

	Note	June 30, 2024	June 30, 2023
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

	June 30, 2024	June 30, 2023
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

	Note	**June 30, 2024**	June 30, 2023
		------------- (Rupees in '000)	-------------
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":

	June 30, 2024	June 30, 2023
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:

	June 30, 2024	June 30, 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;

	June 30, 2024	June 30, 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	June 30, 2024	June 30, 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

	June 30, 2024	June 30, 2023
	(Rupees in '000)	
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).

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
21.3 Workers' profit participation fund			
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.

	June 30, 2024	June 30, 2023
	(Rupees in '000)	
21.5 Workers' welfare fund		
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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 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.

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 million (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 million) 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	**June 30, 2024**	June 30, 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	25.18.2	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 USD 33 million, equivalent to Rs. 9,543 million (2023: Nil) obtained under pre-shipment exports. The Company is obligated to provide export documents against such amount. The liability of Rs. 9,543 miillion has been appropriately recorded under Export Facilitation Scheme and is disclosed in note no. 23 of these unconsolidated financial statements.

26 SALES-NET

	Note	**June 30, 2024**	June 30, 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	**June 30, 2024**	June 30, 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	**June 30, 2024**	June 30, 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	**June 30, 2024**	June 30, 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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 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	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 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**

	June 30, 2024	June 30, 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	June 30, 2024	June 30, 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

	Note	June 30, 2024	June 30, 2023
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	June 30, 2024	June 30, 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	June 30, 2024	June 30, 2023
		------------- (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:

	June 30, 2024	June 30, 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.

34 EARNINGS PER SHARE - basic and diluted

	June 30, 2024	June 30, 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	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 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	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 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	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 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	**June 30, 2024**	June 30, 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

	June 30, 2024			
	Chief Executive	Director	Executives	Total
	(Rupees in '000)			
Managerial remuneration	16,000	12,000	1,285,743	1,313,743
Performance Bonus	1,333	1,000	84,436	86,769
House rent allowance	6,400	4,800	514,297	525,497
Other allowances	1,600	1,200	407,250	410,050
Contribution to provident fund	1,333	1,000	102,592	104,925
	26,666	20,000	2,394,318	2,440,984
Number of persons	1	1	483	485

	June 30, 2023			
	Chief Executive	Director	Executives	Total
	(Rupees in '000)			
Managerial remuneration	16,000	12,000	891,859	919,859
Performance Bonus	1,333	1,000	56,935	59,268
House rent allowance	6,400	4,800	356,743	367,943
Other allowances	1,600	1,200	309,374	312,174
Contribution to provident fund	1,333	1,000	70,423	72,756
	26,666	20,000	1,685,334	1,732,000
Number of persons	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	June 30, 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
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	0.66%
Mohammed Zaki Bashir	-	Director	3.36%
Zain Bashir	-	Director	3.36%
Ziad Bashir	-	Director	0.00%
Ehsan A. Malik	-	Director	0.00%
Zeeba Ansar	-	Director	0.00%
Kamran Y. Mirza	-	Director	0.01%

41. Capacity and Production

	Unit	June 30, 2024			June 30, 2023		
		Capacity	Production	Working	Capacity	Production	Working
		(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;

	June 30, 2024						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	Total
	(Rupees in '000)						
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

	June 30, 2023						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			
	Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	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.

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:

	June 30, 2024	June 30, 2023
	(Equivalent USD 000)	
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.

	June 30, 2024	June 30, 2023
	(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:

	June 30, 2024	June 30, 2023
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:

	Note	June 30, 2024	June 30, 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

	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:

		June 30, 2024	June 30, 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:

	June 30, 2024	June 30, 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).

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.

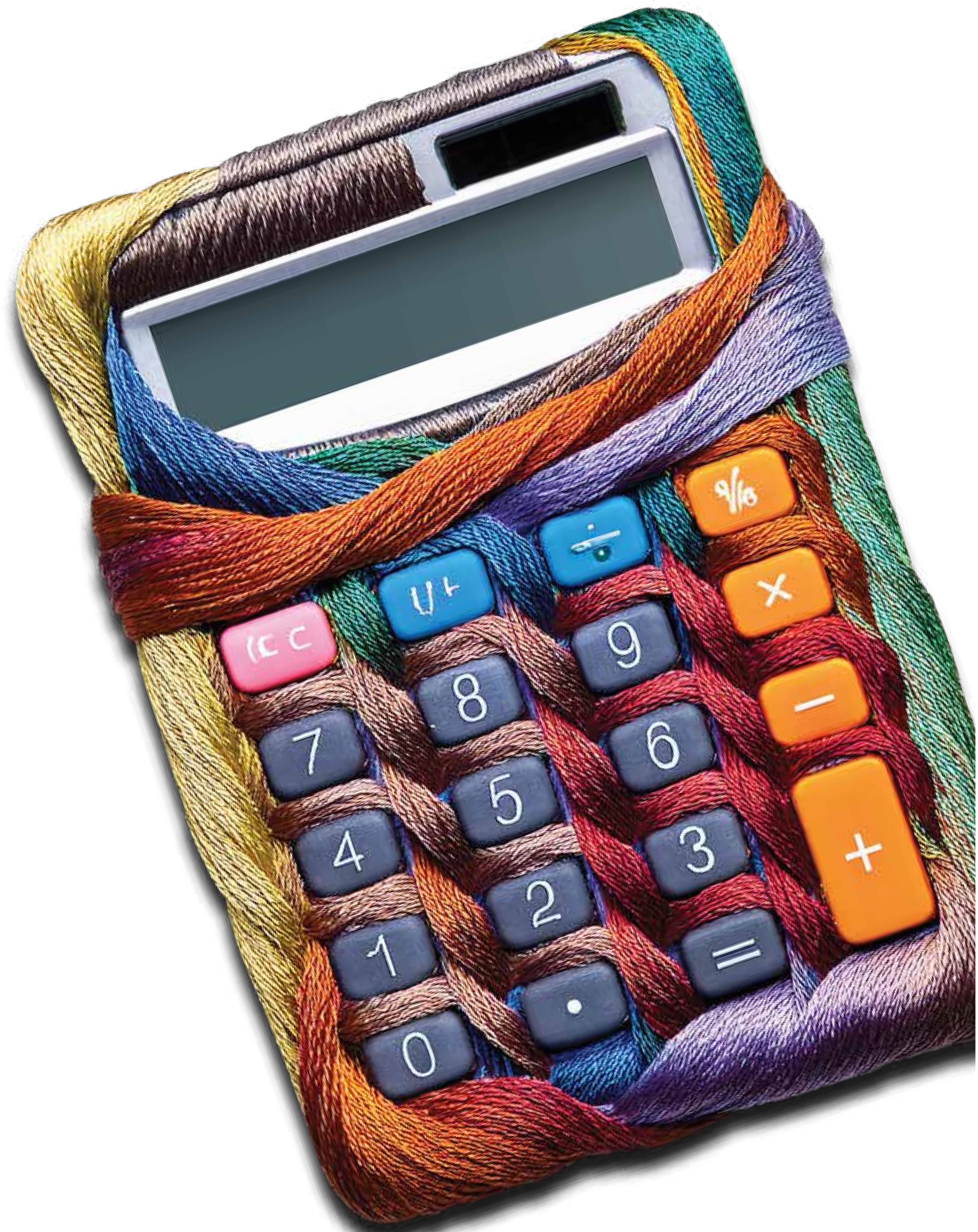
47. ## Date Of Authorization

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 25, 2024.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer



Consolidated Financial Statement

Group Director's Report

The directors are pleased to present their report together with the audited Consolidated Financial Statements of the Group for the year ended June 30, 2024.

The Group

The Group comprises of;
- Ideas (Private) Limited (Pvt) limited, Pakistan;
- Gul Ahmed International Limited (FZC)-UAE;
- GTM (Europe) Limited-UK;
- GTM USA Corp.-USA;
- Sky Home Corp.-USA;
- JCCO 406 Limited-UK; and
- Vantona Home Limited-UK

All these subsidiaries are engaged in trading/retail sales of textile and related products.

Group Results

The Consolidated financial results of the group are given below:	Rupees '000
Profit before tax	6,715,532
Taxation	(1,863,569)
Profit after tax	4,851,963
Total Reserves brought forward	35,164,997
Transferred to Capital Reserves	(23,000,000)
Amount available for appropriation	17,016,960
Appropriation	
Amount carried to other comprehensive income	(45,956)
Exchange difference on transactions of foreign subsidiaries	(43,899)
Transferred to Capital Reserves	23,000,000
Amount available for appropriation	17,016,960
Total Reserves carried forward	39,927,105
Earnings Per Share (Rs.)	6.56

Pattern of Shareholding

Ideas (Private) Limited and Gul Ahmed International Limited (FZC) - UAE are wholly owned subsidiary of Gul Ahmed Textile Mills Limited (Parent Company). GTM (Europe) Limited is a wholly owned subsidiary of Gul Ahmed International Limited (FZC)- UAE whereas GTM USA Corp.-USA, Sky Home Corp.-USA, and JCCO 406 Limited-UK are wholly owned subsidiaries of GTM (Europe) Limited and Vantona Home Limited is wholly owned subsidiary of JCCO 406 Limited-UK. Shareholding in each company is in the name of respective holding companies.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Karachi
September 25, 2024

Independent Auditor's Report to the Members of Gul Ahmed Textile Mills Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Gul Ahmed Textile Mills Limited and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matter:

S.No.	Key audit matters	How the matters were addressed in our audit
1	Revenue Recognition	
	Refer notes 3.17 & 28 to the consolidated financial statements. The Group's revenue for the year ended 30 June 2024 was Rs. 172,480 million. The Group's net revenue is principally generated from the sale of textile goods and related processing services. We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.	Our audit procedures in this area included, amongst others: • Obtaining an understanding of the process relating to recognition of revenue; • Inspecting revenue agreements with customer on sample basis to understand and assess the terms and conditions therein which may affect the revenue recognition; • Performing verification on a sample basis of revenue transactions recorded during the year with underlying documentation including sales invoices and other dispatch documents; • Comparing on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, goods declaration and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Evaluating the appropriateness of disclosure presented in the consolidated financial statement in accordance with the requirement of the accounting and reporting standards as applicable in Pakistan.
2	Valuation of Stock-in-trade	
	Refer notes 2.4 (c), 3.6 and 12 to the consolidated financial statements. As at 30 June 2024, the Group's stock-in-trade amounting to Rs. 57,359 million. Several estimates and judgments are involved in the valuation of stock in trade, in determining the net realizable values, and in assessing the appropriate level of provisioning required for the stock in trade. This includes the assessment of available facts and circumstances, the physical condition of the stock-in-trade, market selling prices, and the estimated selling cost of the stock-in-trade. The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock in trade being considered as a key audit matter.	Our audit procedures in this area included, amongst others: • Obtaining an understanding of policies and procedures followed by the Group with respect to valuation of stock-in-trade; • Assessing appropriateness of the Group's accounting policies for valuation of stock-in-trade and compliance of those policies with the accounting and reporting standards as applicable in Pakistan; • Assessing the adequacy of the allowance for obsolescence, by taking into consideration the status of the ageing and conditions of the stock-in-trade and historical usage pattern; • Comparing the net realizable values, to the cost of finished goods to assess whether any adjustments are required to value stock-in-trade in accordance with applicable accounting and reporting standards; and • Assessing the adequacy of the related disclosures in the notes to the consolidated financial statements in accordance with requirements of the accounting and reporting standards as applicable in Pakistan.
3	Presentation of long-term financing	
	Refer notes 3.19.2 and 19 to the consolidated financial statements. The Group has long term borrowings from banks and other financial institutions amounting to Rs. 17,825 million as at reporting date. The long-term borrowings is subject to financial covenants imposed by banks and other financial institutions. Compliance to these covenants are critical as the non-compliance might result in reclassification from non-current liabilities to current liabilities. Given the impact of non-compliance of covenants on financial position and liquidity of the Group, it is considered as a key audit matter.	Our audit procedures in this area included, amongst others: • Reviewing loan agreements and facility letters on sample basis to ascertain the terms and conditions of repayment, Covenants, rates of markup used and disclosed by management and ensured that the borrowings have been approved at appropriate level; • Comparing the date of repayments made by the Group on sample basis in respect of borrowing with the dates stipulated in the loan repayment schedules to ensure these were made on agreed time schedule; • Checking the Group's compliance with the covenants on sample basis as at the year end, as outlined in the loan agreements; and • Ensuring that the long term financing has been properly classified and related securities and other terms are adequately disclosed in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Group's Annual Report but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: October 4, 2024
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

UDIN: AR2024101063rSskElcW

Consolidated Statement of Financial Position

As at June 30, 2024

	Note	June 30, 2024	June 30, 2023
		------------- (Rupees in '000) -----------	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	54,341,947	54,750,180
Right of use assets	6	2,818,151	2,860,182
Intangible assets	7	182,858	197,892
Long term investment	8	70,000	70,000
Long term loans	9	17,939	67,901
Long term deposits		518,467	491,434
Deferred taxation - net	10	1,115,326	497,001
Total non-current assets		59,064,688	58,934,590
Current Assets			
Stores and spares	11	2,727,361	1,913,060
Stock-in-trade	12	57,358,906	47,583,004
Trade debts	13	20,719,045	16,621,547
Loans, advances and other receivables	14	4,347,029	3,434,354
Short term prepayments		145,872	272,534
Receivable from government	15	3,493,969	3,681,857
Short term investments		1,243	-
Cash and bank balances	16	1,081,768	1,200,791
Total current assets		89,875,193	74,707,147
Total Assets		148,939,881	133,641,737
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	17	7,400,594	7,400,594
Reserves	18	39,927,105	35,164,997
Total Share Capital and Reserve		47,327,699	42,565,591
NON-CURRENT LIABILITIES			
Long term financing	19	14,591,587	20,117,007
Lease liability against right of use assets	20	3,189,839	2,991,771
Deferred income - government grant	21	74,655	102,606
Defined benefit plan - staff gratuity	22	528,898	337,549
Long term deposits		19,769	31,420
Total non-current liabilities		18,404,748	23,580,353
CURRENT LIABILITIES			
Trade and other payables	23	34,321,875	30,451,744
Accrued mark-up / profit	24	1,403,751	1,611,026
Short term borrowings	25	42,494,328	31,191,367
Current maturity of long term financing		3,233,936	3,096,186
Current maturity of lease liability against right of use asset		548,173	609,749
Current maturity of deferred income - government grant		28,251	32,388
Unclaimed dividend		9,840	9,931
Unpaid dividend	26	23,505	23,505
Taxation - net		1,143,775	469,897
Total current liabilities		83,207,434	67,495,793
CONTINGENCIES AND COMMITMENTS	27	-	-
Total Equity and Liabilities		148,939,881	133,641,737

