Gul Ahmed Textile Mills Limited

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

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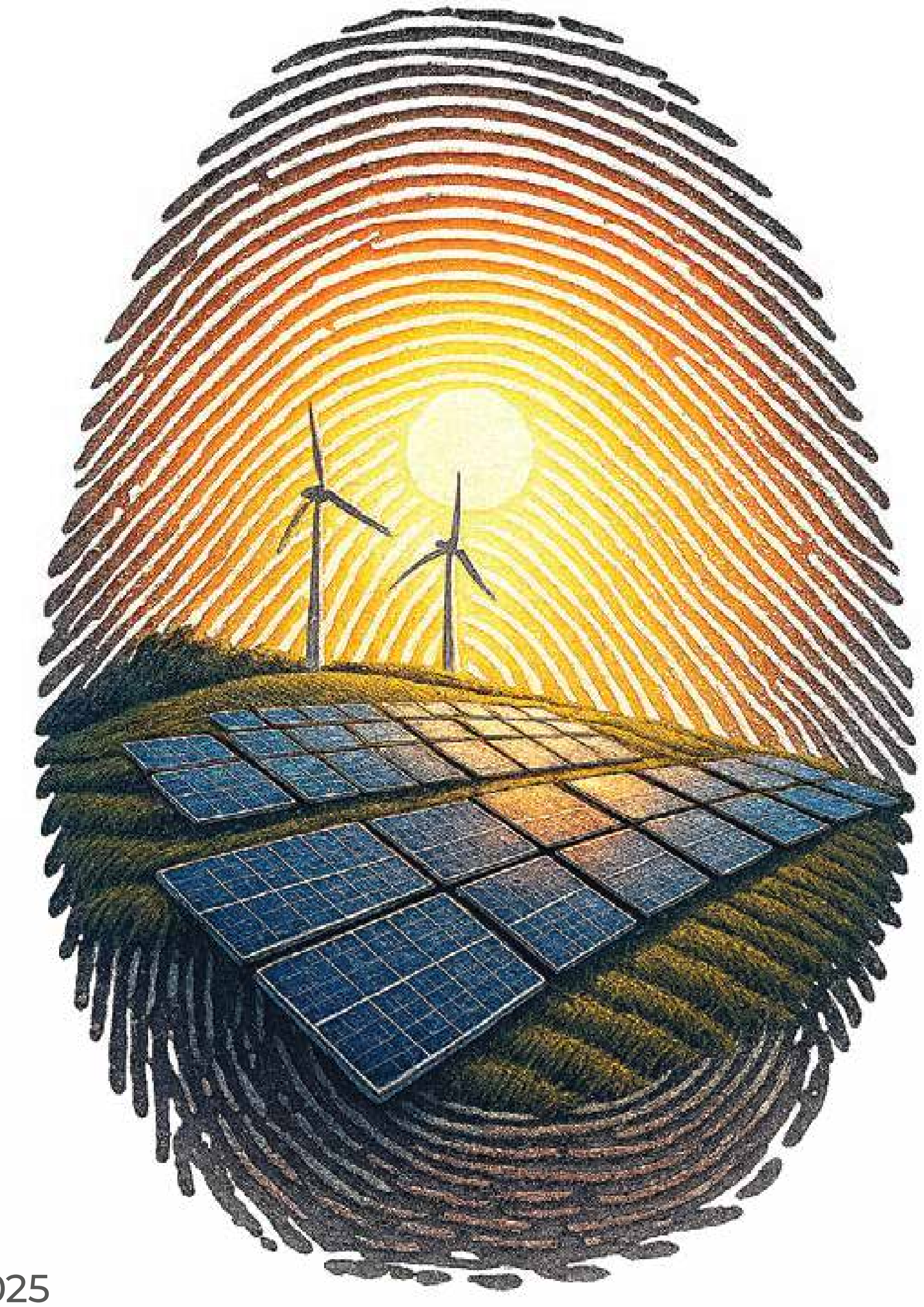
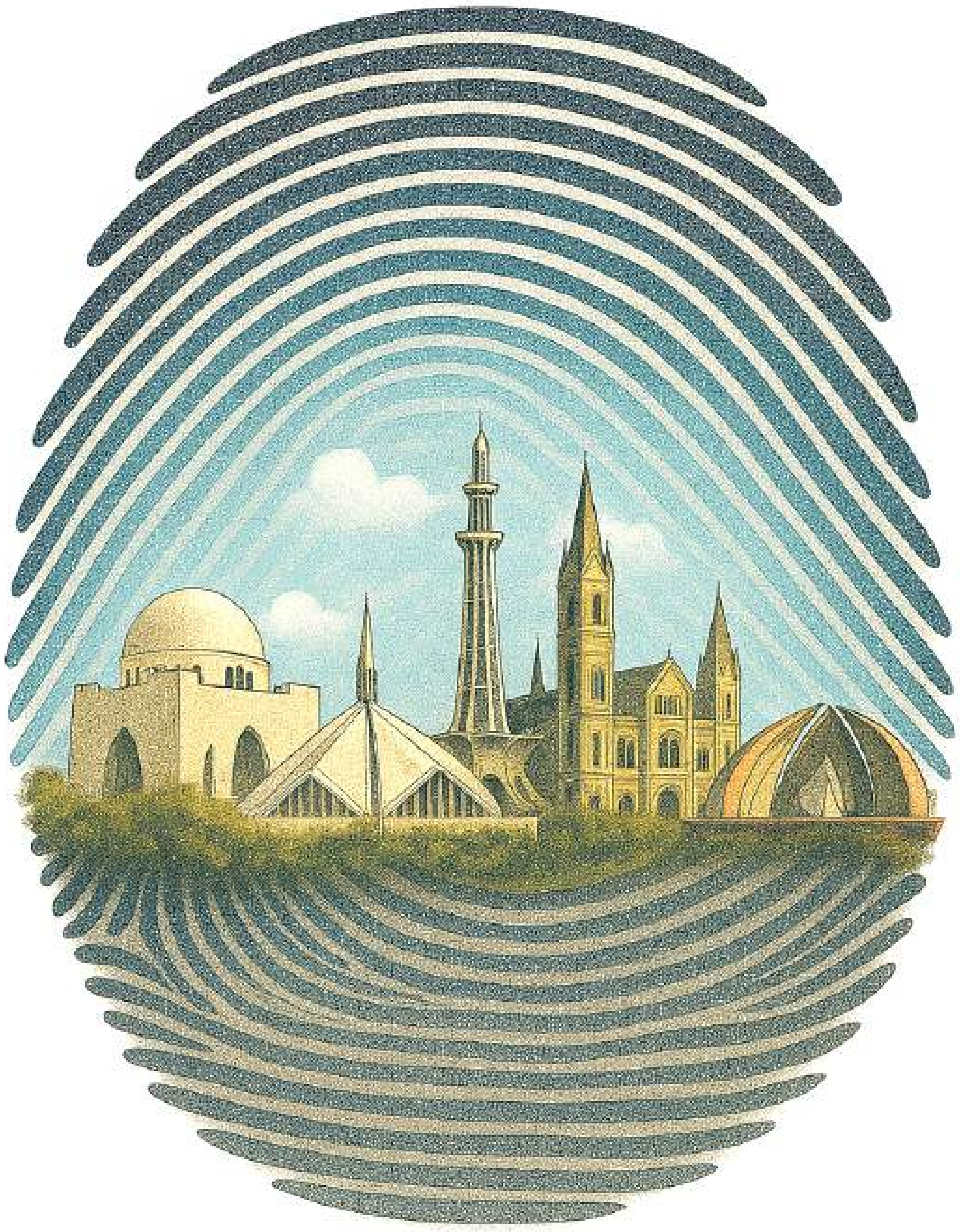
W gulahmed.com

GulAhmed

A MARK OF RESPONSIBILITY



Annual Report 2025



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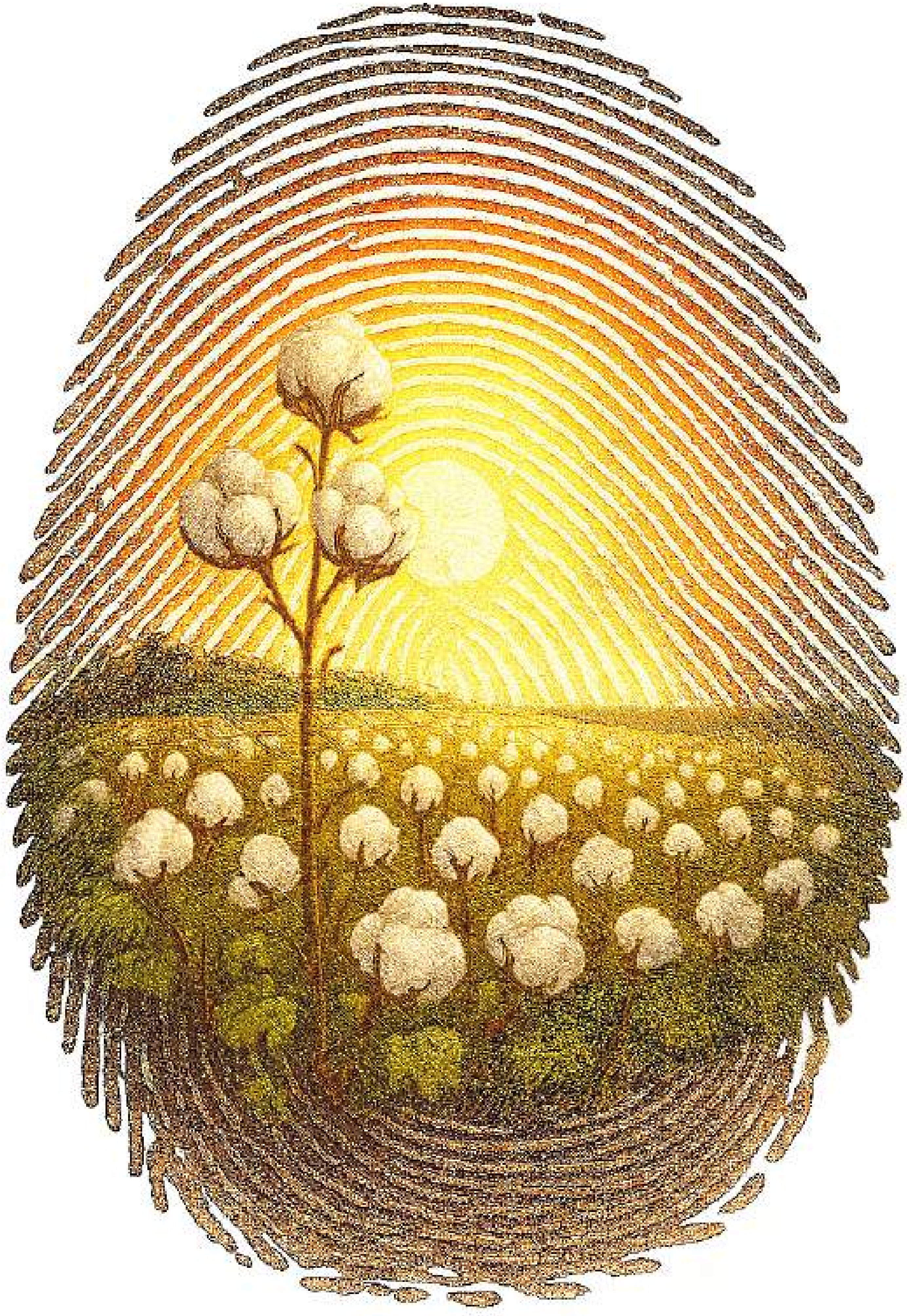
A MARK OF

STEWARDSHIP

Guided by integrity and accountability, Gul Ahmed embraces stewardship as a pledge to create lasting value for its business, society, and the environment.



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	Chairperson & Member
Mohomed Bashir	Member
Zain Bashir	Member
Salim Ghaffar	Secretary

AUDITORS
Yousuf Adil
Chartered Accountants

INTERNAL AUDITORS
BDO Ebrahim & Co
Chartered Accountants

LEGAL ADVISORS
A.K. Brohi & Co
Advocates

SHARE REGISTRAR
FAMCO Share Registration Services (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

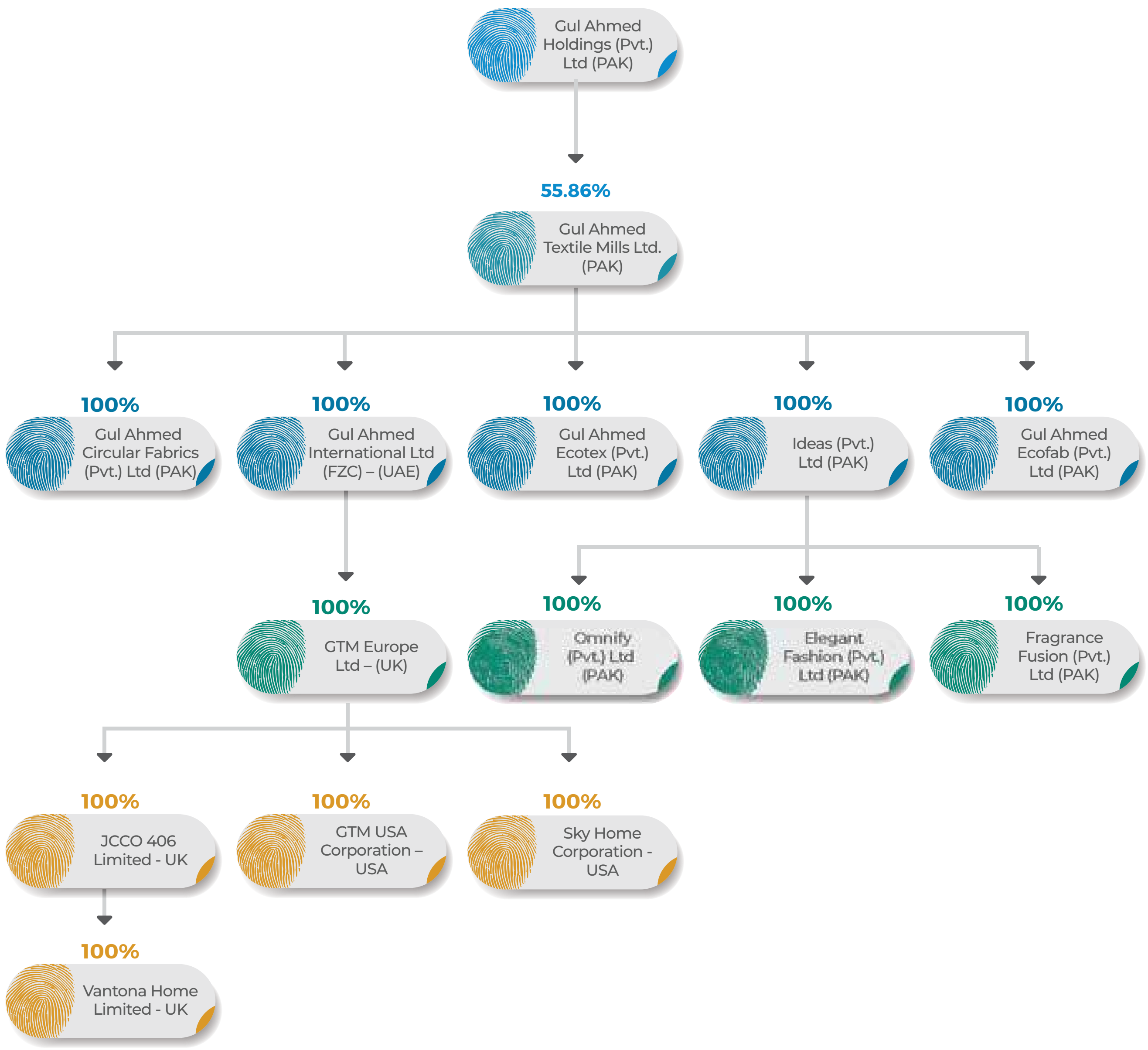
BANKERS
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank of Khyber
Citi Bank
Faysal Bank Limited
Habib Metropolitan Bank Limited
JS Bank limited
MCB Islamic Bank Limited
National Bank Of Pakistan
Silkbank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank Of Punjab
Al Baraka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

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

MILLS
Landhi Industrial Area,
Karachi-75120

CONTACT US
Email: finance@gulahmed.com
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

GROUP STRUCTURE



NATURE OF BUSINESS

Gul Ahmed is one of Pakistan's leading textile composite units, equipped with state-of-the-art machinery that supports fully integrated operations. The company manufactures across the entire textile value chain, producing yarn, greige and finished fabrics, home textiles, and apparel. Its advanced infrastructure ensures high-quality dyeing, stitching, and embroidery, with precision maintained at every stage of production.