The annexed notes from 1 - 49 form an integral part of these consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Consolidated Statement of Profit or Loss

For the Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023 Restated
		------------- (Rupees in '000) -----------	
Sales - net	28	172,479,728	138,926,684
Cost of sales	29	(143,735,509)	(110,730,297)
Gross profit		28,744,219	28,196,387
Selling and distribution cost	30	(10,000,783)	(8,572,834)
Administrative cost	31	(5,946,963)	(5,654,620)
Other operating cost	32	(572,192)	(462,460)
		(16,519,938)	(14,689,914)
Operating Profit		12,224,281	13,506,473
Other income	33	2,155,433	805,370
Finance costs	34	(7,664,182)	(7,315,542)
Profit before income tax and levies		6,715,532	6,996,301
Levies	35	(2,235,322)	(1,823,018)
Profit before income tax		4,480,210	5,173,283
Income tax	36	371,753	(275,798)
Profit after income tax		4,851,963	4,897,485

	Note	2024	2023
		------------- (Rupees in '000) -----------	
Earnings per share - basic and diluted	37	6.56	6.62

The annexed notes from 1 - 49 form an integral part of these consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
		------------- (Rupees in '000) -----------	
Profit after taxation		4,851,963	4,897,485
Other comprehensive loss			
Items that will not be reclassified to consolidated statement of profit or loss subsequently			
Remeasurement loss on defined benefit plan	22.1	(41,421)	(48,622)
Related tax effect		-	681
		(41,421)	(47,941)
Reversal of deferred tax	10.3	(4,535)	-
Exchange loss on translation		(43,899)	(319,697)
Total comprehensive income		4,762,108	4,529,847

The annexed notes from 1 to 49 form an integral part of these financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the Year Ended June 30, 2024

	Share capital	Reserves						Total equity
		Capital Reserves				Revenue Reserves		
		Against long term investments, capacity expansion and BMR	Statutory reserve created by foreign subsidiary	Amalgamation reserve	Foreign currency translation reserve	Unappropriated profit	Total reserves	
	-----------------(Rupees in '000)-----------------							
Balance as at 01 July 2022	6,167,162	-	20,845	8,252,059	61,390	23,534,288	31,868,582	38,035,744
Total comprehensive income for the year ended 30 June 2023								
Profit after tax	-	-	-	-	-	4,897,485	4,897,485	4,897,485
Other comprehensive loss	-	-	-	-	(319,697)	(47,941)	(367,638)	(367,638)
	-	-	-	-	(319,697)	4,849,544	4,529,847	4,529,847
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	-	20,845	8,252,059	(258,307)	27,150,400	35,164,997	42,565,591
Balance as at 01 July 2023	**7,400,594**	**-**	**20,845**	**8,252,059**	**(258,307)**	**27,150,400**	**35,164,997**	**42,565,591**
Reclassification of reserves		23,000,000				(23,000,000)	-	-
Total comprehensive income for the year ended 30 June 2024								
Profit after tax	-	-	-	-	-	4,851,963	4,851,963	4,851,963
Other comprehensive loss	-	-	-	-	(43,899)	(45,956)	(89,855)	(89,855)
	-	-	-	-	(43,899)	4,806,007	4,762,108	4,762,108
Balance as at 30 June 2024	**7,400,594**	**23,000,000**	**20,845**	**8,252,059**	**(302,206)**	**8,956,407**	**39,927,105**	**47,327,699**

The annexed notes from 1 - 49 form an integral part of these consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

MUHAMMAD KASHIF RIAZ
Chief Financial Officer

Consolidated Statement of Cash Flows

For the Year Ended June 30, 2024

	Note	**June 30, 2024**	June 30, 2023
		------------- (Rupees in '000) -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		4,480,210	5,173,283
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	5.1.1	4,967,334	4,162,282
Depreciation of right of use assets	6	706,250	756,676
Amortisation of intangible assets	7.1	38,514	42,579
Write-off of intangible assets	7	-	15,405
Expense recognised for defined benefit plan	22.1	236,932	144,188
Finance costs	34	7,664,182	7,315,542
(Reversal) / Provision for slow moving - stores and spares	11.1	(148,345)	70,944
(Reversal) / Provison for slow moving - stock-in-trade	12.1	(12,028)	138,554
Levies		2,235,322	1,823,018
Unclaimed liabilities written back	33	(3,910)	(53,162)
Dividend Income	33	(1,462)	-
Government Grant recognised in income	33	(32,088)	(54,679)
Gain on termination of right of use assets and corresponding lease liabilities	33	-	(68,117)
Loss on reassessment of right of use asset and corresponding lease liability	32	9,902	-
Loss on disposal of property, plant and equipment	32	57,358	23,145
Expected credit loss against doubtful trade debts	13.1	(226,929)	108,855
		15,491,032	14,425,230
Changes in working capital:			
Stores and spares		(665,956)	(646,480)
Stock-in-trade		(9,763,874)	(5,142,390)
Trade debts		(3,870,569)	3,453,233
Loans, advances and other receivables		(912,675)	(598,636)
Short term prepayments		126,662	17,437
Receivable from government		187,888	(891,253)
Trade and other payables		4,339,813	5,595,423
Net (decrease) / increase in working capital		(10,558,711)	1,787,334
Cash generated from operations		9,412,531	21,385,847
Payment made to defined benefit plan	22.1	(83,420)	(65,372)
Taxes paid		(1,812,551)	(2,095,496)
		(1,895,971)	(2,160,868)
Net cash from operating activities		7,516,560	19,224,979

Consolidated Statement of Cash Flows

	Note	**June 30, 2024**	June 30, 2023
		------------- (Rupees in '000) -----------	
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(4,175,596)	(8,728,844)
Payments for acquisition of intangible assets		(28,535)	(17,532)
Long term loans		49,962	59,359
Long term deposits		(38,684)	15,028
Short term investment made		(601,243)	-
Short term investment redeemed		600,000	-
Dividend Income	33	1,462	-
Proceeds from disposal of property, plant and equipment	5.1.2	37,515	61,730
Net cash used in investing activities		(4,155,119)	(8,610,259)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		358,000	2,395,568
Repayment of long term financing		(5,777,758)	(3,034,960)
Payments against lease liabilities	20	(1,044,823)	(1,053,011)
Increase / (decrease) in short term borrowings		8,499,688	(4,767,385)
Finance costs paid		(8,274,854)	(5,514,703)
Dividend paid		(91)	(482)
Net cash used in financing activities		(6,239,838)	(11,974,973)
Exchange loss on translation		(43,899)	(319,697)
Net decrease in cash and cash equivalents		(2,922,296)	(1,679,949)
Cash and cash equivalents at the beginning of the year		(1,531,307)	148,642
Cash and cash equivalents at the end of the year	40	(4,453,603)	(1,531,307)

The annexed notes from 1 - 49 form an integral part of these consolidated financial statements.

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

Notes to the Consolidated Financial Statements

For the Year Ended June 30, 2024

1. LEGAL STATUS AND ITS OPERATIONS

1.1 Gul Ahmed Textile Mills Limited ("the Group") comprises the following:

Holding Company
- Gul Ahmed Textile Mills Limited

Subsidiary Companies
- Ideas (Private) Limited
- Gul Ahmed International Limited (FZC)
- GTM (Europe) Limited
- GTM USA Corp.
- Sky Home Corp.
- JCCO 406 Limited
- Vantona Home Limited

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

Gul Ahmed International Limited (FZC) and Ideas (Private) Limited are wholly owned subsidiaries of Gul Ahmed Textile Mills Limited. Whereas, GTM (Europe) Limited is a wholly owned subsidiary of Gul Ahmed International Limited (FZC), GTM USA Corp., Sky Home Corp. and JCCO 406 Limited are wholly owned subsidiaries of GTM (Europe) Limited and Vantona Home Limited is a wholly owned subsidiary of JCC0 406 Limited.

Details of Subsidiaries	"Country of incorporation"	Percentage of Holding	
Direct Subsidiaries			
Ideas(Private) limited	Pakistan	100%	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Gul Ahmed International Limited (FZC)	United Arab Emirates	100%	Sharjah Airport International Free Zone, Government of Sharjah, Unitedrates.
Indirect Subsidiaries			
GTM(Europe) Limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM USA Corp.	United States of America	100%	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Sky Home Corp.	United States of America	100%	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
JCCO 406 Limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
Vantona Home Limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.

All subsidiaries are engaged in distribution / trading of textile related products while Ideas (Private) Limited also carries out production of finished goods.

1.2 Geographical locations and addresses of all immoveable properties owned by the Group 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
0.83 Acres	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
1.997 Acres	Plot No. 65/I, Deh Dig, Sector-30, Korangi Industrial Area (Eastern), Karachi
0.306 Acres	24/A, Block C/3, Gulberg-III, Lahore
0.082 Acres	Shop No. 5 & 6, Bahadurabad, Karachi

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

1.3 Geographical locations and addresses of all premises obtained on rented 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.
Plot No. 12, Sector 23, Korangi Industrial Area, Karachi

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

1.4 As at 30 June 2024, the Group has 106 retail outlets including a franchise. (30 June 2023: 111 retail outlets including 2 franchises).

1.5 **Basis of consolidation**

These consolidated financial statements include the financial statements of the Holding Company and its subsidiaries, here-in-after collectively referred to as the Group.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All material intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

When the Group losses the control over a subsidiary, it derecongnises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in consolidated statement of profit or loss.

2 BASIS OF PREPARATION

2.1 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in respective policy notes. In these consolidated financial statements, all the transactions are recorded on accrual basis except for the consolidated statement of cash flows.

2.2 Statement of compliance

These consolidated 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 consolidated financial statements are presented in Pakistani Rupees (Rupees / Rs.), which is the functional and presentation currency of the Group. The amounts have been rounded off to the nearest thousand rupees unless stated otherwise.

2.4 Critical accounting estimates and judgments

For the preparation of these consolidated financial statements, in conformity with the accounting and reporting standards as applicable in Pakistan, management has made judgments and estimates that affects the application of the Group'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 to 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 consolidated financial statements are as follows:

a) **Property, Plant and Equipment and Intangible assets**
The Group 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**
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 consolidated statement of profit or loss. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

c) **Stock-in-trade**
The Group 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 Group uses a provision matrix to calculate expected credit loss (ECL) for trade debts. The provision matrix is initially based on the Group's historically observed rates. The Group 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 ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group'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 Group's trade debts is disclosed in note 47.2 of these consolidated financial statements.

e) **Taxation**
The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingencies as disclosed in note 27 of these consolidated financial statements.

The Group 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 Group 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 on a 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 22 of these consolidated financial statements.

h) Contingencies and Provisions

The assessment of the contingencies and provisions inherently involves the exercise of judgment as the outcome of the future events cannot be predicted with certainty. The Group, 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).

i) Leases

The Group uses judgements and estimates in measurement of right of use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination options etc, in accordance with IFRS 16.

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 Group 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 consolidated financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide 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 these conslidated 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 Group 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 Group's consolidated 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

	Effective date (annual periods beginning on or after)
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:	
- Financial assets with ESG-linked features	01 January 2025
- 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 Group's consolidated financial statements.

3 **MATERIAL ACCOUNTING POLICIES**

The material accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements other than those disclosed in note 4 of these consolidated financial statements.

3.1 Foreign currency transactions and translation

Transactions in foreign currencies are translated into the respective functional currency of the Group 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 difference are recognised in consolidated statement of profit and 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 Group 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 Group and the cost of the items can be measured reliably. All other expenditures (including normal repairs and maintenance) are recognised in the consolidated 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 lease hold land and major Component of Plant & Machinery identifiable as a separate asset due to useful life different from the Plant & Machinery.

Rate of depreciation on above are specified in the note 5 of these consolidated 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 consolidated 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 Right-of-use assets

Right-of-use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the lease term unless the ownership of the asset transfers to the Group at the end of the lease term or the cost of the asset reflects that the Group will exercise the purchase option, depreciation is charged over the useful life of asset.

3.4 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation of intangible assets is charged to consolidated statement of profit or loss applying the straight line method at the rates specified in note 7 of these consolidated 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 this 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.

3.5 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 consolidated statement of profit or loss. Items 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 incremental 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 consolidated financial statement. Trade debts are written off when there is no reasonable expectation of recovery.

3.8 Staff retirement benefits

Defined contribution plan

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

Defined benefit plan

The Group 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 Group, 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 comprise 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 (OCI). The Group 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, 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 consolidated 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 consolidated statement of profit or loss. The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3.9 Accumulated employee compensated absences

The Group 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 consolidated statement of profit or loss.

3.10 **Provisions and contingencies**

Provisions are recognized when the Group 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 is adjusted to reflect current best estimate.

3.11 **Taxation**

Current

Current Tax comprises the 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 liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize 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 consolidated 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 consolidated statement of profit or loss except to the extent it relates to items recognised in consolidated statement of comprehensive income.

3.12 **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 consolidated financial statements, except for taxes on dividends from the investments which are specifically within the scope of IAS 12 and hence these continue to be categorised as current income tax.

The Group has designated the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognised it as current income tax expense in the consolidated statement of profit or loss. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

3.13 **Borrowing cost**

Borrowing costs are recognised as an expense in the consolidated 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.

3.14 **Lease liabilities**

Lease liabilities are initially measured at the present value of the lease payments, not paid at the time of commencement, discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Group's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of certain short term and low value leases are not recognised and payments against such leases are recognised as expense in the consolidated statement of profit or loss.

3.15 **Government grant**

Government grants are transfers of resources to the Group by a government entity in return for compliance with certain past or future conditions related to the Group'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 Group recognizes government grants when there is reasonable assurance that grants will be received and the Group will be able to comply with 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 Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group 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 accreditation would increase the carrying value of the loan with a corresponding effect on the interest expense for the year in the consolidated 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 the consolidated 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 cost which is 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 Group 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 Group 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 Group recognises revenue when performance obligation is fulfilled, 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 Group premises or when it is delivered by the Group 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 Group 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 Group 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 Group's right to receive the payment is established.