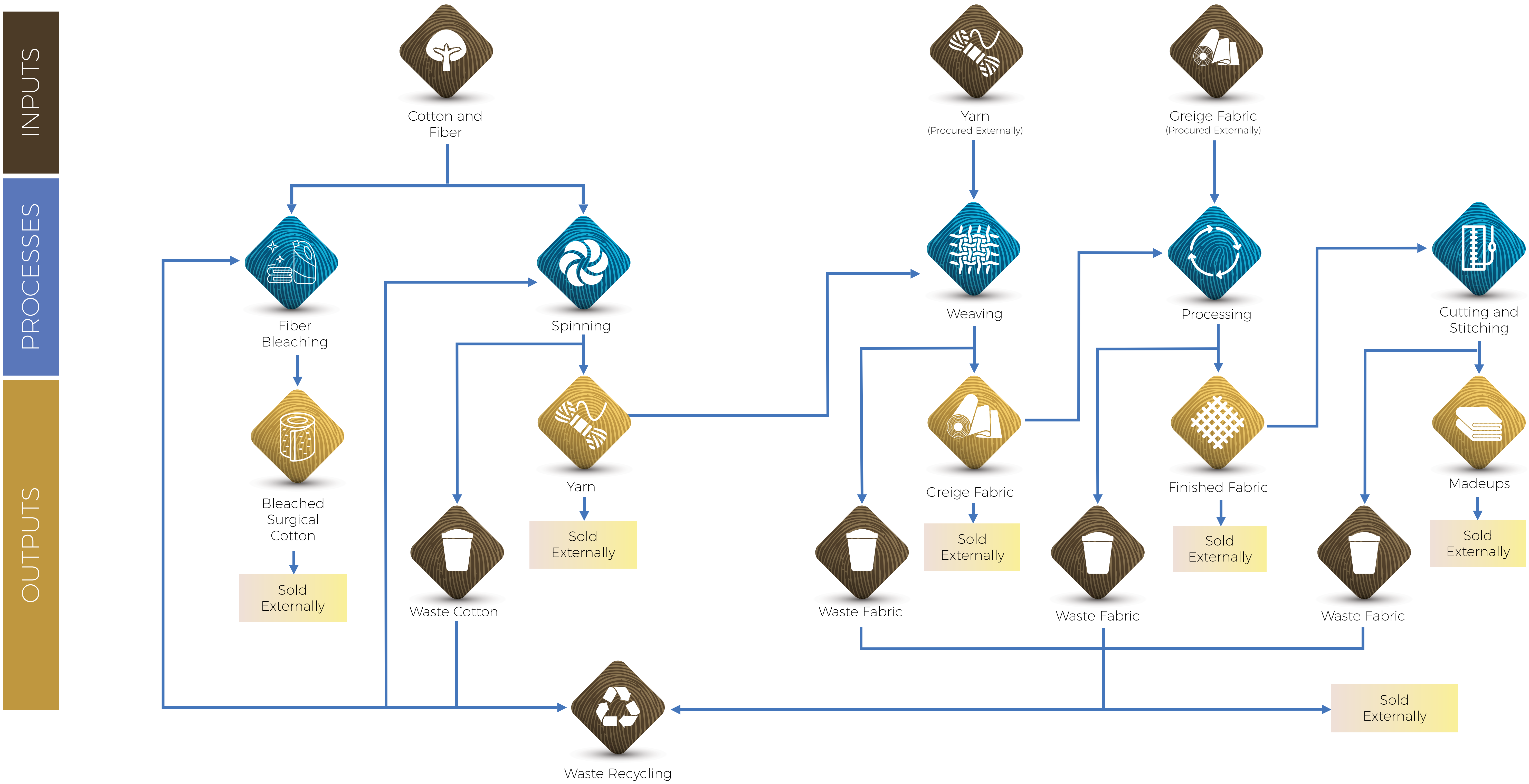
The company has a strong presence in global markets while also catering to domestic consumers through its subsidiary Ideas (Pvt.) Limited, which operates more than 100 retail outlets across Pakistan. This balance between international reach and local expertise has positioned Gul Ahmed as a key player in the textile industry.

To support its operations, Gul Ahmed has invested in captive power plants equipped with tri-fuel engines, turbines, and backup generators, ensuring uninterrupted production. In line with its commitment to sustainability, the company has also undertaken significant investments in renewable energy, including the installation of rooftop solar panels, the adoption of biomass boilers, and the establishment of a cotton waste recycling plant. Complementing these initiatives is an effluent treatment facility that treats 100 percent of the wastewater generated during production.

These measures reflect Gul Ahmed's broader strategy to minimize its environmental footprint. The company's initiatives toward net-zero emissions and zero liquid discharge have earned recognition from customers, regulators, and national organizations. With a legacy spanning more than 70 years, Gul Ahmed continues to uphold its reputation for quality, innovation, and customer satisfaction, while setting new benchmarks in sustainable textile manufacturing. As part of its continued engagement with the textile sector and commitment to industry-wide development, Gul Ahmed is an active member of the following trade bodies and professional associations:

- 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 Bedwear Exporters Association (PBEA)
- Pakistan Hosiery Manufacturers & Exporters Association
- Karachi Centre for Dispute Resolution
- International Textile Manufacturers Federation

OUR VALUE CHAIN



OUR PRODUCT PORTFOLIO

Gul Ahmed has continually broadened its product offerings to keep pace with changing customer needs, demonstrating an unwavering focus on quality and innovation. The company combines advanced technology with deep industry expertise to create a wide variety of products that bring together functionality and design excellence. Every product is crafted to the highest standards while staying in line with modern trends and consumer expectations. Alongside this, Gul Ahmed integrates sustainability into both its products and packaging, highlighting its long-term commitment to environmentally responsible practices. The company's current portfolio includes:

YARN

Gul Ahmed exports a wide variety of yarn to countries across the globe, including China, several Asian nations, the Middle East, and Europe. Our diverse yarn portfolio includes package-dyed/cone-dyed, carded, combed, compact siro, fancy, plied, core-spun, slub, and gassed mercerized/dyed yarn, each meticulously crafted to meet the specific needs of our international customers.

BLEACHED FIBER

Gul Ahmed's production of high-quality absorbent bleached cotton, designed to meet the stringent requirements of the cosmetic and medical industries, has continued to gain strong traction since its launch over two years ago. Building on consistent positive feedback from export customers, the company has expanded its production capacity and upgraded its facilities to develop higher-grade varieties, further strengthening its position in this specialized market.

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.

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.

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.

LEGACY AND MILESTONES

1900s
The business started near the turn of the century as a humble family-owned enterprise

1953
The growth of the family business led to the incorporation of Gul Ahmed as a private limited company.

1955
The private company is converted into a public company as Gul Ahmed Textile Mills Limited.

1970
Gul Ahmed Textile Mills Limited is listed on the Karachi Stock Exchange (now the Pakistan Stock Exchange)

2002
Gul Ahmed International Limited FZC is incorporated in Sharjah UAE, as a wholly owned subsidiary of Gul Ahmed Textile Mills Limited

2003
Gul Ahmed entered the local retail market with Ideas by Gul Ahmed, offering quality apparel and home textiles through its outlets across Pakistan.

2006
Gul Ahmed's Effluent Treatment Plant (ETP) became operational with a processing capacity of 1.0 million gallons per day. Comprising two treatment trains of 0.5 MGD each, the facility was designed to fully comply with the National Environmental Quality Standards (NEQS).

2021
Under a scheme of arrangement, Ideas is demerged to form Ideas (Pvt) Limited, a wholly owned subsidiary of Gul Ahmed.

2022
Gul Ahmed's state-of-the-art Fiber Bleaching Plant became operational, marking the first of its kind in Pakistan. The facility enables the company to convert waste cotton into medical-grade bleached absorbent cotton, widely used in both medical and cosmetic products.

2024
Gul Ahmed completed the installation 2 MW rooftop solar panel system as part of an overall plan to establish 20 MW rooftop solar panel systems on all units of the company

2025

YEAR IN REVIEW

NOTABLE EVENTS

- **August 2024** — Gul Ahmed partnered with Deaf Reach Pakistan to support their efforts and extent a helping hand
- **August 2024** — Independence Day Celebrations held in all units of Gul Ahmed
- **August 2024** — In collaboration with AMTF Blood Donation Drives were conducted in various units of Gul Ahmed
- **October 2024** — Employee Wellness Events including Panel Discussion on Holistic Well-Being
- **November 2024** — Performance Recognition Events
- **December 2024** — Sustainability Initiatives -Awareness Programs
- **January 2025** — Gul Ahmed participated in Annual Heimtextil Exhibition held in Germany
- **February 2025** — Company Vision & Values - Awareness Sessions
- **March 2025** — Annual Women's Day Celebration
- **March 2025** — 28KW Solar Panel System installed at Al-Mustafa Orphanage
- **April 2025** — AI Enabled Organization - Training & Awareness Sessions
- **May 2025** — Operational Excellence - Training & Awareness
- **June 2025** — Awareness Session - Income Tax Filling made easy

NOTABLE FINANCIAL EVENTS

- **September 2024** — BOD Meeting - Audited Annual Accounts for the year ended June 30, 2024
- **October 2024** — 72nd Annual General Meeting was held in Karachi
- **October 2024** — BOD Meeting - Accounts for the Quarter ended September 30, 2024
- **February 2025** — BOD Meeting - Accounts for the Half Year ended December 31, 2024
- **April 2025** — BOD Meeting - Accounts for the Nine Months ended March 31, 2025

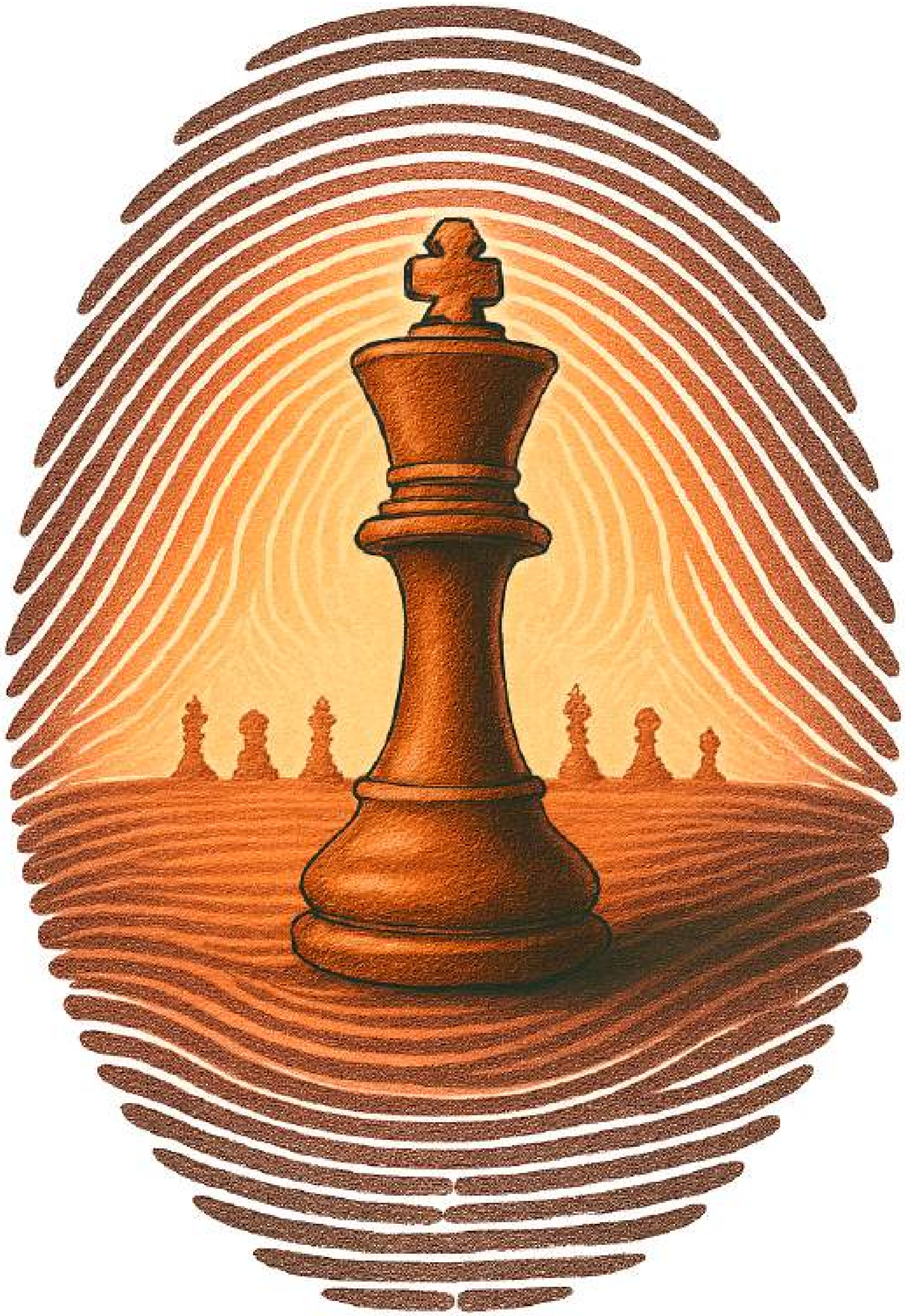
FIRE DRILL & SAFETY EVENTS

- **July 2024** — Safety/HSE Week - Multiple Events
- **August 2024** — Fire Drill & Safety For the 1st Quarter FY 2024
- **November 2024** — Fire Drill & Safety For the 2nd Quarter FY 2024
- **February 2025** — Fire Drill & Safety For the 3rd Quarter FY 2025
- **May 2025** — Fire Drill & Safety For the 4th Quarter FY 2025

A MARK OF

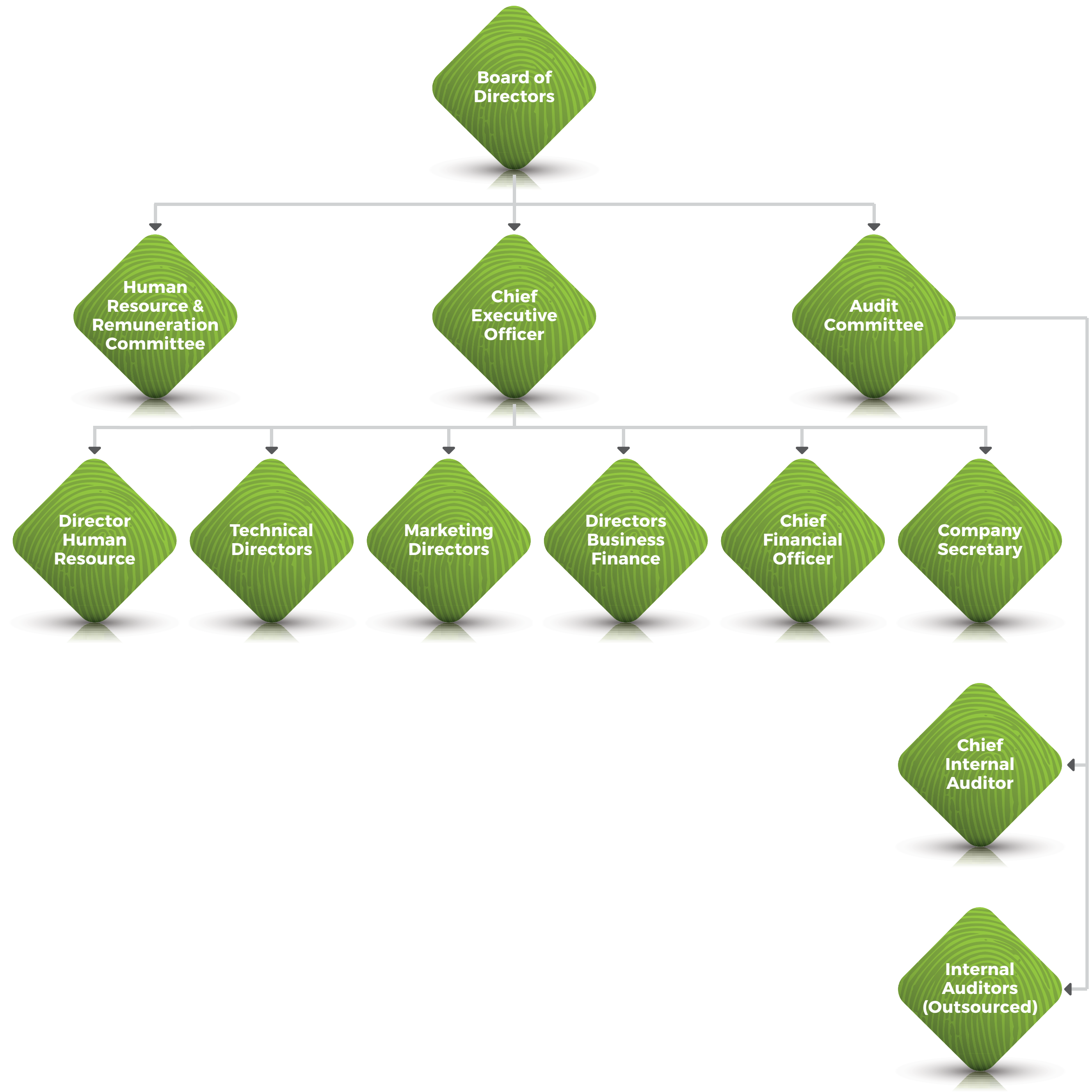
LEADERSHIP

With a legacy, built on vision and values, we continue to lead the industry through innovation, excellence and responsible growth



Corporate Governance

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:

- President – International Cotton Association (ICA) (2024-2025)
- 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, Government of Pakistan, Ministry of Commerce and Textile.
- Member – Pakistan France Business Council
- Member – Pakistan German Business Council
- Member – Pakistan Swedish Business Council

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

- Vice President – International Cotton Association (ICA) (2023 – 2024)
- Honorary Consul General of Sweden – Sindh / Baluchistan (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 responsibilities within the Company, he serves as Chief Executive Officer on the Board of the Landhi Infrastructure Development and Management Company, which is responsible for the development and enhancement of infrastructure in the Landhi Industrial Area.

He has also held several key leadership positions in industry associations, including serving as Chairman and President of the Landhi Association of Trade and Industry during 2009–2010, 2015–2016, and 2018–2019. From 2012–2013, he served as Chairman of the Pakistan Bedwear Exporters Association. Furthermore, he has been an Executive Committee Member of the Landhi Association of Trade and Industry. He also serves as Chief Executive Officer of the Group's associated companies, namely Swisstex Chemicals and Winstar.

With extensive experience in the textile industry and active representation of Karachi's industrial sector through various associations, Mr. Bashir possesses deep insights into the industry's operations, dynamics, 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.

He has also been appointed to the Heimtextil Advisory Board, becoming the first Pakistani industry leader to join the prestigious global panel.

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. He has been acknowledged by H.E. King of Denmark, Frederik André Henrik Christian, with the Knight's Cross of the Order of Dannenberg.

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.

Furthermore, he is leading an initiative in the food & beverage sector, introducing Ideas Café, which started in Karachi and aims to expand to 10 more locations nationwide over the next 2 years.

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.

He also 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, SAMBA Bank Limited and Lucky Investments Limited. In addition to her directorship, she is a Chairperson of Audit Committee and member of Board Risk Committee of the Lucky Investments 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 Director on the Boards of State Bank of Pakistan (SBP), 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; and
- 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

At Gul Ahmed, we remain dedicated to building a workplace culture where employees feel respected, supported, and motivated to excel. Our focus continued to be on fostering an environment that prioritizes employee well-being, professional development, and equitable opportunities.

Through progressive HR policies and employee-focused initiatives, we ensure fair compensation, a safe working environment, and access to continuous learning and growth opportunities. Our people strategy emphasizes enablement, engagement, and empowerment, enabling employees to realize their potential while driving collective organizational success.

With a strong commitment to talent management, we have further strengthened our ability to attract, develop, and retain high-performing professionals. This approach not only supports the aspirations of our workforce but also reinforces Gul Ahmed's position as a leading player in the textile industry.

Employee Benefits

The well-being of our people remains central to Gul Ahmed's values, and we ensure full compliance with all applicable laws and regulations governing employee remuneration. Oversight is provided by the Human Resource and Remuneration Committee, which advises the Board on compensation policies and ensures fair practices for directors and senior management.

During the fiscal year ended June 2025, the Company disbursed Rs. 20.04 billion in employee remuneration, compared to Rs. 18.08 billion in 2024. This increase highlights our ongoing commitment to fair compensation, reinforced by strict adherence to government-mandated minimum wage standards to guarantee that every employee is paid at or above prescribed levels.

Beyond salaries, Gul Ahmed offers a broad range of benefits designed to enhance the financial security and quality of life of its workforce. These include health and life insurance, Employees' Old-Age Benefits (EOBI), Workers' Welfare and Profit Participation funds, paid leave (casual, sick, annual, and maternity), as well as subsidized transportation, dining facilities, and retirement benefits. Together, these measures reflect the Company's holistic approach to employee care and development.

Employee Engagement & Well Being

We actively organize and implement Employee Engagement initiatives that are well-received by both employees and management. These initiatives include training sessions on AI, Tax Filing, health and exercise session conducted by Trifit and departmental 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 employees 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)

Following our recognition as a Training Organization Outside of Practice (TOoP) by the Institute of Chartered Accountants of Pakistan (ICAP) in May 2024, Gul Ahmed has continued to actively nurture the professional growth of aspiring chartered accountants. In 2025, our focus has been on providing structured training and comprehensive learning opportunities to our first batch of CA trainees.

To ensure well-rounded development, we have designed a rotational training program across key departments, including Taxation, Treasury, Financial Reporting, Internal Audit, and other critical business functions. This approach allows trainees to gain hands-on exposure to diverse areas of the business, enhancing both their technical expertise and practical understanding of the textile industry.

Through mentorship, professional guidance, and real-time project involvement, we are equipping these young professionals with the skills and knowledge required to excel in their careers. Gul Ahmed remains committed to strengthening the accounting profession by investing in future leaders who will contribute meaningfully to the corporate and financial sectors of Pakistan.

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. Let's break down these key points:

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 - 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.

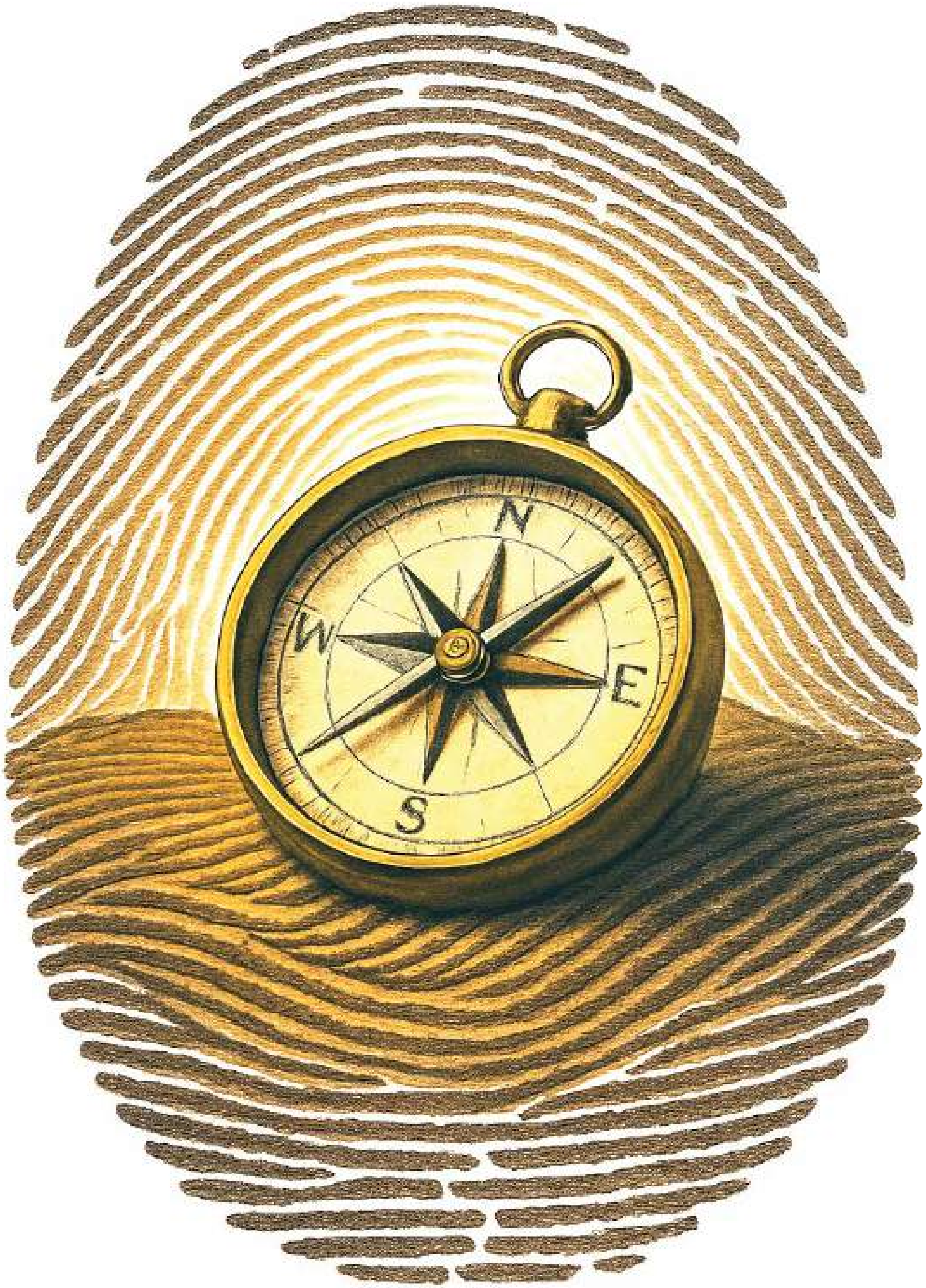
b) Maintain a constructive and open relationship with regulators to foster mutual trust, respect and understanding.

A MARK OF

PURPOSE

With purpose woven into our foundation, we strive to create lasting impact throughevery decision and direction we take.

Strategy and Resource Allocation



OBJECTIVES & STRATEGIES

Well-defined objectives, robust strategies, and effective planning are vital to an organization's success, as they establish measurable goals and align efforts across all levels. For Gul Ahmed, strategic initiatives provide a clear roadmap to overcome competitive and operational challenges, while detailed planning ensures optimal use of resources. This integrated approach allows the Company to stay agile, respond to changing market dynamics, and sustain its competitive advantage. The strategic objectives and supporting plans that guide Gul Ahmed's growth and long-term success 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 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	Medium	Medium
Timeline	Long Term	Long Term	Short Term	Medium Term	Short Term
Current Status	**On Going:** Gul Ahmed has consistently been recognized among Pakistan's leading exporters and is expected to remain within the top five textile exporters in the country this year.	**On Going:** In FY 2025, Gul Ahmed recorded a 10.3% growth in sales, reflecting continued demand for its products. However, higher gas tariffs, changes in taxation policies, and the need to maintain elevated stock levels put pressure on margins, resulting in a 14.9% decline in net profit.	**On Going:** Gul Ahmed will commission 17 MW of rooftop solar capacity and is actively pursuing further renewable initiatives, including wind power and biomass boilers to expand its sustainable energy portfolio. In parallel, the Company operates its own Effluent Treatment Plant, recycling 60% of treated wastewater for reuse in manufacturing, while its cotton waste recycling facility processes up to 200,000 kg of production waste each month, which is reintroduced into spinning operations.	**On Going:** The Fibre Bleaching Plant, which commenced operations in 2022, produces premium-quality bleached cotton for cosmetic and medical applications. Since inception, the segment has expanded significantly, recording sales of Rs. 4.4 billion in FY 2025.	**On Going:** During the year, Gul Ahmed sourced approximately 64.2 million kg of raw material locally, representing 40% of total consumption. The Company also contributed Rs.119 million in donations to various organizations and supported community initiatives, including the installation of a 28KW solar system at Al-Mustafa Orphanage (refer to Notes 28.5 and 28.6 of the unconsolidated financial statements for details).
Strategy	Gul Ahmed's strategy emphasizes innovation, advanced manufacturing, and expansion into high-growth markets, while strengthening supplier partnerships.	The Company aims to strengthen its global presence by entering new, untapped markets while continuing to deliver quality products to its existing customer base. In parallel, it is focusing on optimizing costs and phasing out less profitable segments, thereby improving profitability and ensuring sustainable long-term 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.	Gul Ahmed's expansion strategy is driven by market research, demand analysis, and customer feedback to identify high-value opportunities. By diversifying into emerging segments and tailoring products to evolving needs, the Company aims to strengthen competitiveness, enhance profitability, and ensure long-term sustainability.	Gul Ahmed's strategy centers on strengthening local supply chains, including the sourcing of cotton from the Balochistan Organic Cotton Project developed in partnership with WWF, while providing employment to over 15,000 people. The Company is also establishing new subsidiaries to advance sustainable textile production, promote import substitution, and create localized job opportunities.
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. 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	• Growth in sales of Fibre Bleaching division • Entry into new geographical markets and product segments.	• Increase in proportion of local purchases • Increase in contribution made towards society and CSR initiatives

KEY PERFORMANCE INDICATORS

Key Performance Indicators (KPIs) serve as vital benchmarks for measuring the Company's progress against its strategic objectives. Aligned with organizational goals, they provide a clear picture of performance, highlight areas for improvement, and support data-driven decision-making. By linking strategy with execution, KPIs ensure that every effort contributes to sustainable growth and long-term success. The following section presents the Company's key KPIs along with an evaluation of its performance against these measures.

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

Direct Export Sales
2025
109,265 million
2024
102,286 million
6.82 %

Indirect Export Sales
2025
43,992 million
2024
35,374 million
24.36 %

Local Sales
2025
17,996 million
2024
14,300 million
25.85 %

Gross Profit
2025
18,978 million
2024
17,191 million
10.39 %

Profit before levies and income tax
2025
5,660 million
2024
6,537 million
-13.42 %

Profit after levies and income tax
2025
4,023 million
2024
4,728 million
-14.91 %

EBITDA
2025
16,312 million
2024
16,463 million
-0.75 %

Earning Per Share
2025
Rs. 5.44 Per Share
2024
Rs. 6.39 Per Share
-14.91 %

Return on Equity
2025
8.60%
2024
11.15%
-22.87 %

Short Term Borrowings
2025
52,158 million
2024
42,006 million
24.17 %

NON-FINANCIAL PERFORMANCE INDICATORS

Capital Type	Objective	Key Performance Indicator	Performance in 2025
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. 5,486 million in upgrading and expanding its operational facilities including investment in renewable energy generation. For further details refer note 4.2.1 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.	In FY 2025, the Learning & Organizational Development department implemented key initiatives, including Wellness Month, AI-enabled training sessions, and an income tax filing walkthrough, to enhance workforce skills and well-being. Concurrently, the HSE department conducted quarterly fire drills to strengthen emergency preparedness, resulting in zero fatalities or serious injuries 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 among the largest consumers of Better Cotton Initiative (BCI) certified cotton, and through its cotton waste recycling plant, the Company has further enhanced the use of sustainable raw materials while minimizing production waste. In addition, the Effluent Treatment Plant ensures that all discharged wastewater complies with environmental and regulatory standards. Demonstrating its commitment to renewable energy, In July 2025, Gul Ahmed has successfully installed a 17 MW rooftop solar system, with an additional 11 MW scheduled for implementation in the coming year.
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. 119 million to various initiatives through its dedicated CSR partners. For further details kindly refer note 28.5 & 28.6 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.	Gul Ahmed recorded year-on-year sales growth across all key regions, including Europe, the UK, North America, and the Middle East. Refer note 36 of the unconsolidated financial statements for further details.

STAKEHOLDER ENGAGEMENT & INVESTOR RELATIONS

Stakeholder engagement remains central to Gul Ahmed's long-term success, particularly given the scale of our operations and the complexity of our supply chain. By actively engaging with suppliers, customers, employees, and communities, we work to understand their expectations and address their concerns. This collaborative approach fosters stronger relationships, informs our decision-making, and ensures our business practices remain ethical, sustainable, and mutually beneficial.

Stakeholders	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 engaged in university job fairs to attract top graduates for the MTO program. Gul Ahmed has also been accredited by ICAP as a Training Organization Outside Practice, enabling Chartered Accountancy students to complete their mandatory articleship with the Company. Through participation in ICAP seminars and events, our representatives continue to guide students and strengthen industry impact.
Employees	Regular	Training sessions, employee grievance handling procedures, HR interactions	Training & career development, employee benefits and performance appraisals, occupational safety and well being, 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.119 million to various NGOs, aimed at extending support to local communities. This includes Rs.100 million paid to Indus Hospital and Health Network for the development of ""School of Medical Technology and Allied Health"" Additionally, Gul Ahmed conducted its annual blood donation drive in partnership with the Afzaal Memorial Thalassemia Foundation.
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. 1.64 billion in final and income taxes during the year.

SUSTAINABILITY REPORT

The global textile industry is facing unprecedented pressure to transform as the European Union (EU) intensifies its climate agenda. With new regulations targeting carbon neutrality and the EU Waste Framework Directive reinforcing stricter sustainability standards, businesses are being compelled to adapt rapidly. Adding to this, major European customers have instructed their supply chains to achieve net-zero emissions by 2030. For textile manufacturers in Pakistan, this shift is redefining business models, leaving little choice but to prioritize renewable energy and sustainable practices in order to remain competitive.

Gul Ahmed has long recognized the importance of sustainability and, over the years, has steadily built renewable and circular assets such as its Effluent Treatment Plant, Waste Heat Recovery Boilers, Cotton Recycling Facility, and participation in the Balochistan Organic Cotton Project. In recent years, these initiatives have accelerated significantly. Subsequent to the year end the Company has successfully installed 17 MW of rooftop solar panels, providing a substantial alternative to its fossil fuel–based powerhouse setup. Additionally, 32 tonnes-per-hour biomass steam boilers have been commissioned to replace gas-fired boilers, while battery energy storage systems are being deployed to maximize the efficiency of solar energy capture. These investments mark critical steps in transitioning Gul Ahmed toward cleaner, more resilient energy solutions.

Beyond environmental stewardship, Gul Ahmed's efforts create meaningful financial and social impact. In FY 2025, the Company generated foreign exchange inflows of Rs. 109 billion (USD 391 million equivalent) through exports, while contributing Rs. 1.6 billion in taxes and Rs. 282 million in export development surcharges to the national exchequer. The Company disbursed approximately Rs. 20 billion in salaries and benefits to nearly 15,000 employees, strengthening household incomes and supporting livelihoods. Gul Ahmed also contributed Rs. 119 million in community development, including Rs. 100 million towards Indus Hospital's School of Medical Technology and Allied Health, which will train over 100 medical professionals annually.

Looking ahead, Gul Ahmed intends to build on this momentum by expanding renewable energy capacity through additional rooftop solar installations, exploring opportunities in wind energy harvesting, and investing in biomass boilers. These forward-looking initiatives reflect the Company's commitment to aligning with global sustainability goals, supporting national economic development, and ensuring long-term resilience in an evolving regulatory landscape.

A MARK OF

VIGILANCE

Through vigilance, we uphold the highest standards of quality and sustainability while creating textiles that inspire trust across markets worldwide

External Environment & Risk Management

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 Legacy:
With over 70 years of excellence, our commitment to quality has earned us a trusted reputation and enduring customer loyalty.

Diverse Production Capabilities:
Our advanced and flexible manufacturing processes enable us to deliver a wide spectrum of textile products, catering to the evolving demands of local and international markets.

Reliable In-House Power:
Self-sustained energy generation enables uninterrupted production and enhances operational efficiency across all facilities, while steadily lowering costs as a greater share of power is sourced from renewables.

Skilled and Dedicated Workforce:
The expertise and innovation of our experienced professionals drive superior product standards and continuous improvement.

Global Collaborations:
Strategic partnerships with renowned international brands strengthen our market presence and broaden our global footprint.

WEAKNESSES

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

Labor-Intensive Production:
Heavy dependence 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, resulting in higher costs, challenges in energy management, and environmental concerns.