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

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

- Income for 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 consolidated financial statements.

- Gain on derecognition of right of use asset and corresponding lease liability is recognised in accordance with the requirement of IFRS 16.

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 initially 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 Group's business model for managing them. With the exception of trade receivables and contract assets, the Group 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 FVOCI, 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 Group'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 Group commits to purchase or sell the asset.

3.19.1.2 Subsequent measurement

For purposes of subsequent measurement, the Group 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 Group 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 consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group 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 consolidated statement of profit or loss. Dividends are recognised as other income in consolidated statement of profit or loss when the right of payment has been established. 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 consolidated statement of financial position at fair value with net changes in fair value recognised in consolidated statement of profit or loss.

The Group has designated short term investment at fair value through profit or loss in these consolidated 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 Group's statement of financial position) when:

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

- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through 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 Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group 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 Group 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 consolidated 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 are satisfied. The Group 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 the consolidated statement of 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 consolidated statement of profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains or 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 expires. 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 consolidated statement of profit or loss.

3.19.3 **Offsetting of financial assets and liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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 finance under mark-up arrangements are shown within short-term borrowings under current liabilities in the consolidated statement of financial position. These are measured at amortised cost.

3.21 **Dividend and appropriation to reserves**

Final dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividends are approved by the Group'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 consolidated 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 Group. An operating segment is a component of the Group 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 Group'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 and 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 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 other than goodwill. The detailed results of the reportable segments are disclosed in the note 38 of these consolidated financial statement.

3.23 **Earnings per share**

The Group 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 Group 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 Group 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 Group 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 Group 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 consolidated financial statements.

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

4.2 **Consolidated Statement of Profit or Loss**

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----------	(Rupees in '000)	----------
30 June 2024			
Levies	-	(2,235,322)	(2,235,322)
Profit Before Income Tax	6,715,532	(2,235,322)	4,480,210
Income Tax	(1,863,569)	2,235,322	371,753
Profit After Income Tax	4,851,963	-	4,851,963
30 June 2023			
Levies	-	(1,823,018)	(1,823,018)
Profit Before Income Tax	6,996,301	(1,823,018)	5,173,283
Income Tax	(2,098,816)	1,823,018	(275,798)
Profit After Income Tax	4,897,485	-	4,897,485

The related changes to the consolidated 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	June 30, 2024	June 30, 2023
		------ (Rupees in '000)	------
Operating fixed assets	5.1	53,708,896	52,340,673
Capital work in progress (CWIP)	5.2	633,051	2,409,507
		54,341,947	54,750,180

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		9,543,110	14,380,594	33,405,218	474,555	1,685,965	742,041	60,231,483
Accumulated depreciation		-	(5,281,547)	(12,610,321)	(129,335)	(894,008)	(515,230)	(19,430,441)
Foreign currency translation		-	3,143	-	8,716	164	10,013	22,036
Net book value as at 01 July 2022		9,543,110	9,102,190	20,794,897	353,936	792,121	236,824	40,823,078
Movement during year ended 30 June 2023								
Additions during the year		-	4,352,774	10,709,985	96,804	521,427	70,376	15,751,366
Disposals during the year	5.1.2							
Cost		-	-	(273,735)	(83)	(214,027)	(19,476)	(507,321)
Depreciation		-	-	213,406	7	193,994	15,039	422,446
Net book value		-	-	(60,329)	(76)	(20,033)	(4,437)	(84,875)
Reclassifications during the year								
Cost		-	-	3,190	725	5,985	(9,900)	-
Depreciation		-	-	(686)	(240)	(4,439)	5,365	-
Net book value		-	-	2,504	485	1,546	(4,535)	-
Depreciation charge for the year	5.1.1	-	(1,299,477)	(2,588,857)	(44,895)	(171,597)	(57,456)	(4,162,282)
Foreign currency translation		-	-	-	5,147	103	8,136	13,386
Net book value as at 30 June 2023		9,543,110	12,155,487	28,858,200	411,401	1,123,567	248,908	52,340,673
As at 01 July 2023								
Cost		9,543,110	18,733,368	43,844,658	572,001	1,999,350	783,041	75,475,528
Accumulated depreciation		-	(6,581,024)	(14,986,458)	(174,463)	(876,050)	(552,282)	(23,170,277)
Foreign currency translation		-	3,143	-	13,863	267	18,149	35,422
Net book value as at 1 July 2023		9,543,110	12,155,487	28,858,200	411,401	1,123,567	248,908	52,340,673
Movement during year ended 30 June 2024								
Additions during the year		121,484	1,439,504	4,442,899	84,437	345,561	87,252	6,521,137
Written off during the year		-	(70,069)	-	-	-	-	(70,069)
Disposals during the year	5.1.2							
Cost		-	(74,751)	(144,675)	(654)	(1,277)	(4,251)	(225,608)
Depreciation		-	39,123	87,384	134	649	3,444	130,734
Net book value		-	(35,628)	(57,291)	(520)	(628)	(807)	(94,874)
Reclassification to Capital work in progress				(18,832)				(18,832)
Depreciation charge for the year	5.1.1	-	(1,475,532)	(3,146,312)	(51,850)	(226,335)	(67,305)	(4,967,334)
Foreign currency translation		-	-	(111)	(596)	(17)	(1,081)	(1,805)
Net book value as at 30 June 2024		9,664,594	12,013,762	30,078,553	442,872	1,242,148	266,967	53,708,896
As at 30 June 2024								
Cost		9,664,594	20,028,052	48,124,050	655,784	2,343,634	866,042	81,682,156
Accumulated depreciation		-	(8,017,433)	(18,045,386)	(226,179)	(1,101,736)	(616,143)	(28,006,877)
Foreign currency translation		-	3,143	(111)	13,267	250	17,068	33,617
Net book value as at 30 June 2024		9,664,594	12,013,762	30,078,553	442,872	1,242,148	266,967	53,708,896
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	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) -----------	
Cost of goods manufactured	29.1	4,290,567	3,512,895
Selling and distribution cost	30	384,733	442,027
Administrative cost	31	292,037	207,360
		4,967,337	4,162,282

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, S.I.T.E., Karachi, Karachi West S.I.T.E. 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	110,475	42,481	14,677	(27,804)	Bidding	Various	
As on 30 June 2024	225,608	94,874	37,515	(57,359)			
As on 30 June 2023	507,321	84,875	61,730	(23,145)			

5.2 Capital work in progress (CWIP)

	Note	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) -----------	
Plant and machinery		536,930	1,641,802
Buildings and structures on leasehold land		81,063	678,973
Others		15,058	88,732
	5.2.1	633,051	2,409,507

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

	Note	June 30, 2024	June 30, 2023
Balance at beginning of the year		2,409,507	9,427,868
Capital expenditure incurred during the year			
Plant and machinery	5.2.2	3,309,671	6,636,229
Buildings and structures on leasehold land		841,594	1,581,756
Others		559,475	510,859
		4,710,740	8,728,844
Transfers to operating fixed assets during the year			
Plant and machinery		(4,433,375)	(10,703,903)
Buildings and structures on leasehold land		(1,439,504)	(4,287,519)
Others		(633,149)	(755,782)
		(6,506,028)	(15,747,204)
Reclassification from operating fixed assets		18,832	-
Balance at end of the year		633,051	2,409,507

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

	June 30, 2024	June 30, 2023
	------------ (Rupees in '000) -----------	
Buildings and structures on leasehold land	168,880	169,620
Office equipment	133,618	341,696
Plant and machinery	506,814	809,250
Vehicles	2,919	22,393
	812,231	1,342,959

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 19 of these consolidated financial statements.

6 RIGHT OF USE ASSETS

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Balance as at 01 July		2,860,182	2,957,461
Assets recognized during the year		528,589	722,285
Adjustment / (Derecognition)		135,921	(64,667)
Depreciation expense			
- Charged to Cost of goods manufactured	29.1	(22,451)	(29,159)
- Charged to Selling and distribution cost	30	(629,673)	(669,673)
- Charged to Administrative cost	31	(54,126)	(57,844)
		(706,250)	(756,676)
Foreign currency translation		(291)	1,779
Net book value		2,818,151	2,860,182
Gross carrying amount as at 30 June			
Cost		5,207,057	4,085,553
Accumulated Depreciation		(2,388,615)	(1,227,150)
Foreign currency translation		(291)	1,779
Balance as at 30 June		2,818,151	2,860,182

7 INTANGIBLE ASSETS

	Note	Computer Software	Trade Marks	Goodwill	Total
		(Rupees in '000)			
At 01 July 2022					
Cost		126,447	162,768	15,405	304,620
Accumulated amortisation		(56,484)	(68,733)	-	(125,217)
Foreign currency translation		-	11,435	-	11,435
Net book value as at 01 July 2022		69,963	105,470	15,405	190,838
Movement during the year ended 30 June 2023					
Additions (at cost)		17,532	-	-	17,532
Write-off		-	-	(15,405)	(15,405)
Amortisation	7.1	(31,723)	(10,856)	-	(42,579)
Foreign currency translation		1,233	46,273	-	47,506
Net book value as at 30 June 2023		57,005	140,887	-	197,892
At 01 July 2023					
Cost		143,979	162,768	15,405	322,152
Write-off		-	-	(15,405)	(15,405)
Accumulated amortisation		(88,207)	(79,589)	-	(167,796)
Foreign currency translation		1,233	57,708	-	58,941
Net book value as at 01 July 2023		57,005	140,887	-	197,892
Movement during the year ended 30 June 2024					
Additions (at cost)		28,535	-	-	28,535
Amortisation	7.1	(26,940)	(11,574)	-	(38,514)
Foreign currency translation		(43)	(5,012)	-	(5,055)
Net book value as at 30 June 2024		58,557	124,301	-	182,858
Gross carrying value					
Cost		172,514	162,768	15,405	350,687
Accumulated amortisation		(115,147)	(91,163)	(15,405)	(221,715)
Foreign currency translation		1,190	52,696	-	53,886
Net book value as at 30 June 2024		58,557	124,301	-	182,858
Amortisation rate % per annum		**20 to 50**	**10 to 50**	**20**	

7.1 **The amortisation charge on intangible assets has been allocated as follows:**

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Cost of goods manufactured	29.1	1,793	-
Selling and distribution cost	30	1,727	2,633
Administrative Cost	31	34,994	39,946
		38,514	42,579

8. LONG TERM INVESTMENT

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Investment in Term Finance Certificate - at amortised cost	8.1	70,000	70,000

8.1 This represent Rs. 70 million invested in Term Finance Certificate issued by Habib Bank Limited which carries profit at the rate of KIBOR+1.6% receivable on quarterly basis. This is of perpetual nature.

9. LONG TERM LOANS

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Considered good			
- Due from executives (other than CEO and Directors)		87,256	137,705
- Due from non-executives		3,828	5,966
	9.2	91,084	143,671
Current portion			
- Due from executives (other than CEO and Directors)		(69,871)	(71,086)
- Due from non-executives		(3,274)	(4,684)
	14	(73,145)	(75,770)
		17,939	67,901

9.1 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%).

9.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 87.2 million (30 June 2023: Rs. 137.7 million).

10 DEFERRED TAXATION - NET

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Deferred tax liability of holding company	10.1	-	(257,699)
Deferred tax asset of direct & indirect subsidiaries	10.2	1,115,326	754,700
		1,115,326	497,001

10.1 Deferred tax liability of holding company

	June 30, 2024	June 30, 2023
Taxable temporary difference in respect of		
Accelerated tax depreciation allowance	-	(482,845)
Deductible temporary differences		
Accelerated tax depreciation allowance		
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
Disallowance of provision due to three years limitation	-	156,943
	-	(257,699)

10.1.1 As per the guidelines issued by ICAP on application of IAS 12 'Application Guidance on Accounting for MinimumTaxes and Final Taxes', no deferred tax is required to be booked by the Holding 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 Holding Company has not recorded any deferred tax liability as at 30 June 2024.

10.2 Deferred tax asset of direct & indirect subsidiary companies

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Deductible temporary differences in respect of;			
Accelerated tax depreciation allowance		364,490	464,618
Provisions		32,978	26,045
Excess of lease liabilities over carrying value of right of use assets		358,940	264,037
Minimum tax carried forward		358,918	-
		1,115,326	754,700

10.2.1 Deferred tax asset has been computed using effective rate of 39% inclusive of super tax at 10% on the taxable income for tax year 2024 and onwards. For GTM (Europe) Limited and Vantona Home Limited deferred tax has been charged at UK corporate tax rate at 23%.

10.3 Movement in deferred taxation

	Liability	Asset	30 June 2024	30 June 2023
	(Rupees in '000)			
Opening balance	(257,699)	754,700	497,001	(63,763)
Credited to consolidated statement of profit or loss	262,234	362,473	624,707	558,365
(Charged) / Credited to consolidated statement of comprehensive income	(4,535)	-	(4,535)	681
Foreign currency translation	-	(1,847)	(1,847)	1,718
Closing balance	-	1,115,326	1,115,326	497,001

11 STORES AND SPARES

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Stores and spares		2,866,890	2,205,132
Stores-in-transit		13,296	10,630
		2,880,186	2,215,762
Provision for slow moving / obsolete stores and spares	11.1	(152,825)	(302,702)
		2,727,361	1,913,060

11.1 Movement in provision for slow moving / obsolete items

	Note	June 30, 2024	June 30, 2023
Opening balance		302,702	261,040
(Reversal) / Charge for the year - cost of goods manufactured	29.1	(148,345)	70,944
Stores and spares written off during the year		-	(38,749)
Foreign currency translation		(1,532)	9,467
Closing balance		152,825	302,702

12. STOCK-IN-TRADE

	Note	June 30, 2024	June 30, 2023
Finished goods	29	14,867,005	14,774,304
Raw material	29.2	31,297,840	26,502,764
Work-in-process	29.1	9,921,938	6,249,994
Stock-in-transit		1,495,563	292,337
		57,582,346	47,819,399
Provision for slow moving - stock-in-trade	12.1	(223,440)	(236,395)
		57,358,906	47,583,004

12.1 Movement in provision for slow moving / obselete items

	Note	June 30, 2024	June 30, 2023
Opening balance		236,395	176,765
(Reversal) / Charge for the year - cost of goods manufactured	29.1	(12,028)	138,554
Stock-in-trade written off during the year		-	(78,924)
Foreign currency translation		(927)	-
Closing balance		223,440	236,395

12.2 The stock includes inventory held with third party amounting to Rs. 8,126 million (30 June 2023: Rs. 4,744 million).

13 TRADE DEBTS

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Secured			
Export Debtors		4,378,812	2,922,579
Local Debtors		1,216,345	1,232,446
	13.2	5,595,157	4,155,025
Unsecured			
Export Debtors		5,743,154	4,834,478
Local Debtors		9,610,205	8,089,196
		15,353,359	12,923,674
Expected credit loss	13.1	(229,471)	(457,152)13.3
	13.3	20,719,045	16,621,547

13.1 **Movement in expected credit loss against doubtful trade debts**

	Note	June 30, 2024	June 30, 2023
Opening balance		457,152	337,390
(Reversal) / Charge for the year	31	(226,929)	108,855
Foreign currency translation		(752)	10,907
Closing balance		229,471	457,152

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

13.3 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).

14 LOANS, ADVANCES AND OTHER RECEIVABLES

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Loans and advances - considered good			
Advances to suppliers		1,656,835	1,507,826
Current portion of loans to employees	9	73,145	75,770
Others		1,134,981	955,669
		2,864,961	2,539,265
Other Receivables			
Letter of Credit and Bank Guarantee Margin	14.1	650,183	728,089
Deposits		28,082	31,069
Forward Contracts		332,315	-
Others		471,488	135,931
		1,482,068	895,089
		4,347,029	3,434,354

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

15 RECEIVABLE FROM GOVERNMENT

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Sales tax refund		766,289	1,297,907
Income tax refund		428,713	560,553
Duty drawback, mark-up subsidy and rebate	15.1	2,298,967	1,823,397
		3,493,969	3,681,857

15.1 Mark-up subsidy represents the amount receivable from Government of Pakistan on account of subsidy announced for textile sector in past years.

16 CASH AND BANK BALANCES

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Cash in hand			
- Local currency		186,919	233,396
- Foreign currency		1,270	248
		188,189	233,644
Balances with banks in current accounts			
- Local currency		424,685	374,634
- Foreign currency		468,894	592,513
	16.1	893,579	967,147
		1,081,768	1,200,791

16.1 This includes an amount of Rs. 205.26 million (30 June 2023: Rs. 153.17 million) held by Shariah compliant banks.

17 SHARE CAPITAL

17.1 Authorized capital

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

17.2 Issued, subscribed and paid-up capital

June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
(Number of Shares)			(Number of Shares)	
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

17.2.1 As at June 30, 2024, Gul Ahmed Holdings (Private) Limited, the ultimate holding company of the Group, held 413,383,760 (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 holding 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.

17.2.2 As per the Honourable Sindh High Court's order, the Group has 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.

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

17.3 **Reconciliation of the number of shares outstanding**

	June 30, 2024	June 30, 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

18 RESERVES

	Note	June 30, 2024	June 30, 2023
		------------- (Rupees in '000) ------------	
Capital Reserves			
Amalgamation reserve	18.1	8,252,059	8,252,059
Statutory reserve	18.2	20,845	20,845
Against long term investments, capacity expansion and BMR	18.3	23,000,000	-
Foreign currency translation reserve	18.4	(302,206)	(258,307)
		30,970,698	8,014,597
Revenue Reserve			
Unappropriated Profit		8,956,407	27,150,400
		39,927,105	35,164,997

18.1 This represents reserves created under the Scheme of Arrangement dated 05 May 2021 involving the holding company, Ideas (Private) Limited, Worldwide Developers (Private) Limited, Grand Industries (Private) Limited and Ghafooria Industries (Private) Limited which has been sanctioned by honourable High Court of Sindh through order dated 29 October 2021.

18.2 As required by Emiri decree No. 2 of 1995, issued by the Ruler of Sharjah, and the Article of Association of Gul Ahmed International (FZC), 10% of the profit for the year has to be transferred to legal reserve until it is equivalent to 50% of paid-up capital. This reserve is not available for distribution.

18.3 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 consolidated financial statements.

18.4 The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

19 LONG TERM FINANCING

	Note	June 30, 2024	June 30, 2023
		------------- (Rupees in '000) ------------	
From Banking Companies - Secured	19.1	10,983,212	14,731,792
From Non-Banking Financial Institutions - Secured	19.2	3,562,997	4,746,816
Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant	19.3	3,279,314	3,734,585
		17,825,523	23,213,193
Current portion shown under current liabilities		(3,233,936)	(3,096,186)
	19.10	14,591,587	20,117,007

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit per annum rate	June 30, 2024	June 30, 2023
----------(Rupees in '000)----------							
19.1 **Banking Companies - Secured**							
Islamic							
Dubai Islamic Bank Under LTL scheme	19.5, 19.8 & 19.9	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	19.5, 19.7 & 19.9	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	19.6, 19.8 & 19.9	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	19.5 & 19.8	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	19.7	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	19.4 & 19.8	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	19.4	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	19.4 & 19.8	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	19.6 & 19.7	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	19.6 & 19.8	32 quarterly	23 February 2031	9,596	4.00% p.a. payable half yearly and quarterly	240,179	278,092
National Bank of Pakistan Under LTFF scheme	19.4,19.5, 19.6 & 19.8	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	19.4 & 19.8	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

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit per annum rate	June 30, 2024	June 30, 2023
						------(Rupees in '000)------	
United Bank Limited Under LTFF scheme	19.5 & 19.8	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	19.4 & 19.8	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
19.2 **Non-Banking Financial Institutions - Secured**							
Pair Investment Company Limited Under LTFF scheme	19.4, 19.6 & 19.8	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	19.4, 19.5 & 19.8	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	19.4, 19.5 &19.8	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	19.4, 19.5 & 19.8	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	19.5 & 19.8	32 quarterly	13 September 2027	30,724	2.75% p.a payable quarterly	438,367	561,263
						3,562,997	4,746,816

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit per annum rate	June 30, 2024	June 30, 2023
						------(Rupees in '000)------	
19.3 **Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant**							
Habib Bank Limited	19.5 & 19.8	16 half yearly	18 January 2025	59,375	2.25 % p.a. payable half yearly	750,163	861,496
MCB Bank Limited	19.6 & 19.8	32 quarterly	23 February 2031	13,841	3.00% p.a. payable quarterly	349,236	401,206
MCB Islamic Bank Limited	19.6 & 19.8	32 quarterly	19 January 2031	9,375	2.50% p.a. payable quarterly	236,889	272,079
Bank of Punjab	19.4, 19.5 & 19.8	32 quarterly	02 December 2030	31,250	2.0 % p.a. payable quarterly	863,939	961,022
Pak Kuwait Investment (Private) Limited	19.4, 19.5 & 19.8	32 quarterly	25 September 2032	9,464	2.5% p.a. payable quarterly	223,491	259,112
Pak China Investment (Private) Limited	19.4, 19.5 & 19.8	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	19.4, 19.5 & 19.8	32 quarterly	27 April 2031	15,357	2.50% p.a payable quarterly	402,143	459,712
						3,279,314	3,734,585

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

19.5 These loans are secured by charge over specified machinery.

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

19.7 These loans are secured by charge over specified machinery of the holding company and equitable mortgage over land and building.

19.8 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.

19.9 These loans are obtained under Shariah Compliant Arrangements.

19.10 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 and are secured against the charge over assets of the holding company.

20 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

	Note	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) -----------	
Opening balance		3,601,520	3,652,873
Additions		528,589	722,285
Interest expense	34	507,171	410,329
Adjustment / (Derecognition)		145,823	(132,785)
Payments		(1,044,823)	(1,053,011)
Foreign currency translation		(268)	1,829
Closing balance		3,738,012	3,601,520
Current portion shown under current liabilities		548,173	609,749
Non-Current portion		3,189,839	2,991,771
		3,738,012	3,601,520

20.1 Maturity profile of minimum lease payments

June 30, 2024

	Minimum lease payments	Interest	Present value of minimum lease payments
	-------------------- (Rupees in '000)	--------------------	
	1,004,616	(456,443)	548,173
Less than one year	3,852,324	(1,222,390)	2,629,934
Between one and five years	944,132	(384,227)	559,905
More than five years	5,801,072	(2,063,060)	3,738,012

June 30, 2023

	Minimum lease payments	Interest	Present value of minimum lease payments
	-------------------- (Rupees in '000)	--------------------	
Less than one year	972,219	(362,470)	609,749
Between one and five years	3,266,157	(1,055,313)	2,210,844
More than five years	955,045	(174,118)	780,927
	5,193,421	(1,591,901)	3,601,520

21 DEFERRED INCOME - GOVERNMENT GRANT

	Note	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) -----------	
Opening balance		134,994	189,673
Government grant recognized as income during the year	33	(32,088)	(54,679)
		102,906	134,994
Current maturity of deferred income - government grant		(28,251)	(32,388)
		74,655	102,606

21.1 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.

22 DEFINED BENEFIT PLAN - STAFF GRATUITY

	Note	June 30, 2024	June 30, 2023
		------------ (Rupees in '000) -----------	
22.1 Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability			
Opening balance		337,549	211,068
Charge for the year in consolidated statement of profit or loss	22.2	236,932	144,188
Remeasurement loss in consolidated statement of comprehensive income	22.3	41,421	48,622
Benefits paid during the year		(83,420)	(65,372)
Benefits due but not paid during the year		(3,406)	(2,165)
Foreign currency translation		(178)	1,208
Closing balance		528,898	337,549

22.2 Charge for the year recognised in consolidated statement of profit or loss

	June 30, 2024	June 30, 2023
Current service cost	191,611	113,577
Mark-up cost	46,588	23,461
	238,199	137,038
(Reversal) / charge in respect of obligation of the subsidiary company	(1,267)	7,150
	236,932	144,188

22.3 Remeasurement loss charged in consolidated statement of comprehensive income

	June 30, 2024	June 30, 2023
Actuarial losses from changes in financial assumptions	20,441	14,775
Experience adjustments	20,980	33,847
	41,421	48,622

22.4 **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%

22.5 **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 we 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.

22.6 **General Description**

The scheme provides retirement benefits to all its eligible employees of the holding 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.

22.7 **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:

	June 30, 2024	June 30, 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 take account of the full distribution of cash flows expected under the plan, it does provide approximation of the sentivity of the assumptions shown.

22.8 **Maturity Profile**

Maturity profile on defined benefit obligation as presented by actuary in the report;

	June 30, 2024	June 30, 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.

22.9 Estimated expenses to be charged to consolidated statement of profit or loss in financial year 2025:

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

23 **TRADE AND OTHER PAYABLES**

	Note	**June 30, 2024**	June 30, 2023
		(Rupees in '000)	
Creditors		14,773,722	13,402,816
Due to related parties	23.1	95,157	130,499
Accrued expenses		6,809,442	7,172,492
Advance from customers		831,454	751,613
Workers' profit participation fund	23.2	391,652	342,711
Workers' welfare fund	23.3	129,235	122,667
Gas infrastructure development cess payable	23.4	3,686,367	4,157,746
Taxes withheld		151,588	154,174
Payable to employees' provident fund trust		69,600	53,553
Payable to bank under bill discounting arrangement		7,149,819	4,029,546
Others		233,839	133,927
		34,321,875	30,451,744

23.1 **Due to related parties**

		June 30, 2024	June 30, 2023
		------------- (Rupees in '000) -----------	
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
		95,157	130,499

23.2 **Workers' profit participation fund**

Opening balance		342,711	591,074
Allocation for the year	32	361,927	337,176
Markup for the year	34 & 23.2.1	8,908	16,921
		713,546	945,171
Payments made during the year		(321,894)	(602,460)
Closing balance		391,652	342,711

23.2.1 Mark-up on Workers' Profit Participation Fund is payable at prescribed rate under Companies Profit (Workers Participation) Act, 1968 on funds utilized by the Group till the date of payment to the fund.

23.3 **Workers' welfare fund**

		June 30, 2024	June 30, 2023
		------------- (Rupees in '000) -----------	
Opening balance		122,667	102,326
Allocation for the year	32	129,236	102,139
		251,903	204,465
Payments made during the year		(122,668)	(81,798)
Closing balance		129,235	122,667

23.4 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 27.5 of these consolidated financial statements.

24 **ACCRUED MARK-UP / PROFIT**

		June 30, 2024	June 30, 2023
		------------- (Rupees in '000) -----------	
Long term financing		192,003	266,056
Short term borrowings		1,211,748	1,344,970
	24.1	1,403,751	1,611,026

24.1 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.

25 **SHORT TERM BORROWINGS**

		June 30, 2024	June 30, 2023
		------------- (Rupees in '000) -----------	
Local currency			
Running finance		5,286,695	2,612,932
Export refinance scheme		20,761,400	22,755,600
Other short term finances		3,868,906	5,703,669
	25.1 & 25.4	29,917,001	31,072,201
Foreign currency			
Export facilitation scheme		9,542,784	-
FE - 25		2,785,867	-
Running finance	25.3	248,676	119,166
		12,577,327	119,166
	25.2	42,494,328	31,191,367

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

25.2 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. 4,734 million (30 June 2023: Rs. 6,136 million).

25.3 This includes short term borrowing amounting to Rs. 73 million @ 9.5% (30 June 2023: Rs. 119 million @ 9.5%) obtained by Sky Home Corp. This is secured against corporate guarantee of the Holding Company, personal guarantee of a director, promissory note of USD 900,000 in favour of the bank and charge over current assets of respective subsidiary.

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

26 **UNPAID DIVIDEND**

Dividend payable includes the dividend amount Rs.23.5 million (30 June 2023: Rs. 23.5 million) held by the Group 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 associated companies respectively.

27 **CONTINGENCIES AND COMMITMENTS**

Gul Ahmed Textile Mills Limited - Holding Company

27.1 The Holding 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 Holding Company. The legal consultant of the Holding Company is of the view that the Holding 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 Holding 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 Holding 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 Holding Company is of the view that the title of the Holding Company stands clear and there is no likelihood of unfavourable outcome.

27.2 The Holding 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 Holding 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 Holding Company. The legal consultant of the Holding Company is of the view that the Holding Company has a reasonable case and is expecting favourable outcome therefore, no provision has been made there against.

27.3 The Holding 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 partial 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 Holding Company. The legal consultant of the Holding Company is of the view that the Holding Company has a reasonable case and is expecting favourable outcome, however a provision is made for the unpaid amount of Rs. 7.4 million (30 June 2023: Rs. 7.4 million).