Dependence on Imported Raw Materials and Spare Parts:
A strong reliance on imported raw materials and machinery spares exposes us to supply chain disruptions, foreign exchange fluctuations, and higher procurement costs.

OPPOURTUNITIES

Collaborating for Net Zero:
Strategic partnerships with international companies to achieve net-zero emissions will enhance competitiveness and help capture greater market share as European carbon regulations become stricter.

Increased Circularity:
Strengthening recycling and circular production practices can reduce costs, optimize resource use, and support long-term sustainability goals.

Renewable Energy Adoption:
Investments in solar and biomass technology offer opportunities to lower power costs while minimizing our environmental impact.

Product Diversification:
Expanding into new product categories allows us to meet changing consumer preferences and unlock additional market potential.

Technological Innovation:
Embracing advanced production technologies can improve efficiency, reduce waste, and elevate product quality.

THREATS

Rising Energy Prices:
Escalating energy costs continue to put pressure on profit margins, increasing the overall cost of operations Leading the company to explore other alternative power sources.

Adverse Taxation Policies:
Recent changes in tax regulations have heightened the financial burden on export-oriented industries, negatively affecting profitability.

Global Shipping Disruptions:
Ongoing geopolitical tensions and restrictions have disrupted shipping routes, resulting in longer lead times and higher logistics expenses.

Exposure to U.S. Tariffs:
The imposition or potential increase of tariffs on textile exports to the United States poses a significant risk to market access and competitiveness.

PESTEL ANALYSIS

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 environment in Pakistan continues to create challenges for investor confidence and long-term planning. Policy instability and delays in government reforms affect the ease of doing business. Additionally, U.S. trade policies and tariff structures on textile imports from Pakistan have raised concerns, as any unfavorable changes could reduce competitiveness in international markets.	Senior management continues to closely monitor political and trade developments, especially regarding U.S. tariffs. Proactive engagement with government bodies, industry associations, and trade partners is being pursued to safeguard market access. Efforts are also being made to strengthen domestic market reliance, while simultaneously lobbying for favorable trade agreements to protect export growth.
Economic	Rising gas and energy tariffs have significantly increased production costs, putting pressure on margins. While interest rates have recently decreased, offering some relief for financing and working capital requirements, changes in income tax laws have increased compliance and tax liability for businesses, further straining profitability.	Gul Ahmed is tackling rising production costs by investing in renewable energy and reducing reliance on conventional power. Lower interest rates are being utilized to support capital expenditures and maintain higher stock levels at favorable financing costs. The Company is also reassessing segmental performance to focus on profitable areas while phasing out less profitable segments. At the same time, enhanced tax planning is being pursued to optimize compliance and reduce overall tax burden.
Social	Consumers remain price-sensitive due to inflation and reduced disposable income, increasing demand for affordable textile products. At the same time, global customers are more conscious about ethical sourcing, sustainability, and social responsibility. For employees, evolving workplace expectations emphasize skills development, digital literacy, and fair treatment.	The Company remains focused on delivering competitively priced, high-quality products while expanding CSR initiatives in education, healthcare, and community development. Employee training programs on AI tools, tax awareness, and sustainable practices are being introduced, aimed at strengthening professional skills and providing life skills that benefit employees beyond the workplace.
Technological	The rapid integration of Artificial Intelligence (AI) and automation in the textile industry is reshaping operations, customer service, and supply chain management. Companies that fail to adopt these technologies risk losing efficiency and competitiveness.	Gul Ahmed has accelerated investment in AI-driven solutions for demand forecasting, inventory optimization, and predictive maintenance of machinery. The Company is also exploring AI-based customer engagement tools to strengthen e-commerce platforms. Combined with ongoing upgrades in plant and machinery, these initiatives help reduce costs, improve efficiency, and keep the Company ahead of regional competitors.
Environmental	Sustainability remains a key priority as buyers demand eco-friendly products, while rising gas costs and energy constraints challenge operational efficiency. Pressure to cut carbon emissions, conserve water, and adopt renewable energy is intensifying, particularly from European and U.S. clients. Additionally, climate change-driven recurring floods in Pakistan have caused cotton shortages, raising costs and impacting quality.	Gul Ahmed is expanding investments in renewable energy, including solar and biomass, to offset rising gas costs and lower carbon dependence. The Company continues sourcing sustainable raw materials through BCI Cotton, recycled cotton waste, and increased procurement from the WWF-backed organic cotton project in Balochistan. With recurring floods and local shortages driving greater reliance on imported cotton, higher stock levels are being maintained to ensure supply chain stability and cost control.
Legal	Compliance with evolving tax and regulatory frameworks remains critical. Recent changes in income tax laws have added compliance complexities, and stricter monitoring of export documentation has increased the need for robust legal oversight. Failure to comply could result in penalties, increased costs, or reputational risks.	The Company continues to engage top legal and tax experts to ensure timely compliance with all updated laws, including new income tax requirements. A strong compliance framework is maintained to avoid penalties and safeguard business continuity. Gul Ahmed emphasizes transparent corporate governance and prides itself on maintaining a clean track record free from major legal violations.

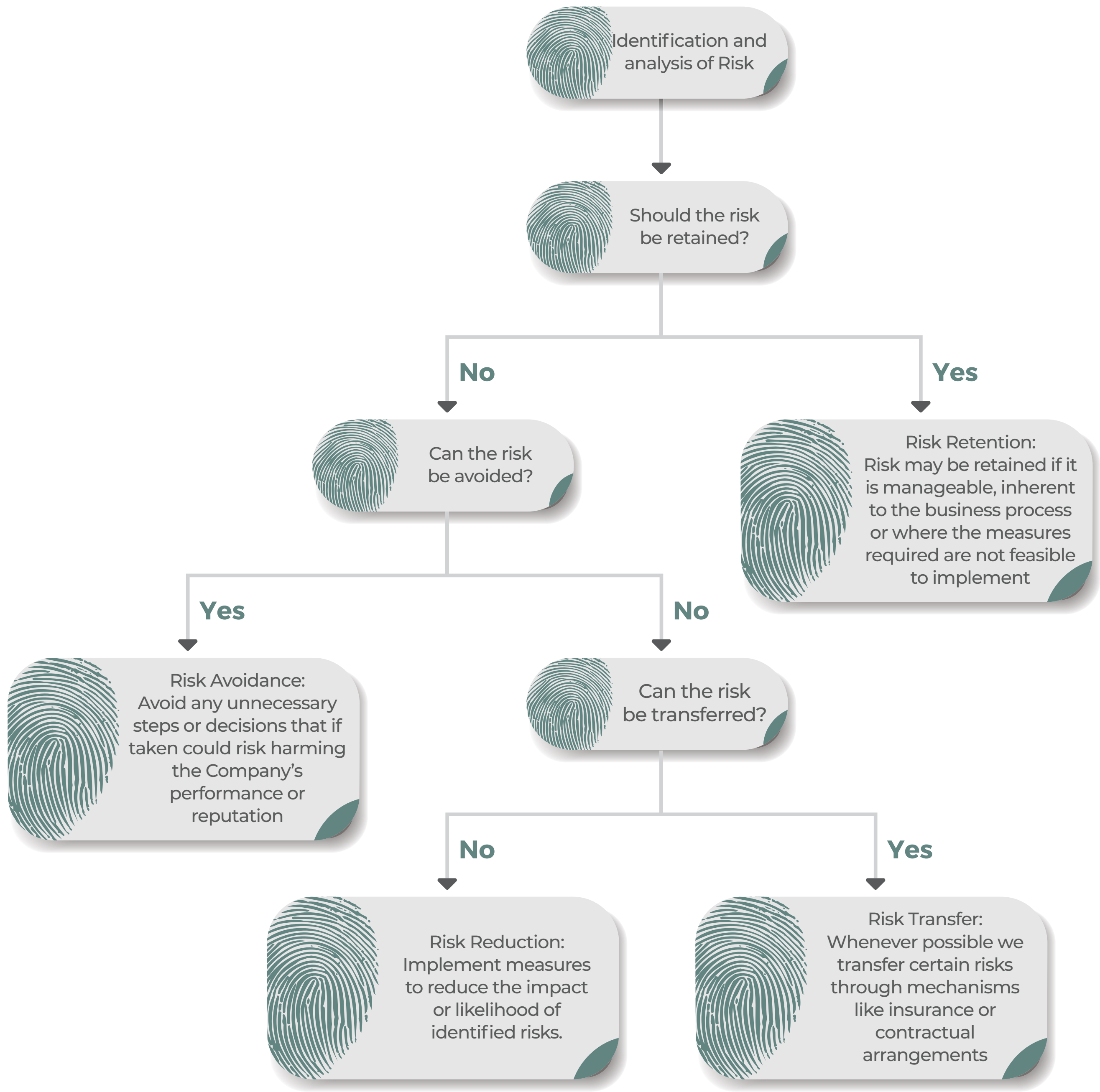
RISK MANAGEMENT

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:

RISK MITIGATION

The below mentioned decision tree shows the framework that we employ to determine how to tackle risks 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 resources required to do so:



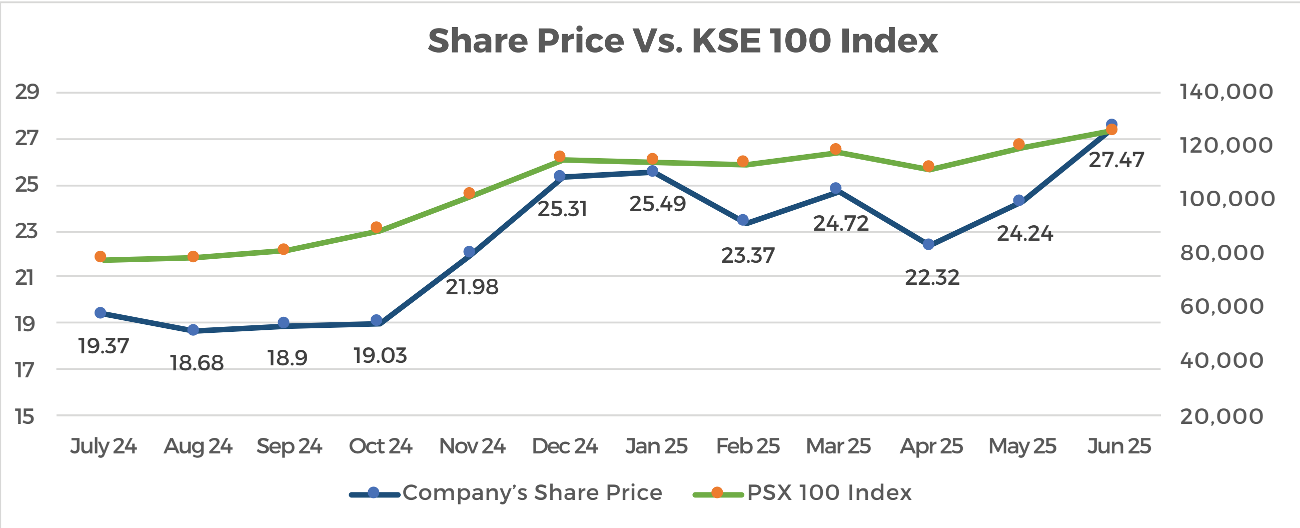
The following table presents an overview of potential risks associated with our business operations. It includes a detailed analysis of each identified risk, evaluating factors such as likelihood, impact, and sources. Additionally, the table outlines the strategies and measures implemented to mitigate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

Category of Risk	Risk	Source	Likelihood	Magnitude	Forms of Capital Impacted	Effect on Strategic Objectives	Risk Mitigation Initiatives
Strategic Risk	Political and economic uncertainty	External	Medium	High	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	High	High	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 invests 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 of 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, the company seeks to diversify its supplier 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, Finanical 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 thereby 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-24	19.37	77,887
Aug-24	18.68	78,488
Sep-24	18.90	81,114
Oct-24	19.03	88,967
Nov-24	21.98	101,357
Dec-24	25.31	115,127
Jan-25	25.49	114,256
Feb-25	23.37	113,252
Mar-25	24.72	117,807
Apr-25	22.32	111,327
May-25	24.24	119,691
Jun-25	27.47	125,627



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.

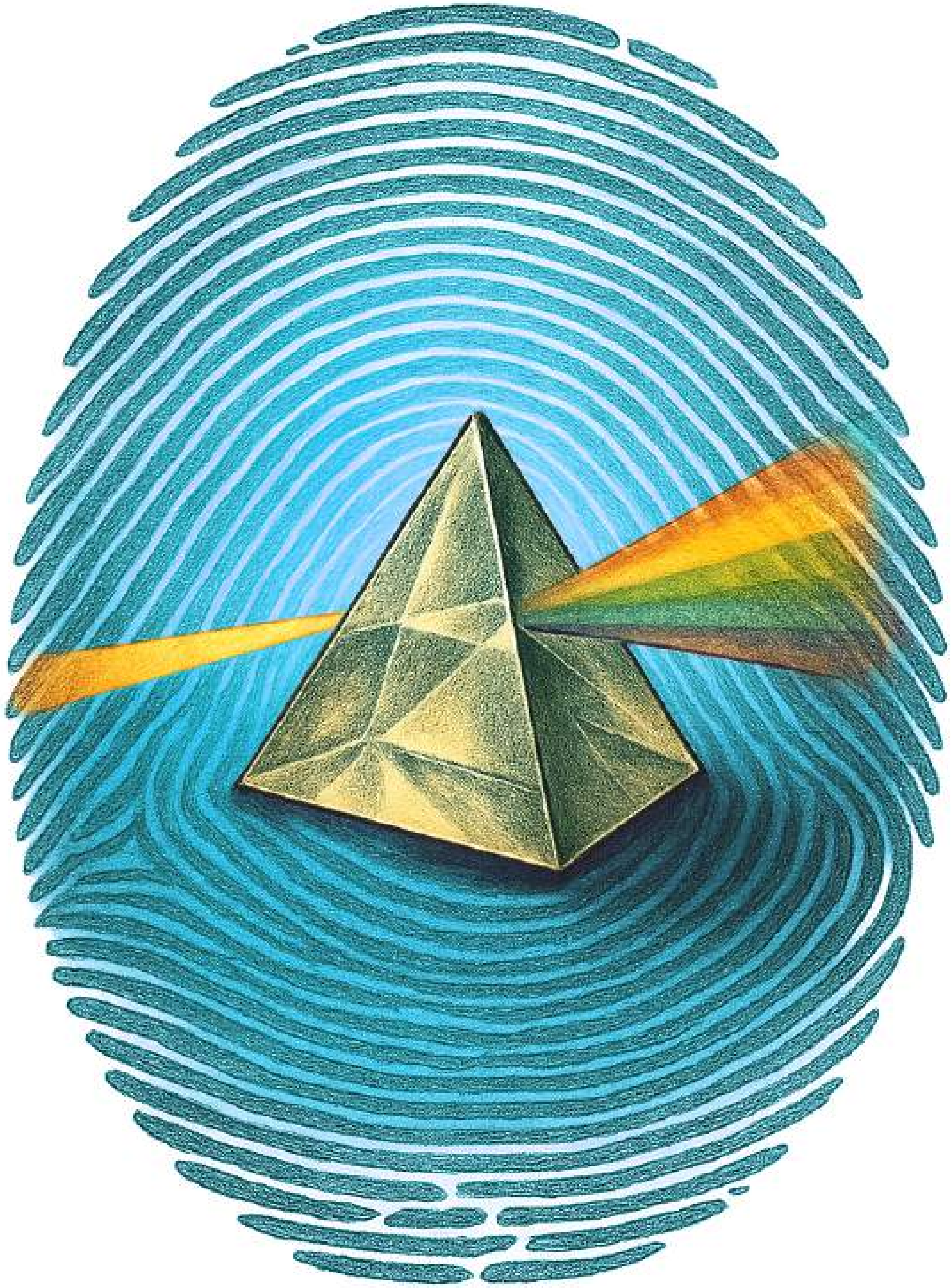
Conducting sensitivity analysis helps the Company assess the potential risks and opportunities associated with these external factors. By monitoring trends, analyzing historical results, and testing the effects of critical variables, the Company can make informed decisions to safeguard profitability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

A MARK OF

TRANSPARENCY

With a seal of transparency, we make accountability visible in every decision. It reflects our commitment to honesty, fairness, and responsible business practices.

Review & Representations



AUDIT COMMITTEE REPORT

The Audit Committee (the Committee) has concluded its annual review of the conduct and operations of the Company during 2025 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, 2025, 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, Yosuf Adil, 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, 2025 and shall retire on the conclusion of the 73rd 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 73rd Annual General Meeting scheduled for October 25, 2025.

Karachi
September 29, 2025

Kamran Y. Mirza
Chairman Audit Committee

CHAIRMAN'S REVIEW

It is with pride and confidence that I present the Chairman's Review for the year ended June 30, 2025, in compliance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. This review highlights our continued commitment to transparency, governance excellence, and delivering enduring value to our stakeholders.

This year was marked by global economic moderation, selective demand recovery, and domestic challenges including tight fiscal space, high debt servicing, and persistent energy cost pressures. In this context, Pakistan's GDP grew by 2.68%, inflation fell to multi-year lows, and monetary easing began in the second half of the year—creating a cautiously optimistic outlook.

For the textile industry, currency stability and trade facilitation improved export competitiveness, while vertically integrated players like us maintained operational agility and market responsiveness leading to:

- Turnover: USD 550M+ equivalent, highest ever despite volatile demand.
- Export Share: Strengthened position in core U.S. and EU markets through targeted high-value products.
- Vertical Integration Advantage: Maintained end-to-end control from spinning to finishing, enabling cost efficiency, quality consistency, and supply chain resilience.
- Operational Efficiencies: Enhanced capacity utilization and lean process initiatives offset part of the energy cost escalation.
- Renewable Energy Investment: Commissioned 18.2 MW solar capacity to lower long-term energy costs and reduce carbon footprint.

In the year ahead, we will focus on expanding high-value home textiles, accelerating renewable projects to meet over 50% of power needs by 2027 and 90% by 2030, and investing in automation to boost efficiency and quality. We will deepen key export relationships, target growth in the Middle East and Asia-Pacific and maintain strict financial discipline to navigate currency and interest rate volatility. In line with our strategic review, we have also resolved to discontinue the export apparel segment to concentrate resources on other businesses with stronger growth potential.

The Board's annual self-evaluation for FY2024–25 delivered satisfactory results, confirming the effectiveness of its composition, governance, and strategic oversight. With a balanced mix of independent and non-executive directors, the Board brings diverse expertise, enabling informed decision-making and the ability to adapt to evolving market conditions.

The review also reaffirmed the strength of our governance framework, which upholds transparency, ethical conduct, and adherence to best practices. Constructive communication, collaboration, and effective conflict resolution remain central to fostering cohesive Board dynamics and driving the Company's long-term objectives.

My deepest gratitude goes to our shareholders, employees, and partners for their consistent support and commitment. United by our shared vision, we are well-positioned to advance our strategy, expand our achievements, and deliver sustainable value with confidence and integrity.

Mohomed Bashir
Chairman
Karachi: September 29, 2025

چیئرمین کا جائزہ

یہ میرے لیے فخر اور اعتماد کی بات ہے کہ میں 30 جون 2025 ء کو ختم ہونے والے مالی سال کے لیے چیئرمین کا جائزہ پیش کر رہا ہوں جو کمپنیز ایکٹ 2017 ء اور لِسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطۂ اخلاق) ریگولیشنز 2019 ء کے مطابق ہے۔ یہ جائزہ شفّافیت، گورننس میں بہترین معیار اور اپنے اسٹیک ہولڈرز کو دیرپا قدر فراہم کرنے کے ہمارے مسلسل عزم کو اُجاگر کرتا ہے۔

یہ سال عالمی معیشت کی اعتدال پسندی، طلب میں جزوی بحالی، اور ملکی سطح پر درپیش چیلنجز جیسے محدود مالی گنجائش، زیادہ قرضہ جاتی ادائیگیاں، اور توانائی کے اخراجات کے مستقل دباؤ کے ساتھ نمایاں رہا۔ اِس تناظر میں پاکستان کی جی ڈی پی 2.68٪ بڑھی، مہنگائی کئی سال کی کم ترین سطح پر آگئی، اور سال کے دوسرے نصف حصّے میں مالیاتی پالیسی میں نرمی کا آغاز ہوا، جس نے ایک محتاط طور پر پُرامید منظرنامہ پیدا کیا۔ ٹیکسٹائل صنعت کے لیے، کرنسی کے استحکام اور تجارتی سہولت کاری نے برآمدی مسابقت کو بہتر بنایا، جبکہ ہمارے جیسے عمودی طور پر منسلک اداروں نے عملی لچک اور مارکیٹ کی ضروریات کے مطابق ردِّ عمل برقرار رکھا، جس کے نتیجے میں درج ذیل کامیابیاں حاصل ہوئیں

- ٹرن اوور: 550 ملین امریکی ڈالر سے زائد، جو غیر مستحکم طلب کے باوجود تاریخ کا بلند ترین ہے۔
- برآمدی حصّہ: بنیادی امریکی اور یورپی یونین کی منڈیوں میں ہائی ویلیو مصنوعات کے ذریعے مضبوط پوزیشن۔
- عمودی انضمام کا فائدہ: اسپننگ سے لے کر فنشنگ تک مکمل کنٹرول برقرار رکھا گیا، جس نے لاگت کی بچت، معیار میں تسلسل، اور سپلائی چین کی مضبوطی کو یقینی بنایا۔
- عملی مؤثریت: صلاحیت کے زیادہ استعمال اور مؤثر عملی اقدامات نے توانائی کی بڑھتی لاگت کا جزوی طور پر ازالہ کیا۔
- قابلِ تجدید توانائی میں سرمایہ کاری: 18.2 میگا واٹ سولر صلاحیت کا آغاز کیا گیا تاکہ طویل مدّتی توانائی کے اخراجات کم ہوں اور کاربن کے اخراج کا اثر (کاربن فٹ پرنٹ) گھٹے۔

آئندہ سال میں، ہم اعلیٰ قدر و قیمت کے ہوم ٹیکسٹائل کی توسیع، قابلِ تجدید منصوبوں میں تیزی لانے تاکہ 2027 ء تک بجلی کی 50٪ اور 2030 ء تک 90٪ ضرورت پوری ہو سکے، اور آٹومیشن میں سرمایہ کاری پر توجّہ مرکوز کریں گے تاکہ کارکردگی اور معیار میں اضافہ کیا جا سکے۔ ہم کلیدی برآمدی تعلقات کو مزید گہرا کریں گے، مشرقِ وسطیٰ اور ایشیا پیسیفک میں ترقّی کے مواقع حاصل کریں گے اور کرنسی و شرحِ سُود میں اُتار چڑھاؤ کو قابو کرنے کے لیے سخت مالیاتی نظم برقرار رکھیں گے۔ اپنی اسٹریٹجک جائزہ پالیسی کے تحت، ہم نے ملبوسات کی برآمد کے شعبے کو بند کرنے کا فیصلہ بھی کیا ہے تاکہ وسائل کو ان کاروباری عوامل پر مرکوز کیا جا سکے جن میں زیادہ ترقّی کی صلاحیت موجود ہے۔

مالی سال 2024-25 ء کے لیے بورڈ کی سالانہ کارکردگی کے جائزے نے تسلّی بخش نتائج پیش کیے جس سے بورڈ کی ساخت، گورننس اور اسٹریٹجک نگرانی کی مؤثریت کی تصدیق ہوئی۔ آزاد اور نان ایگزیکٹیو ڈائریکٹرز کے متوازن امتزاج کے ساتھ، بورڈ متنوع مہارتیں فراہم کرتا ہے جو باشعور فیصلے کرنے اور بدلتے ہوئے مارکیٹ حالات سے ہم آہنگ رہنے کی صلاحیت پیدا کرتا ہے۔

اِس جائزے نے ہمارے گورننس فریم ورک کی مضبوطی کی بھی توثیق کی، جو شفّافیت، اخلاقی رویّے اور بہترین طریقۂ کار پر عمل پیرا ہے۔ تعمیری مواصلات، تعاون، اور مؤثر تنازع حل کرنے کی صلاحیت بورڈ کے ہم آہنگ رجحانات کو فروغ دینے اور کمپنی کے طویل مدّتی مقاصد کے حصول میں مرکزی حیثیت رکھتے ہیں۔

ہمارے شیئر ہولڈرز، ملازمین اور پارٹنرز جن کے مسلسل تعاون اور عزم نے ہمیں مضبوط بنایا میرے دلی شکریے کے مستحق ہیں۔ ہماری مشترکہ بصیرت کے تحت ہم اپنی حکمتِ عملی کو مزید آگے بڑھانے، اپنی کامیابیوں کو وسعت دینے اور پائیدار قدر و منزلت فراہم کرنے کے لیے اعتماد اور دیانت کے ساتھ پوری طرح تیّار ہیں۔

محمد بشیر کراچی
چیئرمین
کراچی: 29 ستمبر 2025

CEO'S MESSAGE

I am delighted to present another year of strong performance for Gul Ahmed Textile Mills Limited, marking a significant milestone in our journey. Despite the challenges posed by a global slowdown, we have once again proven our resilience and adaptability, achieving the highest revenue in the company's history.

This achievement, however, came against the backdrop of rising raw material costs, increased energy tariffs, and adjustments to minimum wage regulations, which have impacted our margins. Nonetheless, our ability to navigate these headwinds reflects the strength of our leadership, the commitment of our team, and the strategic decisions made in the face of adversity.

Our unwavering commitment to acting responsibly and conscientiously has been at the heart of how we overcame these challenges. From taking decisive steps to safeguard the welfare of our employees to ensure that we continue to deliver value to our customers and shareholders, every decision made has been with the long-term success of the Company and its stakeholders in mind.

Gul Ahmed continues to be a force for good in the communities we serve. Our Corporate Social Responsibility (CSR) efforts are focused on impactful areas such as education, women's empowerment, healthcare, environmental conservation, and community development. Our commitment to social responsibility is further reinforced by our adherence to the highest standards of Environmental, Social, and Governance (ESG) practices. We firmly believe that sustainable, long-term value can only be realized when we remain fully aligned with these principles.

Sustainability is a cornerstone of our strategy, and we are proud to have completed the deployment of our 18.2 MW solar power project, bringing us closer to our goal of relying on energy needs from renewable sources. We are also in the process of expanding our solar capacity by an additional 10-15 MW and also in a process to deploy up to 5 – 10 MW of wind within our factory premises, reinforcing our commitment to a greener, more sustainable future.

Our commitment to sustainability not only strengthens our competitive edge in key export markets but also ensures we uphold the highest ethical and environmental standards. We recognize our people as the foundation of our success and continue to foster a culture of inclusivity, innovation, and professional growth.

Looking ahead to FY 2026, we remain confident despite global uncertainties, including climate change, inflationary pressures, and geopolitical shifts. With supportive monetary policies on the horizon, we are ready to leverage strategic investments in capacity, technology, and sustainability to drive long-term value.

As part of this focused strategy, we have exited the export apparel segment to concentrate resources on high-value home textiles, premium product lines, and other growth opportunities. This sharper allocation of capital and talent positions Gul Ahmed to strengthen margins, deepen market leadership, and create sustainable growth for all stakeholders.

Thank you for your continued trust and partnership.

Mohammad Zaki Bashir
Chief Executive Officer

DIRECTORS` REPORT TO THE SHAREHOLDERS

The Directors are pleased to present the financial results of the Company for the fiscal year ended June 30, 2025.

Economic & Industrial Overview

Global Economic Landscape
At the start of FY 2025-26, the global economy is expected to continue on a moderate growth path, building on the gradual recovery observed over the past two years. Global trade is projected to expand steadily, supported by strong demand for technology, industrial goods, and manufactured exports from Asia, although overall growth remains below the levels seen in the two decades prior to the pandemic. Financial conditions are anticipated to remain broadly stable, with easing interest rate pressures in some advanced economies and moderate inflation providing a supportive backdrop for investment and trade. While supply chain disruptions have moderated compared to previous years, continued geopolitical tensions and sporadic logistical bottlenecks may still create localized volatility.

Global inflation is expected to gradually ease, averaging around 3.4–3.5% in FY 2025-26, as energy prices stabilize and core inflationary pressures soften. Nevertheless, risks remain from persistent geopolitical uncertainties including ongoing conflicts in Eastern Europe, Middle East, strained U.S. - China relations, and protectionist trade measures which could impact commodity prices, trade flows, and investment patterns. Climate-related events, such as extreme weather affecting agricultural and industrial production, and evolving sustainability regulations in major markets, may also affect operational and supply chain resilience. Against this backdrop, businesses are likely to face both challenges and opportunities, requiring agility, robust risk management, and strategic alignment to navigate uncertainty while capitalizing on emerging global trends.

Pakistan's Economic Landscape
In FY 2025, Pakistan's economy demonstrated clear signs of recovery and resilience. GDP growth reached 2.68%, while inflation declined sharply from 23.4% to 4.5%, supported by a lower policy rate, exchange rate stability, and prudent macroeconomic management. The current account recorded its first annual surplus in 14 years and the largest in 22 years, driven by stronger exports, robust remittances, and rising foreign exchange reserves.
Fiscal discipline improved as the fiscal deficit was contained at 3.7% of GDP for July–May FY 2025, supported by substantial increases in both tax (25.9%) and non-tax (62.7%) collections, which together drove a 41.1% growth in net federal revenues.

During FY 2024–25, exports rose by $1.37 billion, from $30.7 billion in the same period last year to $32.04 billion, while imports increased by $3.61 billion, reaching $58.39 billion. Remittances from overseas workers surged 26.6% year-on-year to $38.3 billion, contributing to a turnaround in the current account from a $2.07 billion deficit in FY 2024 to a $0.328 billion surplus in FY 2025.

Industrial activity presented a mixed picture. The cumulative Large Scale Manufacturing (LSM) output declined by 0.74% during July–June FY 2025, following marginal growth of 0.9% the previous year. However, 12 out of 22 sectors recorded positive growth, including textiles, wearing apparel, coke & petroleum products, beverages, and pharmaceuticals. The automobile sector also exhibited strong performance during FY 2024–25, highlighting pockets of industrial resilience amid broader challenges.

Looking ahead, FY 2025–26 is expected to consolidate these gains, with moderate growth, continued easing of inflation, and strengthening external balances, while the economy navigates ongoing fiscal and global trade challenges.

Pakistan's Textile Sector
In the financial year FY24-25, Pakistan's 7.39% export growth reflects resilience in a competitive global environment. The shift from commodities to value-added products aligns well with global consumption patterns. Below is the breakup of Textile Exports category wise:

Category	2024-25 USD	2023-24 USD	Change
Knitwear	5,010,467	4,407,573	13.68%
Readymade garments	4,128,556	3,563,647	15.85%
Bed wear	3,112,848	2,802,670	11.07%
Cotton Cloth	1,808,997	1,865,964	-3.05%
Towels	1,082,611	1,055,109	2.61%
Cotton Yarn	680,700	955,510	-28.76%
Made up Articles	775,791	715,333	8.45%
Others	1,287,068	1,290,092	-0.23%
Grand Total	**17,887,038**	**16,655,898**	**7.39%**

The sector continues to encounter significant challenges, including volatility in raw material prices, increasing energy costs, and intensified global competition, which collectively exert pressure on margins and operational efficiency. Furthermore, recent policy changes, such as adjustments in customs duties, transitions in the tax regime, and delays in refund processing, may adversely affect export competitiveness and liquidity.

Operational & Financial Performance
Despite challenges such as pricing pressures in export markets, geopolitical instability, elevated financing costs (which eased later in the year), and fluctuating energy prices, the Company successfully expanded order volumes and operated at optimal production capacity

during FY24-25. Export revenue in USD registered a growth of 4.07 %, rising from USD 368.9 million in the SPLY to USD 383.6 million in FY25. This performance translated into a notable increase in net sales, which rose by 10.31 % to Rs. 157.9 billion from Rs. 143.14 billion in the previous year. However, despite this strong top-line performance, profitability at the gross, operating, and net levels was adversely affected by the aforementioned challenges. The key financial metrics for the year ended June 30, 2025, are summarized below:

Description	2025	2024	Variation %
Export Sales	105,815	99,403	6.45%
Indirect Export Sales	37,279	32,031	16.38%
Local Sales	14,811	11,711	26.47%
Total Sales	157,905	143,145	10.31%
Gross Profit	18,978	17,191	10.39%
Profit before tax	5,660	6,537	-13.42%
Profit after tax	4,023	4,728	-14.91%
EBITDA	16,312	16,436	-0.75%
Earnings per share	5.44	6.39	-14.87%

* All amounts are in PKR Million except for Earnings per share which is in Rupees per share

Sales Performance
In PKR terms, export revenue increased by 6.45%, primarily attributable to favorable exchange rate movements and higher export volumes in USD. Indirect exports recorded further growth of 16.38% during FY25 as compared to the SPLY. Local sales, meanwhile, posted a significant increase of 26.47% over the same period. This overall growth in sales underscores the effectiveness of the Company's strategic initiatives, including timely investments and an enhanced focus on both international and domestic markets.

Costs and Financial Metrics
The company experienced a 10.30% rise in the cost of sales, driven by multiple factors including higher raw material prices, increased energy tariffs, and adjustments in minimum wage regulations.

In response, the company has taken proactive steps to manage energy costs and enhance sustainability. A 18.2 MW rooftop solar installation is already operational now. Additionally, plans are underway to expand solar capacity by another 10–15 MW across company-owned sites, supported by a robust battery storage system. The company is also exploring the deployment of Wind Turbines within its Factory locations to diversify its energy mix and reduce reliance on conventional gas-based power. These strategic investments are aimed at controlling long-term energy costs and protecting margins amid ongoing utility price volatility.

Selling costs have risen significantly by 17.19%, primarily driven by a 24.0% increase in freight expenses and a 10% rise in salaries and wages. The prevailing geopolitical uncertainties have continued to disrupt global trade flows, resulting in longer transit times, supply chain inefficiencies, and elevated freight costs as shipping lines are compelled to adopt alternative routes. In contrast, administrative expenses have seen an increase of 18% driven up by increase of 57% in travelling & conveyance on account of increasing customer base, 91% in donations and 9% in salaries, wages and benefits.

Despite an increase in borrowings by PKR 11.6 billion, largely driven by higher gas prices and rising working capital requirements due to increased sales, the Company successfully maintained finance costs at stable levels compared to last year as interest rates began to normalize. Borrowings increased by 19.38% over the SPLY, while finance costs rose by only 11.96%. This outcome reflects the effectiveness of strategic financial planning and optimization. A key driver of this performance was the proactive approach in securing EFS and FE financing at favorable rates. By leveraging these lower-cost financing facilities and maintaining prudent debt management, the Company was able to mitigate the impact of higher borrowings and keep overall finance costs relatively contained.

Segmental Review of Business Performance
The Company operates across multiple business segments; however, only the key segments of material significance are highlighted below:

Spinning
Gul Ahmed operates a state-of-the-art spinning plant, which is central to both our revenue growth and profitability. This segment is critical in supplying high-quality yarn to domestic textile manufacturers while also serving the Company's internal production needs. Leveraging advanced technology and a strategic operational approach, our spinning plant enables us to remain competitive, responsive to market demands, and reinforces our leadership position within the textile sector.