27.4 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 Holding 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 Holding 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 consolidated financial statements.

27.5 The Holding 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 Holding 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 Holding Company on the issue of Captive connections for self consumption. Therefore, management, based on the legal advice believes that maximum liability of the Holding Company in respect of GIDC will be Rs. 2.3 billion. The Holding 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 Holding 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 consolidated 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.

27.6 Various cases for reinstatement and settlement dues have been filed by the former employees of the Holding 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 consolidated financial statements.

27.7 The Holding 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 Holding 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 Holding Company has not received any input tax amount against said service invoices. Department also validates the same deferred invoices with FBR system. The matter is at hearing stage and the legal consultant of the Holding Company is of the view that the title of the Holding Company stands clear and there is no likelihood of unfavourable outcome.

27.8 The Holding 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 Holding Company has properly charged sales tax. The matter is at hearing stage and the legal counsel of the Holding Company is of the view that the title of the Holding Company stands clear and there is no likelihood of unfavourable outcome.

27.9 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 Holding Company contested the matter in appeal and Commissioner Income Tax (Appeal) passed an order in favor of the Holding 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 Holding Company. Based on the advice of legal advisor, no provision is required to be made in the provision for taxation in these consolidated financial statements, in excess of the adjustment of Rs. 8 million recorded in these consolidated financial statements.

27.10 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 Holding 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 Holding 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 Holding 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.

27.11 The Holding 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 Holding Company. On 15 March 2024, the Honourable Islamabad High Court decided the case in favour of the Holding 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.

The Holding 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 Holding 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 Holding 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 Holding Company has deposited post dated cheques to Nazir High Court of Sindh amounting to Rs. 220.47 million.

27.12 The Holding 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 Holding Company and allowed the Holding Company to pay the bills as per old rates. As required under the Order, the Holding Company provides banker's verified Cheques each month aggregating to Rs. 211.72 million (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 consolidated financial statements.

27.13 The Holding 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 Holding Company and ordered to pay the Bills without ISPA charges to banks. The Holding 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, Holding Company has maintained full provision in these consolidated financial statements. Subsequently, the Honourable Sindh High Court decided the case in favor of the Holding Company and K-Electric has filed an appeal in the Supreme Court against the decision which is still pending.

27.14 The Holding 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 Holding Company has also filed petition against Sindh Infrastructure Cess levied through the Sindh Finance Act, 1994. During the year ended 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 Holding Company also had filed constitutional petition dated 14 October 2017 and Honourable High Court of Sindh had allowed interim relief to the Holding 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 consolidated 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).

27.15 The Holding 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 Holding 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 Holding Company. OGRA issued further notifications on 30 December 2016, 17 September 2018 and 23 October 2020 enhancing the rates. The Holding 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 Holding 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 these consolidated 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 Holding Company along with several other companies have 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 Holding Company. As a matter of prudence, the Holding Company has maintained a full provision amounting to Rs. 174.4 million (30 June 2023: 174.4 million) in the consolidated financial statements. On 18 February 2024, the Honourable Sindh High Court decided the case against the Holding Company file in relation to the notification issued earlier via SRO No. (I) dated 23 October 2020. The Holding Company filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision which has also been decided against the Holding Company dated 28 March 2024 . Now, the Holding 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 Holding Company has maintained the full provision against any adverse decision in these consolidated 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 Holding 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 Holding 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 Holding 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 08 November 2023, the case is currently pending for hearing before the Honourable Sindh High Court. However, the Holding Company has paid increased amount to SSGC with the understanding that incase the decision comes in favour of the Holding Company, the SSGC will either refund the excess amount or it will adjust in future bill.

27.16 The Holding 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 Holding Company, since the Holding 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 Holding 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 Holding Company paid the bills accordingly at the specified rates. Upto September 2018, the Holding Company has provided banker's cheques for 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 consolidated financial statements.

27.17 **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 Group 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. 1,104 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, Gul Ahmed International FZC and Sky Home Corp. respectively.

27.18 **Commitments**

	June 30, 2024	June 30, 2023
	------------- (Rupees in '000)	------------
Capital expenditure for plant and machineries	761,382	1,234,621
Other than capital expediture	15,429,528	3,965,192
Forward foreign exchange contracts	21,344,805	-

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

27.18.2 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 Group is obligated to provide export documents of USD 33 million against such amount.

Pension Commitments

GTM (Europe) Ltd operates a defined contributions pension scheme. The assets of the scheme are held separately from those of GTM (Europe) Ltd in an independently administered fund. The pension cost charge represents contributions payable by GTM (Europe) Ltd to the fund and amounted to Rs. 1.8 million (30 June 2023: Rs. 3.11 million).

28 SALES-NET

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Export sales			
Direct		104,134,670	74,606,450
Indirect		35,374,474	34,034,984
		139,509,144	108,641,434
Export rebate		567,346	579,739
Trade and other discount		(856,537)	(675,747)
Commission		(2,277,994)	(1,660,506)
Sales tax		(3,343,155)	(4,919,257)
		133,598,804	101,965,663
Local sales	28.1	45,760,881	42,751,878
Brokerage		(407,153)	(356,769)
Sales tax		(6,472,804)	(5,434,088)
		38,880,924	36,961,021
		172,479,728	138,926,684

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

28.2 Information with respect to disaggregration of revenue by internal segment and geographical location is disclosed in note 38 and 39 respectively.

28.3 All revenue earned are from shariah permissible business.

29 COST OF SALES

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Opening stock of finished good		14,774,304	12,433,223
Cost of goods manufactured	29.1	134,595,936	105,269,747
Purchase of finished goods		9,232,274	7,801,631
		158,602,514	125,504,601
Closing stock of finished goods	12	(14,867,005)	(14,774,304)
		143,735,509	110,730,297

29.1 Cost of goods manufactured

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Raw materials consumed	29.2	91,207,219	74,004,103
Other material and conversion cost		10,914,792	6,738,827
Stores and spares consumed		384,074	527,291
Salaries, wages and benefits	31.1	16,426,653	12,534,308
Fuel, power and water		12,048,844	5,906,910
Insurance		226,843	150,129
Repair and maintenance		2,305,168	1,556,830
Depreciation and amortization	5.1.1 & 7.1	4,292,360	3,512,895
Depreciation on right of use assets	6	22,451	29,159
(Reversal) / Provision for slow moving - stores and spares	11.1	(148,345)	70,944
(Reversal) / Provison for slow moving - stock-in-trade	12.1	(12,028)	138,554
Other manufacturing expenses		599,849	951,754
		138,267,880	106,121,704
Work-in-process			
Opening		6,249,994	5,398,037
Closing	12	(9,921,938)	(6,249,994)
		(3,671,944)	(851,957)
		134,595,936	105,269,747

29.2 Raw materials consumed

	Note	June 30, 2024	June 30, 2023
Opening stock		26,502,764	23,916,081
Purchases during the year		96,002,295	76,590,786
Closing stock	12	(31,297,840)	(26,502,764)
		91,207,219	74,004,103

30 SELLING AND DISTRIBUTION COST

	Note	June 30, 2024	June 30, 2023
Salaries, wages and benefits	31.1	2,709,337	2,187,890
Freight and shipment expenses		1,731,190	1,407,034
Advertisement and publicity		1,439,929	1,566,522
Rent and ancillary charges		720,972	435,031
Depreciation & amortization	5.1.1 & 7.1	386,460	444,660
Depreciation on right of use assets	6	629,673	669,673
Utilities		689,375	484,660
Communication		330,581	121,088
Export development surcharge		316,177	206,561
Royalty		1,652	1,984
Other expenses		1,045,437	1,047,731
		10,000,783	8,572,834

31 ADMINISTRATIVE COST

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Salaries, wages and benefits	31.1	2,682,505	2,302,669
Rent and ancillary charges	31.2	275,299	259,503
Repairs and maintenance		262,748	77,097
Vehicle up keep and maintenance		600,314	711,178
Utilities		34,609	23,234
Traveling and conveyance		507,196	500,306
Printing and stationery		107,530	101,171
Communication		383,711	289,665
Legal and consultancy fees		231,164	208,948
Depreciation and amortisation	5.1.1 & 7.1	327,028	262,711
Depreciation on right of use assets	6	54,126	57,844
Auditor's remuneration	31.3	28,636	21,650
Donations	31.4 & 31.5	62,095	44,477
Insurance		188,708	135,357
Expected credit loss against doubtful trade debts	13.1	(226,929)	108,855
Other expenses		428,223	549,955
		5,946,963	5,654,620

31.1 Salaries, Wages & Benefits

	Cost of sales		Distribution costs		Administrative costs		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in '000)							
Salaries, wages and benefits	15,771,973	12,077,658	2,635,010	2,161,418	2,617,473	2,263,482	21,024,456	16,502,558
Retirement benefits								
Gratuity	236,932	144,188	-	-	-	-	236,932	144,188
Contribution to provident fund	321,501	231,483	74,310	26,445	64,932	39,074	460,743	297,002
	558,433	375,671	74,310	26,445	64,932	39,074	697,675	441,190
Staff compensated absences	96,247	80,979	17	27	100	113	96,364	81,119
	16,426,653	12,534,308	2,709,337	2,187,890	2,682,505	2,302,669	21,818,495	17,024,867

31.2 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.

31.3 Auditor's remuneration

	June 30, 2024	June 30, 2023
	(Rupees in '000)	
Holding Company		
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
Local Subsidiary	1,080	810
Foreign Subsidiaries - Audit fee (multiple audit firms)	4,915	5,362
	28,636	21,650

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

Name of Donee	Interest in Donee	Name of Director	June 30, 2024	June 30, 2023
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

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

32 OTHER OPERATING COST

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Workers' profit participation fund (WPPF)	23.2	361,927	337,176
Workers' welfare fund (WWF)	23.3	129,236	102,139
Loss on sale of property, plant and equipment	5.1.2	57,358	23,145
Loss on reassessment of right of use asset and corresponding lease liability		9,902	-
Others		13,769	-
		572,192	462,460

33 OTHER INCOME

	Note	June 30, 2024	June 30, 2023
Income from non-financial assets and others			
Gain on derecognition of right of use asset and corresponding lease liability		-	68,117
Government grant	21	32,088	54,679
Unclaimed liabilities written back		3,910	53,162
Others		136,477	69,554
		172,475	245,512
Income from financial assets			
Mark-up income on Term Finance Certificates		16,481	13,446
Dividend income		1,462	-
Other markup income	33.1	103,193	79,551
Exchange gain from currency realization		1,219,444	1,088,465
Exchange gain / (loss) from derivative financial instruments	33.2	642,378	(621,604)
		1,982,958	559,858
		2,155,433	805,370

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

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

34 FINANCE COST

	June 30, 2024	June 30, 2023
	------------- (Rupees in '000) ----------	
Mark-up on short term borrowings	4,956,070	5,091,445
Mark-up on long term financing	1,013,013	888,988
Bank and other charges	1,179,020	513,853
Mark-up on workers' profit participation fund	8,908	16,921
Interest expense on lease liabilities	507,171	804,335
	7,664,182	7,315,542

34.1 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

35 LEVIES

	June 30, 2024	June 30, 2023
	------------- (Rupees in '000) ----------	
Minimum Tax in excess of income tax	186,977	185,616
Final Taxes	2,048,345	1,637,402
	2,235,322	1,823,018

35.1 This represents minimum tax in excess of income tax and final taxes paid under section 113 and 154 respectively of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/ IAS 37.

36 INCOME TAX

	June 30, 2024	June 30, 2023 Restated
	------------- (Rupees in '000) ----------	
Current tax	275,114	273,221
Prior tax	(22,160)	560,942
	252,954	834,163
Deferred tax	(624,707)	(558,365)
	(371,753)	275,798

36.1 Since majority of the Group's income falls under the ambit of presumptive tax regime, the relationship between tax expense and accounting profit has not been presented in these consolidated financial statements.

36.2 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the consolidated statement of profit or loss, is as follows:

	June 30, 2024	June 30, 2023
	------------- (Rupees in '000) ----------	
Current tax liability for the year as per applicable tax laws	2,510,436	2,096,239
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(275,114)	(273,221)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(2,235,322)	(1,823,018)
Difference	-	-

36.3 The aggregate of final tax and income tax, amounting to Rs. 2,510 million (30 June 2023: Rs. 2,096 million) represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance, 2001.

37 EARNINGS PER SHARE - basic and diluted

	Note	June 30, 2024	June 30, 2023
		------------- (Rupees in '000) ----------	
Profit after taxation		4,851,963	4,897,485
		(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 (Rs.)	37.1	6.56	6.62

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

38 SEGMENT INFORMATION

The Group's operations have been divided in four segments based on the nature of process and internal reporting along with subsidiaries. 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 falling under the definition of home textile.
d) Retail: Sale of textile goods and other products through retail and online channels.
e) Others: Weaving, Fiber Bleaching, Knitting, Yarn dyeing and Dyed yarn fabric etc.

Transactions among the business segments are recorded at cost.

38.1 **Segment Profitability**

	Spinning		Apparel		Home Textile		Retail		All other segments		Elimination Of Inter SegmentTransactions		Total	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
	(Rupees in '000)													
Sales to external customer	37,465,896	33,895,948	13,253,087	10,448,783	76,806,077	56,923,929	28,969,205	27,421,312	15,985,463	10,236,712	-	-	172,479,728	138,926,684
Intersegmental sales	100,305	57,086	3,849,681	1,950,750	22,742,914	15,015,226	41,483	41,207	8,749,011	7,251,746	(35,483,394)	(24,316,015)	-	-
Cost of sales	(30,763,554)	(28,339,167)	(15,543,424)	(10,887,242)	(92,334,755)	(63,641,252)	(18,650,571)	(17,716,259)	(21,926,599)	(14,462,392)	35,483,394	24,316,015	(143,735,509)	(110,730,297)
Gross profit	6,802,647	5,613,867	1,559,344	1,512,291	7,214,236	8,297,903	10,360,117	9,746,260	2,807,875	3,026,066	-	-	28,744,219	28,196,387
Distribution and Administrative cost	(451,016)	(532,709)	(855,580)	(707,944)	(4,657,633)	(3,465,503)	(7,788,896)	(7,536,400)	(2,194,621)	(1,965,389)	-	(19,509)	(15,947,746)	(14,227,454)
Profit before tax and before charging following	6,351,631	5,081,158	703,764	804,347	2,556,603	4,832,400	2,571,221	2,209,860	613,254	1,060,677	-	(19,509)	12,796,473	13,968,933
Finance Cost													(7,664,182)	(7,315,542)
Other operating cost													(572,192)	(462,460)
Other income													2,155,433	805,370
													(6,080,941)	(6,972,632)
Profit before tax													6,715,532	6,996,301
Taxation													(1,863,569)	(2,098,816)
Profit after tax													4,851,963	4,897,485
Depreciation and Amortisation expense	1,365,083	1,183,019	197,976	162,622	1,031,594	911,927	508,811	1,272,178	2,608,633	1,431,791	-	-	5,712,097	4,961,537

38.2 **Segment assets and liabilities**

	Spinning		Apparel		Home Textile		Retail		All other segments		Elimination Of Inter SegmentTransactions		Total	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
	(Rupees in '000)													
Assets	32,289,234	36,506,601	7,113,934	5,884,071	57,379,745	41,017,970	17,568,817	18,762,323	20,914,821	19,063,316	13,673,330	12,407,456	148,939,881	133,641,737
Liabilities	12,971,968	13,875,597	3,178,145	3,160,419	22,355,651	18,826,945	12,487,740	13,923,553	13,632,540	28,947,810	36,986,138	29,014,008	101,612,182	91,076,146
Segment Capital & Intangible expenditure	324,127	2,289,143	151,641	522,778	1,355,898	1,507,131	230,793	727,951	410,638	2,427,025	2,266,178	1,329,879	4,739,275	8,803,907

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

38.4 Information about major customer

Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 34,250 million (30 June 2023: Rs. 28,628 million).

39 INFORMATION BY GEOGRAPHICAL AREA

	Revenue		Non-current assets	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	(Rupees in '000)			
Pakistan	71,319,396	66,433,517	58,870,793	58,731,749
Germany	30,637,887	24,975,300	-	-
United States	14,807,071	12,706,871	596	3,069
United Kingdom	11,820,996	5,192,007	131,513	179,750
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	1,421,664	-	-
Other Countries	10,294,091	5,610,386	61,786	20,022
	175,454,066	141,039,967	59,064,688	58,934,590

40 CASH AND CASH EQUIVALENTS

		June 30, 2024	June 30, 2023
		(Rupees in '000)	
Cash and bank balances	16	1,081,768	1,200,791
Running Finance	25	(5,535,371)	(2,732,098)
		(4,453,603)	(1,531,307)

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	June 30, 2024				June 30, 2023			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in '000)							
Managerial remuneration	16,000	12,000	2,094,250	2,122,250	16,000	25,756	1,408,851	1,450,607
Annual bonus	1,333	1,000	84,436	86,769	1,333	1,000	56,935	59,269
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	143,157	145,490	1,333	1,000	70,423	72,756
	26,666	20,000	3,243,390	3,290,06	26,666	33,756	2,202,327	2,262,749
Number of persons	1	1	661	663	1	1	493	495

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

41.2 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).

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

42 **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties comprise associated companies, companies where directors also hold directorship, directors of the Group and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Details of related party transactions and balances other than those disclosed elsewhere in these consolidated financial statements are as follows:

Name of the related party	Transactions during the period	June 30, 2024	June 30, 2023
		------------- (Rupees in '000) -----------	
Gul Ahmed Holdings (Private) Limited - Parent Company	Bonus Shares issued	-	688,973
Grand Industries (Private) Limited - Associated Company	Rent expense Bonus Shares issued	2,648 -	4,111 96,963
Ghafooria Industries (Private) Limited - Associated Company	Bonus Shares issued	-	26,791
Swisstex Chemicals (Private) Limited - Associated Company	Purchase of goods Services rendered Bonus Shares issued	196,859 15,000 -	243,715 - 36,863
Win Star (Private) Limited - Associated Company	Purchase of goods	31,169	19,380
Arwen Tech. (Private) Limited - Associated Company	Services rendered	182,171	176,268
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 - Associated Company	Bills Discounted Short Term Borrowings Bank Balance Accrued Markup Finance Cost	23,026,343 5,424,368 5,700 9,725 254,419	10,365,795 3,467,801 91,437 91,518 347,442
Askari Bank Limited - Associated Company	Bills Discounted Short Term Borrowings Accrued Markup Finance Cost	2,361,162 2,968,900 44,229 434,005	2,964,925 3,310,628 119,905 447,795
Samba Bank Limited - Associated Company	Bills Discounted Short Term Borrowings Accrued Markup Finance Cost	169,874 849,162 22,082 81,167	122,497 362,045 11,988 68,844
Standard Chartered (Pakistan) Limited - Associated Company	Bills Discounted Short Term Borrowings Accrued Markup Finance Cost	1,696,905 5,505,991 185,947 468,738	4,109,470 2,073,538 92,472 252,007
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust - Associated Company	Holding Company's contribution to provident fund Bonus Shares issued	392,046 -	299,239 5,178
International 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 Fees paid	250 60	1,100 30
Ideas - Employees Provident Fund Trust - Associated Company	Subsidiary Company's Contribution to Provident Fund	68,698	65,428

42.1 There are no transactions with directors of the Group and 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 9 and 41 respectively of these consolidated financial statements

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

Name of the related party	Country of Incorporation	Basis of relationship	% of shareholding
Gul Ahmed Holdings (Private) Limited	Pakistan	Ultimate Holding Company	55.86%
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	-
Samba Bank Limited	Pakistan	Common Directorship	-
Standard Chartered Bank (Pakistan) Limited	Pakistan	Common Directorship	-
Askari Bank 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 Textile Mills Limited Employees			
Provident Fund Trust	Pakistan	Employees Fund	0.42%
Ideas (Private) Limited Employees			
Provident Fund Trust	Pakistan	Employees Fund	-
Mohomed Bashir	-	Director	0.66%
Mohammed Zaki Bashir	-	Director	3.36%
Zain Bashir	-	Director	3.36%
Ziad Bashir	-	Director	0.00%
Ehsan A. Malik	-	Director	0.00%
Zeeba Ansar	-	Director	0.00%
Kamran Y. Mirza	-	Director	0.01%

43 CAPACITY AND PRODUCTION

	Unit	June 30, 2024			June 30, 2023		
		Capacity	Production	Working	Capacity	Production	Working
		(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.

44 NUMBER OF PERSONS EMPLOYED

Number of persons employed as at year end were 18,466 (30 June 2023: 18,059) and average number of employees during the year were 18,242 (30 June 2023: 17,301).

45 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.

46 FINANCIAL ASSETS AND LIABILITIES

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

	June 30, 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	
Financial assets	(Rupees in '000)						
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	1,995,397	-	1,995,397	2,617,049
Long term deposits	-	-	-	-	518,467	518,467	518,467
Trade debts	-		-	20,719,045	-	20,719,045	20,719,045
Cash and bank balances	-	-	-	1,081,768	-	1,081,768	1,081,768
At Fair Value Through Profit or Loss							
Short term investments	-	-	-	1,243	-	1,243	1,243
	645,086	86,125	731,211	23,847,164	520,281	24,367,445	25,098,656
Financial liabilities							
At amortized cost							
Long term financing	3,233,936	14,591,587	17,825,523	-	-	-	17,825,523
Lease Liability	548,173	3,189,839	3,738,012	-	-	-	3,738,012
Trade and other payables	391,652	-	391,652	32,947,181	-	32,947,181	33,338,833
Accrued mark-up/profit	-	-	-	1,403,751	-	1,403,751	1,403,751
Short term borrowings	42,494,328	-	42,494,328	-	-	-	42,494,328
Unclaimed dividend	-	-	-	9,840	-	9,840	9,840
Unpaid dividend	-	-	-	23,505	-	23,505	23,505
	46,668,089	17,781,426	64,449,515	34,384,277	-	34,384,277	98,833,792
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	-	-	-	37,535,715	-	37,535,715	37,535,715
	-	-	-	50,524,485	-	50,524,485	50,524,485

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

	June 30, 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	
Financial assets	(Rupees in '000)						
At amortized cost							
Long term investment	-	70,000	70,000	-	-	-	70,000
Long term loans	43,164	51,490	94,654	1,883,364	16,411	1,899,775	1,994,429
Loans, advances and other receivables	-	-	-	-	491,434	491,434	491,434
Long term deposits	-		-	16,621,547	-	16,621,547	16,621,547
Trade debts	-	-	-	1,200,791	-	1,200,791	1,200,791
Cash and bank balances							
	43,164	121,490	164,654	19,705,702	507,845	20,213,547	20,378,201
Financial liabilities							
At amortized cost							
Long term financing	3,096,186	20,117,007	23,213,193	-	-	-	23,213,193
Lease Liability	609,749	2,991,771	3,601,520	-	-	-	3,601,520
Trade and other payables	342,711	-	342,711	29,203,246	-	29,203,246	29,545,957
Accrued mark-up/profit	-	-	-	1,611,026	-	1,611,026	1,611,026
Short term borrowings	31,191,367	-	31,191,367	-	-	-	31,191,367
Unclaimed dividend	-	-	-	9,931	-	9,931	9,931
Unpaid dividend	-	-	-	23,505	-	23,505	23,505
	35,240,013	23,108,778	58,348,791	30,847,708	-	30,847,708	89,196,499
Off balance sheet items							
Guarantees	-	-	-	4,388,000	-	4,388,000	4,388,000
Bills discounted	-	-	-	7,685,503	-	7,685,503	7,685,503
Commitments	-	-	-	5,199,813	-	5,199,813	5,199,813
	-	-	-	17,273,316	-	17,273,316	17,273,316

47 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management objectives

The Group'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 Group's overall risk management program focuses on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group'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 Group's exposure to each of the above risk, the Group's objectives, policies and procedures for measuring and managing risk and the Group's management of capital is as follows:

47.1 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 / markup 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 Group 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 Group is exposed to foreign currency risk arising from foreign exchange fluctuations due to the following financial assets and liabilities:

	June 30, 2024	June 30, 2023
	(Equivalent USD 000s)	
Trade debts	36,371	14,498
Cash and bank balances	1,685	2,067
Short term borrowing	(45,112)	(415)
Trade and other payables	(623)	(455)
Net exposure	(7,679)	15,695

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

	June 30, 2024	June 30, 2023
	------------- (Rupees in '000) ------------	

Foreign currency commitments and guarantees outstanding at year end are as follows:

USD	100,058	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)	356.5 / 357.2	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. 334 million (30 June 2023: Rs. 225 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 Group has long term finance and short term borrowings at fixed and variable rates. During the year the Group has in order to avoid adverse effect of high interest / mark-up rate exercised the prepayment option.

The Group 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. 731 million (30 June 2023: Rs. 164.6 million) which are subject to interest / mark-up rate risk. Financial liabilities include balances of Rs. 64,449 million (30 June 2023: Rs. 58,350 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 markup 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 markup 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. 425 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. 7.3 million (30 June 2023: Rs. 5.8 million).

Fair value sensitivity analysis for fixed rate instruments

The Group 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 consolidated statement of profit or loss of the Group.

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 Group. 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).

47.2 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

The Group'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:

	Note	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Long term investment		70,000	70,000
Loans, advances and other receivables		2,617,049	1,994,429
Long term deposit		518,467	491,434
Trade debts	13	20,719,045	16,621,547
Bank balances	16	893,579	967,147
		24,818,140	20,144,557

The Group 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 Group actively pursues for the recovery of these loans and the Group 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 Group 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 Group 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 Group 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 Group for several years. The Group actively pursues for the recovery of the debt and based on past experience and business relationship and credit worthiness of these customers, the Group 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 Group 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 Group has aging of the trade debts of the Group outstanding as at year end is as follows:

	Gross Carrying Amount	Impairment Loss Allowance
	(Rupees in '000)	
2024		
Secured	5,595,157	-
Unsecured		
Current	11,909,590	17
1-30 Days	2,207,805	3,101
31-60 Days	700,840	9,973
61-90 Days	376,504	57,760
More than 90 Days	158,620	158,620
	20,948,516	229,471
2023		
Secured	4,155,025	-
Unsecured		
Current	8,091,154	-
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	294,669	294,669
	17,078,699	457,152

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 Group 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	June 30, 2024	June 30, 2023
		(Rupees in '000)	
Long term investment			
AAA	8	70,000	70,000
Bank balances			
AAA		106,780	821,044
AA+		5,700	120,252
AA		765	10,918
AA-		75,711	344
A+		180,351	188
A1		464,170	14,400
BBB-		60,102	-
		893,579	967,147
		963,579	1,037,147

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.

47.3 **Liquidity risk**

Liquidity risk represent the risk where the Group 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. 47 of these consolidated financial statements.

The Group 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 Group has Rs. 45,368 million (30 June 2023: Rs. 37,328 million) available borrowing limit from financial institutions. Unutilized borrowing facilities of Rs. 4,734 million (30 June 2023: Rs. 6,136 million) and also has Rs. 1,082 million (30 June 2023: Rs. 1,201 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
Lease liability against right of use assets	3,738,012	5,801,072	1,004,616	4,796,456
Trade and other payables	33,338,833	33,338,833	33,338,833	-
Accrued markup	1,403,751	1,403,751	1,403,751	-
Short term borrowings	42,494,328	42,494,328	42,494,328	-
Unclaimed dividend	9,840	9,840	9,840	-
Unpaid dividend	23,505	23,505	23,505	-
	98,833,792	100,896,852	81,508,809	19,388,043
Total as at 30 June 2023	89,196,499	90,788,400	66,450,191	24,338,209

47.4 **Capital risk management**

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

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

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

	June 30, 2024	June 30, 2023
	------ (Rupees in '000) ------	
Total borrowings	60,319,851	54,404,560
Cash and bank	(1,081,768)	(1,200,791)
Net debt	59,238,083	53,203,769
Total equity	47,327,699	42,565,591
Total equity and debt	106,565,782	95,769,360
Gearing ratio (%)	56	56

The Group 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.

48 **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 Group 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).

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 Group'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 Group 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.