In FY25, the Spinning Division achieved a notable increase in net sales of approximately 10.34% compared to the SPLY. However, this growth was accompanied by higher costs, driven primarily by increases in minimum wages, power and fuel expenses, and other overheads. As a result, gross margins contracted to 10.80% as compared to 11.67% SPLY, reflecting the impact of cost pressures on overall profitability. While sales performance remained strong, the margin erosion underscores the challenges posed by the rising cost environment despite management's continued focus on efficiency and operational discipline.

These measures are particularly vital in the current challenging business environment, as effective cost management and operational improvements are essential to ensuring the segment's long-term sustainability.

An overview of the Company's performance across its business segments is provided in the operating segment results within the attached financial statements; for more details, please refer to Note # 35.

Home Textile
The Home Textile segment continues to be the cornerstone of the Company's operations, contributing 85% of total export volume through the manufacture and export of a wide range of value-added textile products.

During FY25, the segment recorded a notable increase in total net sales in PKR terms, rising by approximately 11.4% compared to the SPLY. The segment delivered a robust 12.6% increase in exports in USD terms compared to the SPLY. This growth reflects strong revenue generation and an expanding market footprint despite prevailing geopolitical challenges. While the cost of sales increased due to higher minimum wages and rising power and fuel costs, gross profit margins improved from 7.25% to 9.59%, underscoring the Company's ability to enhance profitability in a challenging environment.

The improvement in margins is primarily attributable to enhanced operational efficiency, strengthened process management, and effective cost controls. Furthermore, improved procurement policies and timely decision-making contributed significantly to maximizing production efficiency and achieving cost savings.

Selling and distribution expenses increased by approximately 19.98%, largely in line with higher sales volumes and a rise in freight costs, the latter being driven by geopolitical uncertainties.

An overview of the Company's performance across its business segments is provided in the operating segment results within the attached financial statements; for more details, please refer to Note # 35.

Management Objectives and Strategies
Gul Ahmed continues to stand as a leading and trusted name in Pakistan's textile sector. Over the past year, we have advanced our commitment to sustainability and innovation while strengthening our technological capabilities to stay competitive in a dynamic global market. Our focus on operational efficiency and product excellence has not only helped us navigate economic challenges but also reinforced long-term value creation for our stakeholders. By aligning customer-centric innovation with financial resilience, we remain dedicated to delivering quality, trust, and sustainable growth. For a detailed overview of our strategic priorities and the measures undertaken to achieve them, please refer to page 37 of our Annual Report.

Principal Risk and Uncertainties
In today's dynamic environment, businesses face a wide spectrum of risks and uncertainties that, if not effectively managed, could significantly impact performance and long-term sustainability. The Company has established a robust framework for identifying, evaluating, and mitigating such risks. The principal risks currently under focus include:

- Credit Risk – exposure to defaults on receivables, particularly from local sales.
- Market & Input Risks – volatility in cotton and yarn prices, imposition of customs duties on raw material imports, rising utility tariffs, and fluctuating markup rates that exert pressure on margins.
- Technological Risk – rapid global advancements in textile manufacturing and automation require continuous adaptation to maintain competitiveness.
- Regulatory & Fiscal Risk – new duties and taxes on existing taxpayers increase cost pressures; the transition from Final Tax Regime (FTR) to Normal Tax Regime (NTR) reduces exporters' competitiveness; while the withdrawal of EFS zero-rating on local supplies and imposition of 18% GST create liquidity constraints through delayed refunds.
- Energy Risk – declining domestic gas reserves and dependence on imported fuel-based thermal generation expose operations to price volatility from global energy markets and PKR depreciation.
- Climate & ESG Risks – rising climate variability, including floods, droughts, and heatwaves, threatens cotton availability and operational continuity. At the same time, heightened global demand for compliance with sustainability, labor, and traceability standards requires investment and adaptation, with potential market access risks if standards are not met.
- Supply Chain Disruption Risk – global uncertainties, including geopolitical tensions, shipping bottlenecks, and currency fluctuations, may affect the timely availability and cost of raw materials, logistics, and export deliveries, impacting reliability of supply to international buyers.

While risk management has always been integral to our operations, the evolving expectations of markets, regulators, customers, employees, and shareholders have elevated it into a key driver of business strategy. A comprehensive overview of our risk management philosophy, governance structure, and principal risks and opportunities is provided on pages 47 to 54 of this Annual Report.

Policies and Procedures
The Company has established a robust framework of policies and procedures that underpin effective governance, regulatory compliance, and operational efficiency. These policies span all critical areas of our business, including financial management, risk control, and ethical conduct. To remain aligned with evolving regulations, industry standards, and global best practices, we review and update these policies on a regular basis, ensuring that our governance framework remains both current and resilient.

Information and Monitoring System
The Company has invested in advanced information systems to ensure the timely and accurate flow of information across all operations. These systems provide management with real-time insights to monitor performance, track variances, and maintain effective oversight. By embedding digital tools, automation, and data analytics into our processes, we are fostering a data-driven culture that enhances decision-making and strengthens organizational agility. This commitment to digital transformation enables us to anticipate challenges, seize opportunities, and respond swiftly to changes in the business environment.

Internal Audit
The Company has outsourced its internal audit function to an independent external firm, ensuring an objective and unbiased evaluation of our control environment. Reporting directly to the Audit Committee, the firm provides expert assessments on the effectiveness of internal controls and recommends improvements where needed. The Audit Committee regularly reviews these comprehensive reports, enabling timely actions that strengthen governance, enhance operational effectiveness, and reinforce stakeholder confidence.

Adequacy of Internal Financial Control
The Board of Directors has instituted a comprehensive system of internal financial controls designed to ensure the efficient and secure operation of the Company. These controls cover key areas such as fraud prevention, asset safeguarding, legal and regulatory compliance, accurate financial reporting, and the timely provision of reliable information. To maintain their effectiveness, the controls are subject to regular review and enhancement in line with evolving laws, regulations, and best practices. This reflects our ongoing commitment to strong financial governance, transparency, and accountability.

Further details on the Company's risk management framework are provided on page 49 of this Annual Report.

Human Resource (HR)
The Company places strong emphasis on effective human resource management as a driver of organizational success and sustained competitiveness. Our HR policies are structured to attract, develop, and retain skilled professionals while ensuring full compliance with employment laws and regulations. Core elements of our strategy include performance management, employee development, and market-aligned compensation, all of which enable us to nurture talent and strengthen engagement.

Beyond meeting current talent needs, we are committed to developing the next generation of professionals. As a registered Training Organization under the ICAP CA Trainees Program, we offer article ship opportunities to aspiring Chartered Accountants, equipping them with the knowledge and experience to excel in their careers. This initiative reflects our long-term vision of building a strong talent pipeline that will contribute to the continued success and growth of the Company and the broader industry.

Information Technology (IT)
The Company has implemented a comprehensive IT management framework to ensure that its systems remain reliable, secure, and aligned with business needs. This framework encompasses regular upgrades and maintenance of hardware and software, integrating the latest technological advancements to optimize performance and strengthen resilience. In parallel, we invest in continuous training and development of our IT teams, equipping them with the skills required to address emerging challenges and support the Company's digital transformation journey.

IT Governance Policy
Our IT governance framework plays a vital role in safeguarding information assets, preventing unauthorized access, and mitigating cybersecurity risks. It also provides a structured mechanism for the ongoing monitoring and enhancement of security measures. The policy sets clear guidelines for the creation, storage, use, archiving, and disposal of information across the organization, ensuring data integrity and compliance with best practices.

Acknowledging the critical role of technology in driving business success and meeting the evolving needs of our users, we continuously review and upgrade our management information systems. These systems are designed to:

- Monitor and enhance organizational performance.
- Provide real-time, reliable data to support strategic decision-making.
- Assess and demonstrate departmental effectiveness.
- Establish robust checks and balances to safeguard assets and ensure accountability.

Through this governance framework and our sustained investment in technology, we are committed to maintaining a secure, efficient, and future-ready information environment that underpins our business objectives and strengthens long-term resilience.

Business Continuity Plan (BCP)
The Company has established a comprehensive Business Continuity Plan (BCP) to safeguard the resilience and sustainability of its operations against unexpected disruptions. The plan sets out clear strategies for sustaining essential business functions during adverse events such as natural disasters, supply chain disruptions, or other emergencies. It incorporates structured procedures for risk assessment, crisis management, and recovery, ensuring that critical operations can be maintained with minimal interruption. To strengthen preparedness, regular drills, simulations, and reviews are conducted, allowing us to continuously test, refine, and enhance the effectiveness of the BCP. This proactive approach enables the Company to respond swiftly, protect stakeholders' interests, and ensure long-term operational stability.

Safety of Records
To ensure the safety, integrity, and accessibility of its records, the Company has outsourced record-keeping to specialized third-party service providers. This approach enables secure storage and efficient retrieval of critical documents while ensuring compliance with best practices. Primary data is safeguarded through remote backup sites, ensuring continuity and availability in the event of a disaster or system failure. In addition, the use of Oracle Cloud provides advanced security protocols, scalability, and robust protection against data loss or unauthorized access. Through these measures, the Company upholds the reliability of its information assets and supports seamless, uninterrupted business operations.

Corporate Social Responsibility
Corporate social responsibility is discussed in detail on page 43 of the Annual report.

Environment and Social Governance
As one of the country's leading exporters, the Company places the highest priority on safeguarding the health and safety of its workforce and stakeholders. A dedicated ESG (Environmental, Social, and Governance) compliance team has been established to drive and oversee our initiatives in these critical areas, reflecting management's strong commitment to sustainable and responsible business practices.

Our facilities are fully aligned with environmental and safety standards, with proactive measures in place to eliminate the release of hazardous substances and minimize environmental impact. This commitment not only reinforces our responsibility toward the environment but also demonstrates our dedication to the well-being of the communities in which we operate. Through our integrated ESG strategy, we remain focused on embedding sustainability, ethics, and accountability across all aspects of our operations.

Gender Pay Gap
Our company is committed to fostering an inclusive and equitable workplace where every employee is valued, respected, and empowered to succeed. As an equal opportunity employer, we ensure that all employment decisions including recruitment, hiring, training, promotion, and compensation are based solely on merit and qualifications, without discrimination on the basis of race, color, religion, gender, age, disability, or any other characteristic protected by law.

We believe that diversity fuels innovation and strengthens our overall performance. Accordingly, we are dedicated to maintaining a workplace where all employees have equal opportunities to grow, thrive, and contribute to our shared success.

For the reporting period, the mean pay gap shows that male employees earn on average 0.54% more than female employees, compared to -0.07% in 2024. In contrast, the median pay gap indicates that female employees earn 14.33% more than their male colleagues, broadly consistent with 14.51% in 2024. These results demonstrate stability across reporting periods and reaffirm the Company's commitment to maintaining gender equity. We remain mindful, however, that pay equity is a continuous journey and are committed to further strengthening our practices in this area.

Holding Company
The Company remains a subsidiary of Gul Ahmed Holdings (Private) Limited, which holds 55.86% of its shares.

Subsidiary Companies
The Company has both direct and indirect wholly owned subsidiaries, as disclosed in Note 1 of the audited financial statements.

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, 2025 is Rs. 3.3 billion (FY2024: Rs. 2.6 billion as per audited accounts)

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.

The trading and holding of Company's shares by the Directors & their Spouses or Executives, along with the price, the number of shares and nature of the transaction, were notified by the Company Secretary to the Board, SECP & PSX, within the stipulated time. All such holdings have been disclosed in the enclosed Pattern of Shareholding.

Investors' Grievance and complaints
The Company is committed to transparency and ensures equal access to information for all shareholders, including prospective investors. Shareholders are encouraged to seek information regarding the Company's operations, their investments, dividend entitlements, and regulatory disclosures issued by the Company. We prioritize timely and comprehensive responses to such requests, in full compliance with statutory requirements.

Investor grievances are managed through a centralized and structured mechanism designed to address queries and concerns promptly. This approach not only ensures effective resolution but also reinforces shareholder confidence and strengthens transparency in our engagement with investors.

Composition of the Board
The Board of Directors as at June 30, 2025 is as follows:
Total number of directors

a)	Male	06
b)	Female	01

Particulars	No.	Name of Directors
a) Independent Directors	2	Ms. Zeeba Ansar Mr. Kamran Y. Mirza
b) Executive Directors	2	Mr. Mohammad Zaki Bashir Mr. Zain Bashir
c) Non Executive Directors	3	Mr. Mohomed Bashir Mr. Ziad Bashir Mr. Ehsan A. Malik
d) Female Non-Executive Directors	-	-

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 established a structured remuneration policy for its Non-Executive and Independent Directors, designed to ensure fairness, transparency, and alignment with best governance practices. The key principles of the policy are as follows:

- Remuneration is market-competitive and reflects the Director's experience, expertise, and contribution.
- Independent Directors do not receive any fixed salary; they are compensated solely through meeting fees for attending Board and Committee meetings.
- Meeting fees for all Directors are recommended by the Human Resource and Remuneration Committee (HR&RC) and approved by the Board. For Independent Directors, such fees are strictly linked to their actual attendance.
- Directors are entitled to reimbursement of travel, accommodation, and other reasonable expenses incurred while attending Board, Committee, or General Meetings.
- In cases where Directors are required to perform assignments beyond their statutory responsibilities, they may be granted additional remuneration as determined and approved by the Board.

Director's Training
The Directors of the Company are suitably qualified and adequately trained to discharge their duties, with a clear understanding of their powers and responsibilities under the Companies Act, 2017, and the Regulations of the Pakistan Stock Exchange Rule Book.

Board's Evaluation
In compliance with the Code of Corporate Governance, 2017, the Board has approved a structured mechanism for evaluating its performance. This mechanism includes a comprehensive questionnaire covering the Board's scope, objectives, functions, as well as the Company's overall performance and monitoring practices. Inputs from each Director are incorporated into the process, enabling the Board to evaluate its effectiveness collectively and identify areas for continuous improvement.

Conflict of Interests
Each Director actively exercises the right to participate in Board proceedings, with decisions reached through consensus. Any concerns raised by Board members on specific agenda items are duly documented in the meeting minutes, ensuring transparency and accountability.

In addition, the Company has adopted a Code of Business Ethics, which not only ensures compliance with regulatory requirements but also requires Directors to formally disclose any interests that could give rise to actual or perceived conflicts of interest. This reinforces the Board's commitment to ethical governance and responsible decision-making.

Review of Related Party Transactions
In line with the Companies Act, 2017, the Code of Corporate Governance (CCG), and other applicable laws and regulations, all related party transactions are comprehensively reviewed and presented to the Audit Committee on a regular basis. Based on the Committee's recommendations, these transactions are subsequently considered and approved by the Board. Furthermore, any transactions in which a majority of Directors have an interest are presented annually to the shareholders for approval, ensuring full transparency and strict compliance with governance requirements.

This structured process safeguards shareholder value by ensuring that all related party transactions are conducted at arm's length, on fair commercial terms, and in the best interest of the Company and its stakeholders.

CEO's Performance Review
Each year, the Board establishes a set of objectives and strategies aligned with the Company's mission. Progress against these milestones is systematically measured to assess performance and evaluate their contribution to the Company's growth. The review covers multiple dimensions, including alignment with the mission, achievement of short- and long-term goals, sustainability of profitability, enhancement of shareholder value, and adherence to sound governance and statutory reporting practices. The Board also provides constructive feedback to further strengthen and support the CEO's role in leading the organization.

This structured process reinforces accountability, ensuring that management remains answerable to both shareholders and stakeholders while driving sustainable growth and long-term value creation.

Role Of Chairman And CEO

The Chairman serves as the custodian of the Company on behalf of the Board and stakeholders, leading the Board of Directors to ensure its efficiency and effectiveness. The Chairman is committed to fostering the Company's sustainable growth, protecting its reputation and that of its subsidiaries, and maintaining a balanced Board composition that reflects diverse expertise in business operations, economic insight, and strategic acumen.

The CEO, in turn, holds primary responsibility for driving the Company toward its vision, mission, and long-term objectives. Acting as the key link between the Board and management, the CEO oversees day-to-day operations while executing long-term strategies, plans, and budgets aimed at enhancing shareholder value. In addition to representing the Company before shareholders, regulators, government authorities, and the public, the CEO plays a central role in inspiring employees, leading organizational change, and making critical decisions that support the achievement of targeted goals.

Pattern of Shareholding

The pattern of shareholding, along with additional information as of June 30, 2025, is disclosed in the Annual Report of the Company. As of June 30, 2025, associated companies and public sector entities collectively hold 69.4%, banks, insurance companies, and mutual funds hold 14.7%, Directors hold 7.4%, while individual shareholders account for 8.5% of the total shareholding.

Auditors

The present External Auditors, M/s. Yousuf Adil & Co., Chartered Accountants, have completed the statutory audit for the year ended June 30, 2025, and issued an unqualified (clean) audit report. They will retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, have offered themselves for reappointment. Based on the recommendation of the Audit Committee, the Board proposes their reappointment as the Company's auditors for the financial year ending June 30, 2025.

Future Economic Outlook

Global trade is projected to remain subdued in FY 2025-26, with the WTO expecting a 0.2% contraction in merchandise trade volumes before a modest rebound in 2026. Heightened trade tensions, maritime disruptions, and geopolitical uncertainties continue to weigh on the outlook, while inflation worldwide is on a declining path, offering some relief in input costs.

Pakistan enters FY 2025-26 with improved macroeconomic stability achieved in the prior year, as GDP grew by 2.7%, inflation declined to 4.6%, and the policy rate was eased significantly, lowering financing costs. Fiscal consolidation has also reduced the debt-to-GDP ratio, reflecting stronger management and creating a foundation for recovery.