49 **DATE OF AUTHORIZATION**

These consolidated financial statements were authorized for issue by the Board of Directors of the Group in their meeting held on September 25, 2024

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

From Ideas to Impact

Shareholder Information

Annual General Meeting

The Annual General Meeting of the shareholders' will be held on October 26, 2024 at 10:30 a.m. at Moosa D. Dessai ICAP Auditorium, Institute of Chartered Accountants of Pakistan, G-31/8, Chartered Accountants Avenue, Clifton, Karachi and via Video Call. Shareholders as of October 19, 2024 are encouraged to participate and vote. Any shareholder may appoint a proxy to vote on his or her behalf. Proxy must be a shareholder of the Company. Proxies should be filed with the Company at least 48 hours before the meeting time. CDC shareholders or their proxies are requested to bring with them copies of their Computerized National Identity Card along with the Participant's ID Number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

Shareholders who have not yet submitted photocopy of their CNIC are requested to send the same to the Share Registrar of the Company FAMCO Shares Registration Services (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi at the earliest.

Ownership
On June 30, 2024 the Company has 7,693 shareholders.

Stock Symbol
The stock code for dealing in equity shares of the Company at Pakistan Stock Exchange Limited is 'GATM'.

Transmission of Annual Audited Accounts through QR enabled code/weblink.

In terms of S.R.O. 389 (I)/2023 dated 21st March, 2023 issued by Securities Exchange Commission of Pakistan (SECP) to circulate the annual balance sheet and Profit and loss account, auditor's report, etc. ("annual audited financial statements") to its members through QR enabled code and web link. The Company will transmit the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to the members through QR enabled code and weblink (instead of via CD/ DVD/ USB) as allowed by Securities & Exchange Commission of Pakistan (SECP) via S.R.O 389(I)/2023 dated 21st March, 2023.

The shareholders who are interested in receiving the annual reports and notice of annual general meeting electronically through email in future are requested to send their email address on the consent form placed on the Company's website. Any member requiring printed copy of Annual Report 2024 may send a request using a Standard Request Form placed on Company's website.

E-Dividend Mandate (Mandatory)
Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Form available on Company's website: www.gulahmed.com and send it duly signed along with a copy of CNIC to the Share Registrar of the Company in case of physical shares. In case shares are held in CDC then Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

Pakistan Stock Exchange Share Prices 2023-24		
	Price in Rupees	
Period	High	Low
1st Quarter	19.80	16.45
2nd Quarter	26.81	17.25
3rd Quarter	23.00	19.00
4th Quarter	23.30	19.52

Announcement of Financial Results
The tentative dates of the announcement of financial results and payment of cash dividend (if any) for the year 2024-25 are as follows:

Period	Financial Results	Dividend Payment (if any)
1st Quarter	Oct 28, 2024	---
2nd Quarter	Feb 24, 2025	---
3rd Quarter	April 24, 2025	---
Annual Accounts	Sep 18, 2025	Nov 7, 2025

The Company reserves the right to change any of the above dates.

Share Registrar
Enquiries concerning lost share certificates, dividend payments, change of address, verification of transfer deeds and share transfers should be directed to our Share Registrar FAMCO Shares Registration Services (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi, Phone Nos. (+92-021) 34380101-5 and Fax No. (+92-021) 34380106.

Web Reference
Annual/Quarterly reports are regularly posted at the Company's website: www.gulahmed.com

Investor Relation Contact

Mr. Salim Ghaffar, Company Secretary
Email: salim.ghaffar@gulahmed.com
UAN: (+92-021) 111-485-485 & 111-486-486
Fax: (+92-021) 35019802

Notice of Annual General Meeting

Notice is hereby given that the 72nd Annual General Meeting of Gul Ahmed Textile Mills Limited will be held at Moosa D. Dessai ICAP Auditorium, Institute of Chartered Accountants of Pakistan, G-31/8, Chartered Accountants Avenue, Clifton, Karachi and also through video-link facility on Saturday, October 26, 2024 at 10:30 a.m. to transact the following businesses:

Ordinary Business:

1. To receive, consider and approve the Audited Financial Statements for the year ended June 30, 2024 together with the Directors' and Auditors' Reports thereon.

2. To appoint Auditors for the financial year ending June 30, 2025 and to fix their remuneration.

   The Board proposes to appoint Yousuf Adil, Chartered Accountants as auditors of the Company for the year ending June 30, 2025.

3. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

Special Business:

4. To consider, and if deemed fit, to pass the following resolutions as Special Resolution:

"Resolved that

a. the transactions carried out in normal course of business with related parties as disclosed in Note No. 40 during the year ended June 30, 2024 be and are hereby ratified and approved,

b. the Board of Directors of the Company be and are hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with related parties during the ensuing year ending June 30, 2025, and

c. these transactions by the Board of Directors of the Company shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval."

The statement under Section 134(3) of the Companies Act, 2017 pertaining to the Special Resolutions is being sent along with the notice to the Members.

By Order of the Board

Karachi
September 25, 2024

Salim Ghaffar
Company Secretary

اطلاع سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ گل احمد ٹیکسٹائل ملز لمیٹڈ کا 72 واں سالانہ اجلاس عام بمقام موسیٰ ڈی ڈیسائی آئی کیپ (ICAP) آڈیٹوریم، انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان G-31/8، چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن، کراچی میں بروز ہفتہ مورخہ 26 اکتوبر 2024ء بوقت صبح 10:30 بجے مندرجہ ذیل امور کی انجام دہی کے لئے منعقد کیا جائے گا:

عمومی امور:

1 30 جون 2024 کو ختم ہونے والے سال کے لئے پڑتال شدہ مالی گوشواروں معہ آڈیٹرز اور ڈائریکٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔

2 اختتام مالی سال 30 جون 2025 کے لئے پڑتال کنندگان کی تقرّری اور ان کے مشاہرے کا تعیّن۔

آئندہ اختتام سال 30 جون 2025 کے لئے کمپنی کے پڑتال کنندگان کی حیثیت سے بورڈ، یوسف عادل، چارٹرڈ اکاءونٹینٹس کی تقرّری کی تجویز پیش کرتا ہے۔

3 چیئرمین کی اجازت سے دیگر امور جو سالانہ اجلاس عام میں انجام دیئے جا سکتے ہوں۔

خصوصی امور:

4 غور و خوض کے بعد اگر موزوں سمجھا جائے تو مندرجہ ذیل قراردادوں کو خصوصی قرارداد کے طور پہ پیش کرنا۔

"قرار پایا کہ

الف 30 جون 2024 کو ختم ہونے والے سال کے دوران نوٹ نمبر 40 میں ظاہر کردہ متعلقہ فریقوں کے ساتھ معمول کے کاروبار کے تحت کئے گئے اور کئے جانے والے لین دین کی تصدیق کی جاتی ہے اور منظوری دی جاتی ہے،

ب کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2025 کو ختم ہونے والے آئندہ سال کے دوران ہر لین دین کی منظوری دینے اور متعلقہ فریقوں کے ساتھ معمول کے تحت کاروبار کرنے کا اختیار ہے اور ہوگا، اور

ج کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کئے گئے لین دین کے اُمور کو حصص یافتگان کی جانب سے منظور شدہ سمجھا جائے گا اور اُن کی باضابطہ توثیق, منظوری کے لئے آئندہ سالانہ اجلاسِ عام میں حصص یافتگان کے سامنے پیش کیا جائے گا۔"

کمپنیز ایکٹ 2017 کی شق (3)134 کے تحت خصوصی قراردادوں سے متعلق بیان اراکین کو اطلاع کے ساتھ ارسال کیا جارہا ہے۔

بحکم بورڈ

بمقام کراچی:
مورخہ 25 ستمبر 2024

سلیم عبد الغفار
کمپنی سیکریٹری

1. **Book Closure**
The Share Transfer Books of the Company will remain closed from October 19, 2024 to October 26, 2024 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers received in order at the office of our Share Registrar M/s. FAMCO Share Registration Services (Private) Limited 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi by the close of the business on October 18, 2024 will be in time for the purpose of attending Annual General Meeting.

2. **Participation in the AGM in-person or through video conferencing**
A member or proxyholder can participate in the AGM proceedings either via physical presence or through video link facility:

i. The CDC Account holders/sub-account holders are requested to bring with them their original CNICs or Passports alongwith Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced at the time of meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.

ii. The Company has made arrangements to ensure maximum participation of shareholders in the AGM proceedings via video-link. Shareholders interested in attending the AGM through video-link are hereby requested to get themselves registered as provided in Note No.2 hereof.

iii. The members / proxies who wish to attend the Annual General Meeting, via Video Link, are requested to get themselves registered by sending their particulars at the designated email address salim.ghaffar@gulahmed.com giving particulars as per below table by the close of business hours (5:00 p.m.) on October 23, 2024:

Name of Member	CNIC No. / NTC No.	CDC Participant ID / Folio No.	Cell Number	Email Address

iv. The Video link will be emailed to the registered members / proxies who have provided all the requested information.

v. The members are also required to attach the copy of their CNIC and where applicable, copy of CNIC of member(s) of whom he / she / they hold proxy(ies) while sending the information with reference to Note ii hereof. Without the copy of the CNIC, such member(s) shall not be registered for the Video link facility.

3. **Requirements for appointing Proxies**
a. A member entitled to attend and vote at the meeting may appoint another member as proxy to attend, speak and vote instead of him/her. Proxies in order to be effective must be received at the Registered Office of the Company and signed not later than 48 hours before the meeting, excluding holidays. A proxy must be a member of the Company.

b. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.

d. The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.

e. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier).

4. **Updation of shareholder addresses / other particulars**
Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Services.

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to have their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

5. **Electronic dividend mandate**
a. CNIC number of the shareholders is mandatorily required for dividend distribution and in theabsence of such information, payment of dividend shall be withheld in term of SECP's order dated June 3, 2016. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar. The shareholders while sending CNIC must quote their respective folio number and name of the Company.

b. Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

In the absence of a member's valid IBAN and CNIC updated, the Company will be constrained to withhold payment of dividend to such member.

6. **Electronic Transmission of Annual Reports and Notices**
In compliance with section 223(6) of the Companies Act, 2017, and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023 the Company has electronically transmitted the Annual Report 2024, downloadable through weblink, QR enabled code, through email to Members whose email addresses are available with the Company's Share Registrar. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2024 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2024, to any Member on their request, at their registered address.

7. **Conversion of Physical Shares into CDC Account**
As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form, to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository

Company of Pakistan Limited or any active member/stock broker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, No risk of loss, damage or theft, no stamp duty on transfer of shares in book entry form and hassle-free credit of bonus or right shares.

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book entry form at the earliest.

8. **Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017**
The Company has recently sent notices to shareholders under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

An updated list for unclaimed dividend/shares of the Company, which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable, is available on the Company's website:
https://gulahmed.com/list-of-unclaimed-shares-and-unpaid-cash-dividend/

Claims can be lodged by shareholders on Claim Form as is available on the Company's website. Claim Forms must be submitted to the Company's Share Registrar for receipt of dividend/ shares.

9. **Postal Ballot**
Shareholders will be allowed to exercise their right to a poll in accordance with the requirements of Sections 143 to 145 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.

10. **Non-Resident Shareholders**
Non-resident individual shareholders shall submit declaration or undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Shares Register of the Company or email at info.shares@famco.com.pk at the latest by October 18, 2024. The copy of declaration form can be downloaded from Shares Registrar website: https://famco.com.pk/ share-registration-services/.

Statement Under Section 134(3) of the Companies Act, 2017 Pertaining to Special Business

This Statement sets out the material facts pertaining to the Special Business Resolution described in the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 72nd AGM of Gul Ahmed Textile Mills Limited ("the "Company") that is scheduled to be held on October 26, 2024.

The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require Shareholder approval under Section 207 of the Companies Act, 2017 as a majority of directors on the Gul Ahmed Textile Mills Limited Board are interested in the transaction (by virtue of being shareholders or directors in related entities).

The details of such transactions are as under:

S/No.	Company Name	Basis of Relationship	Transaction Nature
1.	Gul Ahmed Holdings (Private) Limited	Holding Company	Dividend
2.	Ideas (Private) Limited	Wholly owned subsidiary	Sale of goods
3.	Gul Ahmed International Limited (FZC) – UAE	Wholly owned subsidiary	Sale of goods
4.	GTM Europe Limited – UK	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
5.	GTM USA – Crop. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
6.	Sky Home Crop. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
7.	Vantona Home Limited	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
8.	Swisstex Chemicals (Private) Limited	Common directorship & shareholding	Sale of goods & Purchase of Goods
10.	Habib Metropolitan Bank Limited	Common directorship & shareholding	Banking Transactions
11.	Pakistan Textile Council	Common Directorship	Membership fees
12.	Haji Ali Mohammed Foundation.	Common Directorship	Rent Paid
13.	Landhi Association of Trade & Industry	Common Directorship	Donations Paid Fees Paid
14.	Pakistan Business Council	Common Directorship	Fees Paid
15.	Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Common Directorship	Company's contributions to Provident Fund and Bonus Shares Issued.
16.	Grand Industries (Private) Limited	Common shareholding	Rent Expenses and Bonus Shares Issued
17.	Ghafooria Industries (Private) Limited	Common directorship & shareholding	Rent Expenses & Bonus Shares Issued
18.	Win Star (Private) Limited.	Common directorship & shareholding	Purchased of goods
19.	Askari Bank Limited	Common Directorship	Banking Transactions
20.	Samba Bank Limited	Common Directorship	Banking Transactions
21.	Standard Chartered Bank Pakistan Limited	Common Directorship	Banking Transactions
22.	International Cotton Association.	Common Directorship	Fee Paid

All related party transactions are in accordance with Company's policies and comply with all legal requirements. These are primarily transactions conducted in the ordinary course of business. Under the Company's Policy for Related Party Transactions all related party transactions are reviewed periodically by the Board Audit Committee which is chaired by an Independent Director. Following review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

The Shareholders are requested to ratify the transactions with related parties in which the majority of the Directors are interested as disclosed in the Financial Statements for the year ended June 30, 2024 and further to authorize the Company to conduct certain related party transactions in which the majority of Directors are interested for the Financial Year ending June 30, 2025. Shareholders' approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee.

Based on the aforesaid the Shareholders are requested to pass the Special Business Resolution as stated in the Notice.

The Directors who are interested in this subject matter are as follows:

- Mr. Mohomed Bashir
- Mr. Mohammed Zaki Bashir
- Mr. Zain Bashir
- Mr. Ziad Bashir

Attendance at Board Meetings

For the Year Ended June 30, 2024

	Board		Audit Committee		Human Resource & Remuneration Committee	
Name of Directors	**Required**	**Attended**	**Required**	**Attended**	**Required**	**Attended**
Mohomed Bashir	4	4	4	4	1	1
Zain Bashir	4	4	-	-	1	1
Mohammed Zaki Bashir	4	4	-	-	-	-
Ziad Bashir	4	4	-	-	-	-
Ehsan A. Malik	4	3	4	3	-	-
Zeeba Ansar	4	4	-	-	1	1
Kamran Y. Mirza	4	4	4	4	-	-

Categories of Shareholding

As at June 30, 2024

S No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage (%)
1	Individuals	7,562	120,624,783	16.30
2	Investment Companies & Mutual Funds	88	38,236,865	5.17
3	Insurance Companies	5	9,578,206	1.29
4	Joint Stock Companies	21	512,172,022	69.21
5	Modaraba Companies	1	90	0.00
6	Financial Institutions	5	58,455,472	7.90
7	Charitable Institutions	7	664,729	0.09
8	Government Departments	4	327,291	0.04
		7,693	**740,059,458**	**100.00**

Pattern of Shareholding

For the year ended June 30, 2024

No. of Shareholders	From	To	Total Shares
1,260	1	100	41,822
1,344	101	500	401,623
1,126	501	1,000	899,528
2,322	1,001	5,000	5,876,318
645	5,001	10,000	4,886,440
285	10,001	15,000	3,548,802
144	15,001	20,000	2,609,421
94	20,001	25,000	2,170,958
76	25,001	30,000	2,127,015
35	30,001	35,000	1,145,274
47	35,001	40,000	1,757,327
34	40,001	45,000	1,457,115
26	45,001	50,000	1,279,732
22	50,001	55,000	1,163,965
25	55,001	60,000	1,470,795
15	60,001	65,000	935,847
9	65,001	70,000	619,259
6	70,001	75,000	437,000
9	75,001	80,000	701,172
8	80,001	85,000	668,983
4	85,001	90,000	354,012
7	90,001	95,000	654,127
22	95,001	100,000	2,188,985
5	100,001	105,000	511,351
3	105,001	110,000	326,465
5	110,001	115,000	569,846
5	115,001	120,000	594,389
2	120,001	125,000	250,000
5	125,001	130,000	635,900
3	130,001	135,000	395,961
1	135,001	140,000	139,700
2	140,001	145,000	284,011
8	145,001	150,000	1,192,817
1	150,001	155,000	151,856
2	155,001	160,000	318,100
2	160,001	165,000	324,397
3	170,001	175,000	520,600
2	175,001	180,000	360,000
2	180,001	185,000	365,994
2	190,001	195,000	383,055
1	195,001	200,000	200,000
1	200,001	205,000	202,965

No. of Shareholders	From	To	Total Shares
1	205,001	210,000	210,000
1	215,001	220,000	215,022
2	220,001	225,000	447,215
1	230,001	235,000	233,422
4	235,001	240,000	954,726
3	245,001	250,000	750,000
1	250,001	255,000	253,059
3	255,001	260,000	771,461
2	285,001	290,000	577,630
1	295,001	300,000	297,952
1	305,001	310,000	309,900
3	310,001	315,000	937,825
1	350,001	355,000	355,000
1	360,001	365,000	361,500
1	395,001	400,000	400,000
1	430,001	435,000	435,000
1	440,001	445,000	442,029
1	455,001	460,000	456,500
2	460,001	465,000	922,207
1	475,001	480,000	477,685
2	495,001	500,000	998,700
1	525,001	530,000	528,000
1	545,001	550,000	550,000
1	560,001	565,000	562,500
1	580,001	585,000	584,669
1	620,001	625,000	622,936
1	645,001	650,000	650,000
1	665,001	670,000	668,161
1	690,001	695,000	695,000
1	745,001	750,000	750,000
2	770,001	775,000	1,545,846
1	795,001	800,000	798,176
1	915,001	920,000	919,828
1	960,001	965,000	960,510
2	995,001	1,000,000	2,000,000
1	1,000,001	1,005,000	1,000,104
1	1,030,001	1,035,000	1,030,293
1	1,065,001	1,070,000	1,069,920
1	1,470,001	1,475,000	1,471,686
1	1,485,001	1,490,000	1,488,141
1	1,745,001	1,750,000	1,750,000
1	1,805,001	1,810,000	1,808,027
1	2,795,001	2,800,000	2,796,144
1	3,105,001	3,110,000	3,108,181

No. of Shareholders	From	To	Total Shares
1	3,470,001	3,475,000	3,471,541
1	4,765,001	4,770,000	4,765,601
1	4,890,001	4,895,000	4,892,505
1	5,240,001	5,245,000	5,240,500
1	7,080,001	7,085,000	7,080,029
1	7,680,001	7,685,000	7,682,121
1	10,835,001	10,840,000	10,839,856
1	16,070,001	16,075,000	16,074,505
1	22,113,001	22,118,000	22,117,519
2	24,895,001	24,900,000	49,799,608
1	53,245,001	53,250,000	53,246,236
1	58,175,001	58,180,000	58,177,795
1	413,379,001	413,384,000	413,383,760
7,693			**740,059,458**

Pattern of Shareholding

For the year ended June 30, 2024

Categories of Shareholders	Number	Shares held
Associated Companies, Undertaking and Related Parties		
GUL AHMED HOLDINGS (PRIVATE) LIMITED	1	413,383,760
SWISSTEX CHEMICALS (PRIVATE) LIMITED	1	22,117,519
GRAND INDUSTRIES (PRIVATE) LIMITED	1	58,177,795
GHAFOORIA INDUSTRIES (PRIVATE) LIMITED	1	16,074,505
TRUSTEE - GUL AHMED TEXTILE MILLS LIMITED EMPLOYEES PROVIDENT FUND TRUST	1	3,108,181
NIT and ICP		
IDBP (ICP UNIT)	1	3,565
IDBL (ICP UNIT)	1	764
CDC - TRUST NATIONAL INVESTMENT (UNIT) TRUST	1	21,482
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	10,839,856
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	259,200
Mutual Funds		
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	5,240,500
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	215,022
CDC - TRUSTEE NBP STOCK FUND	1	7,080,029
CDC - TRUSTEE NBP BALANCED FUND	1	224,132
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	460,424
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	461,783
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	297,952
CDC - TRUSTEE NBP SARMAYA IZAFA FUND	1	236,086
CDC - TRUSTEE AWT STOCK FUND	1	56,600
CDC - TRUSTEE AWT FAYSAL MTS FUND -MT	1	79,899
CDC - TRUSTEE HBL INCOME FUND- MT	1	3,250
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	1	26,909
CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	1	23,000
CDC - TRUSTEE HBL FINANCIAL SECTORE INCOME FUND PLANT I - MT	1	668,161
BANKS, NBFI, DFI AND INVESTMENT COMPANIES	68	8,930,070
INSURANCE COMPANIES	5	9,578,206
JOINT STOCK COMPANIES	17	2,418,443
MODARABA COMPANIES	1	90
FINANCIAL INSTITUTIONS	5	58,455,472
CHARITABLE INSTITUTIONS	7	664,729
GOVERNMENT DEPARTMENTS	4	327,291

Categories of Shareholders	Number	Shares held
Directors		
MOHOMED BASHIR (Chairman)	1	4,892,505
ZAIN BASHIR (Vice Chairman)	1	24,899,804
MOHAMMED ZAKI BASHIR (Chief Executive)	1	24,899,804
ZIAD BASHIR	1	8,359
EHSAN A. MALIK	1	5,184
MS. ZEEBA ANSAR	1	3,600
KAMRAN Y. MIRZA	1	41,472
Directors'/CEO's Spouse		
TANIA ZAIN BASHIR	1	8,359
ROMINA RAHIM MIRZA	1	83,913
Shareholders holding 5% or more Voting Interest		
GUL AHMED HOLDINGS (PRIVATE) LIMITED	1	413,383,760
GRAND INDUSTRIES (PRIVATE) LIMITED	1	58,177,795

Details of trading in the shares by:
The following trading were carried out by the Director during the year under review:

No trading was carried out by Directors, CEO, CFO, Company Secretary, their spouses and minor children during the year under review.

Form of Proxy

I/We ____
of ____
being a member of Gul Ahmed Textile Mills Limited and holder of ____________________
Ordinary Shares hereby appoint ____
of ____
or failing him/her ____
of ______________________________ another member of the Company,
as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **72nd Annual General Meeting** of the Company to be held on October 26, 2024 or at any adjournment thereof.

1) Witness ____________________ Signed by me this __________ day of ________ 2024
Name
Address ____________________ Signed ____________________
CNIC No. ____________________

Affix Revenue
Stamp Rs.5.00

2) Witness ____________________
Name ____________________ Folio No./CDC Account No. ____________________
Address ____________________
CNIC No. ____________________

Notes:

1. A member entitled to vote at the meeting may appoint a proxy. Proxies in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

2. Proxies granted by shareholders who have deposited their shares into Central Depository Company of Pakistan Limited must be accompanied with attested copies of the Computerized National Identity Card (CNIC) or the Passport of the beneficial owners. Representatives of corporate members should bring the usual documents required for such purpose. A proxy must be a member of the Company.

3. If member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

4. If the member is a corporate entity its common seal should be affixed to the proxy.

5. In case of CDC Account Holders, attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

پراکسی فارم

میں / ہم ____
کے ____
گل احمد ٹیکسٹائل ملز لمیٹڈ کے ممبر اور ____________________ عمومی شیئرز کا حامل ہونے کے ناطے کمپنی کے ایک دوسرے ممبر کو میرے / ہمارے پراکسی کی حیثیت سے میری / ہماری غیر موجودگی کی صورت میں میری / ہماری طرف سے کمپنی کے غیر معمولی اجلاس عام منعقد 26-10-2024 بروز جمعہ صبح 10:30 یا کسی بھی التوا کی صورت میں، میری / ہماری ایماپر میری / ہماری طرف سے شرکت اور ووٹ دینے کے لیے پراکسی نامزد کرتا ہوں۔

۱) گواہ: ____________________ میں نے 2024 کے __________ کے __________ ویں دن دستخط کیے۔
نام: ____________________
پتہ: ____________________ دستخط : ____________________
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

پانچ روپے مالیت کی ریونیو
اسٹامپ چسپاں کریں

۲) گواہ: ____________________
نام: ____________________
پتہ: ____________________ فولیو نمبر / CDC اکاؤنٹ نمبر: ____________________
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________________

نوٹ:

1. میٹنگ میں ووٹ دینے کا حقدار رکن ایک پراکسی نامذد کر سکتا ہے۔ پراکسی مؤثر ہونے کے لیے، باقاعدہ طور پر اسٹامپ شدہ اور دستخط شدہ کمپنی کے رجسٹرڈ آفس میں میٹنگ سے زیادہ سے زیادہ 48 گھنٹے پہلے وصول ہونا چاہیے۔

2. شیئر ہولڈرز کی طرف سے دی گئ پراکسیز جنہوں نے اپنے شیئرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ میں جمع کرائے ہیں جس کے ساتھ بینیفشل اونرز کا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ تسدیق شدہ کاپیوں کے ساتھ کارپوریٹ ممبر کے نمائندوں کو اس مقصد کے لیے درکار عمومی دستاویزات ساتھ لانا چاہیے۔ پراکسی کے لیے کمپنی کا ممبر ہونا ضروری ہے۔

3. اگر ممبر ایک سے زیادہ پراکسی نامزد کرے اور ایک سے زیادہ پراکسی انسٹرومنٹ کمپنی کے کسی ممبر کی طرف سے جمع کروائے جایں، تو ایسے تمام انسٹرومنٹ برائے پراکسی غیر موثر تصور کیے جایں گے۔ اگر ممبر ایک کارپوریٹ اینٹٹی ہے تو اس کی عمومی مہر لازمی طور پر ثبوت ہونی چاہیے۔

4. اگر ممبر ایک کارپوریٹ ادارہ ہے تو اس کی عام مہر پراکسی پر چسپاں ہونی چاہیے۔

5. سی ڈی سی اکاؤنٹ ہولڈرز کی صورت میں، بینیفشل اونرز کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی ٹصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ پراہم کی جانی چاہییں۔

Definition & Glossary Terms

Definitions

Profitability Ratios
Profitability ratios are used to assess the Company's ability to generate profits in relation to its sales, assets and equity.

Liquidity Ratios
Liquidity ratios determine the Company's ability to meet its short-term financial obligations. A higher ratio indicates a greater margin of safety to cover current liabilities.

Turnover Ratios
Turnover ratios evaluate the operational efficacy of the Company to convert inventory and debtors into cash against time taken to pay creditors, measured in terms of revenue and cost of sales.

Investment / Market Ratios
Investment ratios measure the capability of the Company to earn an adequate return for its shareholders.

Market ratios evaluate the current market price of a share versus an indicator of the Company's ability to generate profits.

Capital Structure Ratios
Capital structure ratios provide an indication of the long-term solvency of the Company and its cost of debt, in relation to equity and profits.

Glossary of terms

AGM	Annual General Meeting
BCI	Better Cotton Initiative
BCP	Business Continuity Planning
BOD	Board of Directors
CCG	Code of Corporate Governance
CDC	Central Depository Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CNIC	Computerised National Identity Card
CPEC	China Pakistan Economic Corridor
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DFI	Development Finance Institution
EBITDA	Earnings before Interest, Tax, Depreciation, and Amortization
EOBI	Employees Old Age Benefit Institution
EPS	Earnings per Share
ERP	Enterprise Resource Planning
ETP	Effluent Water Treatment Plant
FDI	Foreign Direct Investments
FY	Fiscal Year
FZC	Free Zone Company
GDP	Gross Domestic Product
GIDC	Gas Infrastructure Development Cess
GST	General Sales Tax
HSE	Health Safety and Environment
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Chartered Management Accountants of Pakistan
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
IT	Information Technology
KIBOR	Karachi Inter Bank Offer Rate
KPI	Key Performance Indicators
KSE	KSE Karachi Stock Exchange
LSM	Large Scale Manufacturing
MMBTU	Million British Thermal Units
MW	Mega Watts
NBFI	Non-Banking Financial Institution
NEQS	National Environmental Quality Standard
PAT	Profit after tax
PBT	Profit before tax
PESTEL	Political, Economic, Social, Technical, Environmental, Legal
PICG	Pakistan Institute of Corporate Governance
PKR	Pak Rupee
R&D	Research & Development
ROE	Return on Equity
SECP	Securities and Exchange Commission of Pakistan
SWOT	Strength, Weakness, Opportunity, Threat
USD	United States Dollar
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund
YoY	Year on Year