Nevertheless, challenges remain for the export-oriented textile sector, including high energy costs, volatile cotton prices, import duties on raw materials, and delayed tax refunds under the revised regime, all of which pressure margins and liquidity. With the withdrawal of EFS on Cotton, Yarn and Grey Cloth, It may possess further challenge to compete with Regional Competitors as such will create a Liquidity issue for the Exporters whose Sales Tax and Income Tax refunds would get stuck. Climate vulnerabilities and global trade weakness add to risks. Looking ahead, FY 2025-26 is expected to be a year of consolidation, supported by stable inflation, accommodative monetary policy, and structural reforms, with progress dependent on consistent execution to strengthen competitiveness and resilience.

Subsequent Events

The Board of Directors of Gul Ahmed Textile Mills Limited, in its meeting held on September 29, 2025, has resolved to discontinue the business operations of the Company's Export Apparel Segment. This decision has been taken following a comprehensive strategic review of the segment's performance and future outlook.

Other than the above, 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 heartfelt appreciation to our employees, customers, financial institutions, shareholders, and the esteemed Board of Directors. Each has played an equally vital role in supporting the Company's progress, and we deeply value their trust, commitment, and contribution to our continued success.

For and on behalf of the Board

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

September 29, 2025
Karachi

شیئر ہولڈنگ کا پیٹرن؛

30 جون 2025 ء تک شیئر ہولڈنگ کا پیٹرن کمپنی کی سالانہ رپورٹ میں درج ہے۔ اس تاریخ تک وابستہ کمپنیز اور پبلک سیکٹر ادارے مجموعی طور پر 69.4%، بینک، انشورنس کمپنیز اور میوچل فنڈز 14.7%، ڈائریکٹرز 7.4% جبکہ انفرادی شیئر ہولڈرز 8.5% کے مالک ہیں۔

آڈیٹرز؛

موجودہ ایکسٹرنل آڈیٹرز، یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2025 ء کو ختم ہونے والے مالی سال کا قانونی آڈٹ مکمل کر لیا ہے اور بغیر کسی اعتراض کے رپورٹ جاری کی ہے۔ وہ آئندہ سالانہ اجلاسِ عام کے اختتام پر ریٹائر ہوں گے اور دوبارہ تقرّری کے لیے اہل ہیں۔ آڈٹ کمیٹی کی سفارش پر بورڈ اُن کی دوبارہ تقرّری کی تجویز پیش کرتا ہے۔

مستقبل کا معاشی منظرنامہ؛

WTO کے مطابق تجارتی حجم میں 0.2% کمی آئے گی جبکہ 2026 ء میں معمولی بہتری متوقع ہے۔ بڑھتی ہوئی تجارتی کشیدگی، بحری رکاوٹیں اور جغرافیائی غیر یقینی صورتحال منفی اثر ڈالتی ہیں، تاہم دُنیا بھر میں افراطِ زر میں کمی سے لاگت میں کچھ ریلیف ملے گا۔ پاکستان میں پچھلے سال حاصل کردہ معاشی استحکام کے باعث جی ڈی پی میں 2.7% اضافہ ہوا، افراطِ زر 4.6% تک کم ہوا اور شرحِ سُود میں نمایاں کمی کی گئی جس سے فنانسنگ لاگت گھٹ گئی۔ قرض سے جی ڈی پی کا تناسب بھی کم ہوا جس سے بحالی کے لیے بنیاد فراہم ہوئی۔ اس کے باوجود برآمدی ٹیکسٹائل سیکٹر کو بلند توانائی لاگت، روئی کی غیر مستحکم قیمتوں، خام مال پر درآمدی ڈیوٹی اور ٹیکس ریفنڈ میں تاخیر جیسے مسائل کا سامنا ہے۔ کپاس، دھاگے اور گرے کلاتھ پر EFS کے خاتمے سے لیکوڈیٹی بحران کا خدشہ ہے جو برآمد کنندگان کی مسابقتی صلاحیت کو مزید متاثر کرے گا۔ موسمیاتی خطرات اور عالمی تجارتی کمزوری بھی چیلنج ہیں۔ آگے دیکھتے ہوئے مالی سال 2025-26 ء کو استحکام کا سال سمجھا جا رہا ہے، جسے مستحکم مہنگائی، معاون مالیاتی پالیسی، اور ڈھانچہ جاتی اصلاحات کا سہارا حاصل ہوگا، جبکہ ترقی کا انحصار مسلسل عمل درآمد پر ہوگا تاکہ مسابقت اور لچک کو مضبوط بنایا جا سکے۔

بعد از مالی سال کے واقعات؛

گل احمد ٹیکسٹائل ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 29 ستمبر 2025 ء میں کمپنی کے ایکسپورٹ اپیرل سیگمنٹ کے کاروبار کو بند کرنے کا فیصلہ کیا۔ یہ فیصلہ اِس سیگمنٹ کی کارکردگی اور مستقبل کے منظرنامے کے تفصیلی جائزے کے بعد کیا گیا ہے۔ اس کے علاوہ مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی اہم تبدیلی یا عہد نہیں ہوا۔

اعتراف؛

ہم اپنے ملازمین، صارفین، مالیاتی اداروں، شیئر ہولڈرز اور بورڈ آف ڈائریکٹرز کے نہایت شکر گزار ہیں جنھوں نے کمپنی کی ترقّی میں یکساں اہم کردار ادا کیا۔ ہم ان کے اعتماد، وابستگی اور تعاون کو بے حد قدر کی نگاہ سے دیکھتے ہیں۔

منجانب بورڈ
محمد بشیر
چیئرمین

29 ستمبر 2025	**محمد زکی بشیر**
کراچی	چیف ایگزیکٹو آفیسر

- بورڈ میٹنگز کی تعداد اور ڈائریکٹرز کی حاضری۔
- گزشتہ چھ سال کے اہم مالیاتی اعداد و شمار

سرمایہ کاروں کی شکایات اور تحفّظات:

کمپنی شفافیت کے لیے پُرعزم ہے اور تمام شیئر ہولڈرز بشمول ممکنہ سرمایہ کاروں کے لیے معلومات تک مساوی رسائی کو یقینی بناتی ہے۔ شیئر ہولڈرز کی کمپنی کے آپریشنز، اُن کی سرمایہ کاری، منافعِ منقسمہ کے حقوق اور کمپنی کی جانب سے جاری کردہ ریگولیٹری انکشافات سے متعلق معلومات کے حصول کی حوصلہ افزائی کی جاتی ہے۔ ہم اس بات کو ترجیح دیتے ہیں کہ ایسے تمام سوالات کے مکمل قانونی تقاضوں کی تعمیل کے ساتھ بروقت اور جامع جوابات دیے جائیں۔

سرمایہ کاروں کی شکایات ایک مرکزی اور منظم نظام کے ذریعے نمٹائی جاتی ہیں تاکہ سوالات اور تحفّظات کو فوری طور پر دُور کیا جا سکے۔ یہ حکمتِ عملی نہ صرف مؤثر حل کو یقینی بناتی ہے بلکہ شیئر ہولڈرز کے اعتماد کو بھی مضبوط کرتی ہے اور سرمایہ کاروں کے ساتھ ہماری شفافیت کو مزید تقویت دیتی ہے۔

بورڈ کی تشکیل

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

ڈائریکٹرز کی کل تعداد

a) مرد:

b) خواتین: 01

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 زیاد بشیر حترم احسان اے ملک
د ۔ خواتین غیر ایگزیکٹیو ڈائریکٹرز	-	-

بورڈ کی کمیٹیز

آڈٹ کمیٹی

- جناب کامران وائی۔ مرزا ۔ چیئرمین
- جناب محمد بشیر ۔ رُکن
- جناب احسن اے ملک ۔ رُکن

ہیومن ریسورس اور ریمونریشن کمیٹی

- محترمہ زیبا انصاری ۔ چیئرپرسن
- جناب محمد بشیر ۔ رُکن
- جناب زین بشیر ۔ رُکن

غیر ایگزیکٹیو ڈائریکٹرز کی مشاہرہ پالیسی:

کمپنی نے اپنے غیر ایگزیکٹیو اور آزاد ڈائریکٹرز کے لیے ایک منظم ریمونریشن (معاوضہ) پالیسی مرتّب کی ہے، جو انصاف، شفافیت اور بہترین گورننس پریکٹسز کے عین مطابق ہے۔ اس پالیسی کے اہم اصول درج ذیل ہیں:

- معاوضہ مارکیٹ کے مقابلے کے مطابق ہے اور ڈائریکٹر کے تجربے، مہارت اور خدمات کی عکّاسی کرتا ہے۔

- آزاد ڈائریکٹرز کو کوئی مستقل تنخواہ نہیں دی جاتی؛ اُنھیں صرف بورڈ و رکمیٹی میٹنگز میں شرکت کے لیے فیس دی جاتی ہے۔

- تمام ڈائریکٹرز کے لیے میٹنگ فیس کی سفارش ہیومن ریسورس اور ریمونریشن کمیٹی کرتی ہے اور بورڈ اُس کی منظوری دیتا ہے۔ آزاد ڈائریکٹرز کے لیے یہ فیس صرف اُن کی حقیقی حاضری سے مشروط ہے۔

- ڈائریکٹرز کو سفر، رہائش اور دیگر معقول اخراجات کے حصول کا حق حاصل ہے جو وہ بورڈ، کمیٹی یا جنرل میٹنگ میں شرکت کے دوران برداشت کریں۔

- ایسے معاملات میں جہاں ڈائریکٹرز اپنی قانونی ذمے داریوں سے ہٹ کر اضافی ذمے داریاں انجام دیتے ہیں، اُنھیں بورڈ کی منظوری سے اضافی ریمونریشن دی جا سکتی ہے۔

ڈائریکٹرز کی تربیت:

کمپنی کے ڈائریکٹرز مناسب تعلیمی قابلیت اور تربیت کے حامل ہیں اور کمپنیز ایکٹ 2017 ء اور پاکستان اسٹاک ایکسچینج رول بُک کے ضوابط کے تحت اپنے اختیارات اور ذمے داریوں کو بخوبی سمجھتے ہیں۔

بورڈ کی کارکردگی کا جائزہ:

کوڈ آف کارپوریٹ گورننس 2017 ء کے مطابق بورڈ نے اپنی کارکردگی جانچنے کے لیے ایک منظم طریقۂ کار کی منظوری دی ہے۔ اس میں ایک جامع سوالنامہ شامل ہے جو بورڈ کے دائرۂ کار، مقاصد، افعال اور کمپنی کی مجموعی کارکردگی اور مانیٹرنگ پریکٹسز کا احاطہ کرتا ہے۔ ہر ڈائریکٹر کی رائے اِس عمل کا حصّہ بنتی ہے جس سے بورڈ اپنی کارکردگی کا اجتماعی طور پر جائزہ لیتا ہے اور بہتری کے پہلوؤں کی نشاندہی کرتا ہے۔

مفادات کا ٹکراؤ:

ہر ڈائریکٹر بورڈ کے اجلاسوں میں فعال طور پر حصّہ لیتا ہے اور فیصلے اتّفاق رائے سے کیے جاتے ہیں۔ کسی بھی رُکن کی طرف سے اُٹھائے گئے اعتراضات کو اجلاس کے منٹس میں درج کیا جاتا ہے تاکہ شفافیت اور جواب دہی یقینی بنائی جا سکے۔

مزید برآں، کمپنی نے بزنس ایتھکس کا ضابطہ اپنا رکھا ہے جو نہ صرف ریگولیٹری تقاضوں کی تکمیل کرتا ہے بلکہ ڈائریکٹرز کو یہ لازم کرتا ہے کہ وہ کسی بھی ایسے مفاد کا باضابطہ انکشاف کریں جو حقیقی یا مفروضہ مفادات کے ٹکراؤ کا باعث بن سکتا ہو۔

متعلقہ فریقوں کے لین دین کا جائزہ:

کمپنیز ایکٹ 2017ء، کوڈ آف کارپوریٹ گورننس اور دیگر متعلقہ قوانین کے مطابق تمام متعلقہ فریقوں کے لین دین کا باقاعدگی سے آڈٹ کمیٹی جائزہ لیتی ہے اور اپنی سفارشات بورڈ کو پیش کرتی ہے۔ ایسے معاملات جن میں اکثریتی ڈائریکٹرز کا مفاد شامل ہو، سالانہ طور پر شیئر ہولڈرز کی منظوری کے لیے پیش کیے جاتے ہیں تاکہ مکمل شفافیت اور گورننس کے تقاضوں پر سختی سے عمل کیا جا سکے۔ یہ منظم طریقہ کار شیئر ہولڈرز کی قدر کے تحفّظ کو یقینی بناتا ہے، اس طرح کہ تمام متعلقہ فریقوں کے درمیان ہونے والے لین دین غیر جانبدارانہ بنیاد پر، منصفانہ تجارتی شرائط کے مطابق، اور کمپنی اور اس کے شراکت داروں کے بہترین مفاد میں کیے جاتے ہیں۔

سی ای او کی کارکردگی کا جائزہ:

بورڈ ہر سال کمپنی کے مشن کے مطابق مقاصد اور حکمتِ عملیاں مرتّب کرتا ہے اور اُن کے حصول کی پیش رفت کا باقاعدہ جائزہ لیتا ہے۔ اس عمل میں قلیل اور طویل مدّتی اہداف، منافع کی پائیداری، شیئر ہولڈر ویلیو میں اضافہ اور گورننس اور ریگولیٹری تقاضوں پر عمل شامل ہوتا ہے۔ بورڈ تعمیری فیڈ بیک / رائے فراہم کرتا ہے تاکہ سی ای او کی قیادت کو مزید تقویّت ملے۔

چیئرمین اور سی ای او کا کردار:

چیئرمین بورڈ، اسٹیک ہولڈرز کی جانب سے کمپنی کے نگہبان کے طور پر کام کرتے ہیں اور بورڈ کی کارکردگی و مؤثریت کو یقینی بناتے ہیں۔ وہ کمپنی کی پائیدار ترقی، اس کی ساکھ کے تحفّظ اور متوازن بورڈ تشکیل دینے پر توجہ دیتے ہیں۔ سی ای او کمپنی کے وژن، مشن اور طویل مدّتی اہداف کو عملی جامہ پہنانے کے ذمے دار ہیں۔ وہ روزمرّہ اُمور کے ساتھ ساتھ طویل مدّتی حکمت عملیوں اور بجٹ پر عمل درآمد کی قیادت کرتے ہیں۔ سی ای او ملازمین کو متاثر کرتے ہیں، تنظیمی تبدیلی کی قیادت کرتے ہیں اور اہم فیصلے کرتے ہیں تاکہ کمپنی اپنے اہداف حاصل کر سکے۔

- اثاثوں کے تحفّظ اور احتساب کو یقینی بنانے کے لیے مضبوط چیک اینڈ بیلنس قائم کیا جا سکے۔

کاروباری تسلسل کا منصوبہ (بزنس کنٹینیوٹی پلان- BCP) تشکیل دیا ہے تاکہ اپنے آپریشنز کی لچک اور پائیداری کو غیر متوقع رکاوٹوں کے خلاف محفوظ بنایا جا سکے۔ یہ پلان واضح حکمتِ عملیاں فراہم کرتا ہے تاکہ قدرتی آفات، سپلائی چین میں خلل، یا دیگر ہنگامی حالات جیسے منفی واقعات کے دوران بنیادی کاروباری افعال جاری رہ سکیں۔ اس میں رِسک اسیسمنٹ، کرائسس مینجمنٹ اور ریکوری کے لیے مربوط طریقۂ کار شامل ہیں تاکہ اہم آپریشنز کو کم سے کم تعطّل کے ساتھ برقرار رکھا جا سکے۔ مزید برآں، کمپنی باقاعدہ مشقوں، نمونہ سازیوں، اور جائزے کے ذریعے اپنی تیاری کو مضبوط کرتی ہے، جس سے ہمیں کاروباری تسلسل کے منصوبے کی افادیت کو مسلسل پرکھنے، بہتر بنانے، اور مضبوط کرنے کا موقع ملتا ہے۔ یہ فعال حکمتِ عملی کمپنی کو فوری ردِ عمل دینے، اسٹیک ہولڈرز کے مفادات کا تحفّظ کرنے، اور طویل مدّتی عملی استحکام کو یقینی بنانے کے قابل بناتی ہے۔

ریکارڈز کی حفاظت؛

ریکارڈز کی حفاظت، سالمیت اور دستیابی کو یقینی بنانے کے لیے کمپنی نے ریکارڈ رکھنے کا کام ایک مخصوص تھرڈ پارٹی سروس پرووائیڈرز کو دے رکھا ہے۔ یہ طریقۂ کار اہم دستاویزات کی محفوظ اسٹوریج اور مؤثر بازیافت کو ممکن بناتا ہے جبکہ بہترین طریقۂ کار پر عمل درآمد کو بھی یقینی بناتا ہے۔ بنیادی ڈیٹا کو ریموٹ بیک اَپ سائٹس کے ذریعے محفوظ کیا جاتا ہے تاکہ کسی آفت یا سسٹم کی ناکامی کی صورت میں تسلسل اور دستیابی برقرار رہے۔ اس کے علاوہ، اوریکل کلاؤڈ (Oracle Cloud) کے استعمال سے جدید سکیورٹی پروٹوکولز، اسکیل ایبلٹی، اور ڈیٹا لاس یا غیر مجاز رسائی کے خلاف مضبوط تحفّظ فراہم کیا جاتا ہے۔ ان اقدامات کے ذریعے کمپنی اپنی معلوماتی اثاثوں کی اعتباریّت برقرار رکھتی ہے اور کاروباری کارروائیوں کو بلا تعطل جاری رکھنے کی سہولت فراہم کرتی ہے۔

ادارہ جاتی سماجی ذمّے داری (کارپوریٹ سوشل ریسپانسبلٹی-CSR) ادارہ جاتی سماجی ذمّے داری کی تفصیلات اِس سالانہ رپورٹ کے صفحہ 43 پر فراہم کی گئی ہیں۔

سماجی حکمرانی (انوائرنمنٹ اینڈ سوشل گورننس-ESG) ملک کے بڑے ایکسپورٹرز میں سے ایک کے طور پر، کمپنی اپنی ورک فورس اور اسٹیک ہولڈرز کی صحت و سلامتی کو اوّلین ترجیح دیتی ہے۔ اس مقصد کے لیے ایک خصوصی ESG (Environmental, Social, and Governance) کمپلائنس ٹیم قائم کی گئی ہے جو ان اہم شعبوں میں ہماری پالیسیز اور اقدامات کی نگرانی اور نفاذ کرتی ہے۔ یہ مینجمنٹ کے پائیدار اور ذمّے دار کاروباری طرزِ عمل کے پختہ عزم کی عکّاسی کرتا ہے۔

کمپنی کی سہولیات ماحولیاتی اور حفاظتی معیارات کے مطابق مکمل طور پر ہم آہنگ ہیں، اور ایسے پیشگی اقدامات کیے گئے ہیں جو مضر مادّوں کے اخراج کو ختم کرنے اور ماحولیاتی اثرات کو کم سے کم کرنے میں مدد دیتے ہیں۔ یہ عزم نہ صرف ماحول کے تحفّظ کی ہماری ذمّے داری کو اُجاگر کرتا ہے بلکہ ان کمیونٹیز کی فلاح و بہبود کے لیے بھی ہماری وابستگی کو ظاہر کرتا ہے جن میں ہم کام کرتے ہیں۔ اپنی مربوط ESG حکمتِ عملی کے ذریعے ہماری توجہ پائیداری، اخلاقیات، اور احتساب کو اپنی تمام سرگرمیوں میں شامل کرنے پر مرکوز ہے۔

اُجرت میں جنسی تفریق (Gender Pay Gap)

کمپنی ایک شمولیتی اور مساوی ماحول فراہم کرنے کے لیے پُرعزم ہے جہاں ہر ملازم کی قدر کی جائے، اُس کا احترام ہو، اور اُسے کامیاب ہونے کا پورا موقع ملے۔ مساوی مواقع فراہم کرنے والے آجر (Equal Opportunity Employer) کے طور پر، ہم یقینی بناتے ہیں کہ تمام روزگار سے متعلق فیصلے جیسے نئے ملازمین کی بھرتی، اُنھیں کام پر لگانا، تربیّت دینا، ترقّی دینا اور اُجرت یا دیگر معاوضے کا تعیّن کرنا وغیرہ بغیر کسی امتیاز کے خواہ وہ نسل، رنگ، مذہب، جنس، عمر، معذوری یا کوئی اور خصوصیت جسے قانون تحفّظ دیتا ہو خالصتاً میرٹ اور قابلیت کی بنیاد پر ہوں۔

ہم یقین رکھتے ہیں کہ تنوع جدّت کو فروغ دیتا ہے اور ہماری مجموعی کارکردگی کو مستحکم کرتا ہے۔ اسی لیے ہم ایسے ماحول کے قیام کے لیے پُرعزم ہیں جہاں تمام ملازمین کے پاس مساوی مواقع ہوں تاکہ وہ ترقّی کریں، آگے بڑھیں اور ہماری مشترکہ کامیابی میں حصّہ ڈال سکیں۔ پے گیپ سے ظاہر ہوا کہ مرد ملازمین کی تنخواہیں خواتین سے اوسطاً 0.54% زیادہ ہیں، جبکہ 2024ء میں یہ شرح -0.07% تھی۔ اس کے برعکس، میڈین (Median) پے گیپ کے مطابق

خواتین ملازمین کی آمدن مردوں سے 14.33% زیادہ ہے، جو کہ 2024ء کی 14.51% کے ساتھ مطابقت رکھتی ہے۔ یہ نتائج رپورٹنگ پیریڈز کے دوران استحکام کو ظاہر کرتے ہیں اور کمپنی کے جینڈر ایکویٹی کے عزم کو مزید مستحکم کرتے ہیں۔ تاہم، ہم یہ تسلیم کرتے ہیں کہ تنخواہوں میں مساوات ایک مسلسل سفر ہے، اور ہم اس شعبے میں اپنی پالیسیز کو مزید مضبوط بنانے کے لیے پُرعزم ہیں۔

ہولڈنگ کمپنی

کمپنی بدستور گل احمد ہولڈنگز (پرائیویٹ) لمیٹڈ کی ذیلی کمپنی ہے، جو اس کے 55.86% حصص کی مالک ہے۔

ذیلی کمپنیز

کمپنی کے پاس بلا واسطہ اور بالواسطہ دونوں طرح کی مکمل ملکیتی ذیلی کمپنیز موجود ہیں، جیسا کہ آڈٹ شدہ مالیاتی گوشوارے کے نوٹ 1 میں درج ہے۔

کارپوریٹ گورننس کا ضابطہ (CCG)

کمپنی کی انتظامیہ اچھی کارپوریٹ گورننس کے نفاذ اور بہترین طریقۂ کار پر عمل درآمد کے لیے پُرعزم ہے۔ کارپوریٹ گورننس کے ضابطے کے تحت، ڈائریکٹرز درج ذیل بیان کرتے ہوئے خوشی محسوس کر رہے ہیں:

01 کمپنی مینجمنٹ کی جانب سے تیّار کردہ مالیاتی گوشوارے اِس کی مالی حالت، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ عکّاسی کرتے ہیں۔

02 کمپنی کے اکاؤنٹس کے کھاتے (بُکس) باقاعدہ برقرار رکھے گئے ہیں۔

03 مالیاتی گوشوارے کی تیّاری میں مناسب اکاؤنٹنگ پالیسیز کا تسلسل کے ساتھ اطلاق کیا گیا ہے، اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازے پر مبنی ہیں۔

04 پاکستان میں قابلِ اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کو مالیاتی گوشوارے کی تیّاری میں مدِنظر رکھا گیا ہے۔

05 اندرونی کنٹرول کا نظام ترتیب اور تعمیل کے لحاظ سے مضبوط ہے اور اس پر مؤثر طور پر عمل درآمد اور مانیٹرنگ کی گئی ہے۔

06 بورڈ کے ڈائریکٹرز اپنی ذمّے داریوں اور فرائض سے بخوبی آگاہ ہیں جیسا کہ کارپوریٹ قوانین اور لِسٹنگ ریگولیشنز میں بیان کیا گیا ہے۔ لِسٹنگ ریگولیشنز کی تعمیل کے طور پر، ہمارے چھ ڈائریکٹرز نے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کے بورڈ ڈیولپمنٹ سیریز کے تحت کارپوریٹ گورننس لیڈرشپ اسکلز پروگرام میں شرکت کی اور مکمل کیا۔

07 ایک ڈائریکٹر یعنی چیئرمین، اپنے لازمی علم اور تجربے کی بنا پر ڈائریکٹرز ٹریننگ پروگرام میں شرکت کی شرط سے مستثنیٰ ہیں۔

08 کمپنی کے بطور "گوئنگ کنسرن" (Going Concern) جاری رہنے کے بارے میں کوئی نمایاں شکوک و شبہات موجود نہیں ہیں۔

09 کارپوریٹ گورننس کی بہترین پریکٹسز سے کوئی نمایاں انحراف نہیں ہوا جیسا کہ لِسٹنگ ریگولیشنز میں درج ہے۔

10 پروویڈنٹ فنڈ میں سرمایہ کاری کی مالیت، غیر آڈٹ شدہ اکاؤنٹس کے مطابق 30 جون 2025ء کو 3.3 بلین روپے ہے (مالی سال 2024ء: آڈٹ شدہ اکاؤنٹس کے مطابق 2.6 بلین روپے)۔

11 درج ذیل بیانات مالیاتی گوشوارے کے نوٹس (ملاحظات) میں منسلک ہیں:

بڑھتا ہوا یوٹیلیٹی ٹیرف، اور شرحِ سُود میں اُتار چڑھاؤ جو مارجنز یعنی شرحِ منافع پر دباؤ ڈالتے ہیں۔

- تکنیکی خطرات - ٹیکسٹائل مینوفیکچرنگ اور آٹومیشن میں عالمی سطح پر تیز رفتار پیش رفت کے ساتھ ہم آہنگی کی ضرورت ہے تاکہ مسابقتی برتری برقرار رکھی جا سکے۔

- قانونی اور مالی خطرات - موجودہ ٹیکس دہندگان پر نئے محصولات اور ٹیکسز کے نفاذ سے لاگت کا دباؤ بڑھتا ہے؛ فائنل ٹیکس رجیم (FTR) سے نارمل ٹیکس رجیم (NTR) میں منتقلی سے برآمد کنندگان کی مسابقتی صلاحیت متاثر ہوتی ہے؛ جبکہ مقامی سپلائیز پر EFS زیرو ریٹنگ کے خاتمے اور 18% جی ایس ٹی کے نفاذ سے ریفنڈ میں تاخیر اور لیکویڈیٹی مسائل پیدا ہوتے ہیں۔

- توانائی کے خطرات - ملکی گیس کے کم ہوتے ذخائر اور درآمدی ایندھن پر مبنی تھرمل جنریشن پر انحصار کے باعث کمپنی کے آپریشنز عالمی توانائی منڈیوں اور روپے کی قدر میں کمی سے جڑے اُتار چڑھاؤ کا شکار ہوتے ہیں۔

- ماحولیاتی اور سماجی خطرات - موسمی غیر یقینی صورتحال، جیسے سیلاب، خشک سالی، اور شدید گرمی، کپاس کی دستیابی اور کام کے تسلسل کو متاثر کرتی ہے۔ ساتھ ہی ماحولیاتی تحفظ، مزدور کے حقوق، اور شفافیت کے عالمی معیار کی تعمیل کے لیے سرمایہ کاری اور تبدیلی کی ضرورت ہے، اور اگر معیار پورے نہ ہوں تو مارکیٹ تک رسائی خطرے میں پڑجاتی ہے۔

- سپلائی چین کے خطرات - عالمی غیر یقینی حالات جیسے جغرافیائی سیاسی تناؤ، شپنگ میں رکاوٹیں، اور کرنسی میں اُتار چڑھاؤ خام مال، لاجسٹکس اور برآمدی ترسیلات کی بروقت دستیابی اور لاگت کو متاثر کر سکتے ہیں، جس سے عالمی خریداروں کے لیے سپلائی کی بھروسہ مندی پر منفی اثر پڑ سکتا ہے۔ اگرچہ رِسک مینجمنٹ ہمیشہ سے ہمارے آپریشنز کا حصہ رہا ہے، لیکن مارکیٹس، ریگولیٹرز، کسٹمرز، ملازمین اور شیئر ہولڈرز کی بدلتی ہوئی توقعات نے اُسے کاروباری حکمتِ عملی کا ایک اہم محرک بنا دیا ہے۔ اس سالانہ رپورٹ کے صفحات 47 تا 54 میں ہمارے خطرات کے انتظام کے فلسفے، انتظامی ڈھانچے، اور اہم خطرات و مواقع کا جامع جائزہ فراہم کیا گیا ہے۔

پالیسیز اور طریقۂ کار؛
کمپنی نے ایک مضبوط فریم ورک تشکیل دیا ہے جو مؤثر گورننس، ریگولیٹری کمپلائنس اور آپریشنل ایفیشنسی کی بنیاد فراہم کرتا ہے۔ یہ پالیسیز ہمارے کاروبار کے تمام اہم پہلوؤں کا احاطہ کرتی ہیں جن میں مالیاتی نظم و نسق، رِسک کنٹرول، اور اخلاقی طرزِ عمل شامل ہیں۔ تبدیل ہوتے ہوئے قوانین، صنعتی معیارات، اور عالمی بہترین طریقوں کے مطابق رہنے کے لیے، ہم ان پالیسیز کا باقاعدگی سے جائزہ لیتے اور انھیں اپ ڈیٹ کرتے ہیں تاکہ ہمارا انتظامی ڈھانچہ (فریم ورک) موجودہ تقاضوں کے مطابق مضبوط اور مستحکم رہ سکے۔

انفارمیشن اور مانیٹرنگ سسٹم؛
کمپنی نے جدید انفارمیشن سسٹمز میں سرمایہ کاری کی ہے تاکہ تمام آپریشنز میں بروقت اور درست معلومات کی ترسیل یقینی بنائی جا سکے۔ یہ سسٹمز مینجمنٹ کو ریئل ٹائم معلومات فراہم کرتے ہیں تاکہ کارکردگی کو مانیٹر کیا جا سکے، فرق کا سراغ لگایا جا سکے، اور مؤثر نگرانی برقرار رکھی جا سکے۔ اپنے عمل میں ڈیجیٹل آلات، خودکار نظام، اور معلوماتی تجزیے کو شامل کر کے ہم ایک معلومات پر مبنی ثقافت کو فروغ دے رہے ہیں جو فیصلہ سازی کو بہتر بناتی اور تنظیمی لچک کو مضبوط کرتی ہے۔ اس ڈیجیٹل تبدیلی کے عزم کی بدولت ہم چیلنجز کا پیشگی اندازہ لگا سکتے ہیں، مواقع کا فائدہ اُٹھا سکتے ہیں، اور کاروباری ماحول میں تبدیلیوں پر فوری ردعمل دے سکتے ہیں۔

انٹرنل آڈٹ؛
کمپنی نے اپنی انٹرنل آڈٹ فنکشن کو ایک آزاد اور بیرونی فرم کے سپرد کیا ہے تاکہ کنٹرول ماحول کی غیر جانبدارانہ اور معروضی جانچ کی جا سکے۔ یہ فرم براہِ راست آڈٹ کمیٹی کو رپورٹ کرتی ہے اور انٹرنل کنٹرولز کی مؤثریت پر ماہرانہ جائزے فراہم کرتی ہے، ساتھ ہی بہتری کی سفارشات بھی پیش کرتی ہے۔ آڈٹ کمیٹی ان تفصیلی رپورٹس کا باقاعدگی سے جائزہ لیتی ہے جس کے نتیجے میں بروقت اقدامات کیے جاتے ہیں تاکہ گورننس کو مضبوط بنایا جا سکے، عملی کارکردگی میں اضافہ ہو، اور اسٹیک ہولڈرز کے اعتماد کو تقویت ملے۔

اندرونی مالیاتی کنٹرول کی کفایت؛
بورڈ آف ڈائریکٹرز نے ایک جامع انٹرنل فنانشل کنٹرول سسٹم قائم کیا ہے تاکہ کمپنی کے آپریشنز کو مؤثر اور محفوظ بنایا جا سکے۔ یہ کنٹرولز اہم شعبوں جیسے کہ دھوکہ دہی کی روک تھام، اثاثوں کا تحفظ، قانونی اور ریگولیٹری کمپلائنس، درست مالیاتی رپورٹنگ، اور قابلِ اعتماد معلومات کی بروقت فراہمی وغیرہ کا احاطہ کرتے ہیں۔ بدلتے ہوئے قوانین، ریگولیشنز اور بہترین طرزِ عمل کے مطابق ان کنٹرولز کا باقاعدگی سے جائزہ لیا جاتا ہے اور ان میں بہتری کی جاتی ہے۔ یہ ہمارے مضبوط مالیاتی نظم و نسق، شفافیت اور احتساب کے مستقل عزم کو ظاہر کرتا ہے۔ کمپنی کے رِسک مینجمنٹ فریم ورک کی مزید تفصیلات اس سالانہ رپورٹ کے صفحہ 49 پر فراہم کی گئی ہیں۔

انسانی وسائل (ہیومن ریسورس-HR)؛
کمپنی مؤثر ہیومن ریسورس مینجمنٹ کو تنظیمی کامیابی اور پائیدار مسابقت کا ایک اہم ذریعہ سمجھتی ہے۔ ہماری HR پالیسیز اس طرح ترتیب دی گئی ہیں کہ وہ ہنرمند پروفیشنلز کو متوجہ کریں، ان کی نشوونما کریں اور انھیں برقرار رکھیں، ساتھ ہی لیبر قوانین اور ریگولیشنز پر مکمل عمل درآمد بھی یقینی بنائیں۔ ہماری حکمتِ عملی کے بنیادی عناصر میں پرفارمنس مینجمنٹ، ملازمین کی ترقّی، اور مارکیٹ سے ہم آہنگ معاوضے شامل ہیں، جو ٹیلنٹ کو پروان چڑھانے اور شمولیت کو مضبوط بنانے میں مدد دیتے ہیں۔

موجودہ ٹیلنٹ ضروریات کو پورا کرنے کے ساتھ ساتھ، ہم پروفیشنلز کی اگلی نسل کی ترقّی کے لیے بھی پُرعزم ہیں۔ ICAP CA ٹرینیز پروگرام کے تحت بطور رجسٹرڈ ٹریننگ زیشن ہم نئے چارٹرڈ اکاؤنٹنٹس کے لیے آرٹیکل شپ کے مواقع فراہم کرتے ہیں، تاکہ وہ اپنی پیشہ ورانہ زندگی میں کامیابی کے لیے ضروری علم اور تجربہ حاصل کر سکیں۔ یہ اقدام ہمارے طویل مدتی وژن کی عکاسی کرتا ہے، جس کا مقصد ایک مضبوط ٹیلنٹ پائپ لائن تیار کرنا ہے جو کمپنی اور انڈسٹری دونوں کی مسلسل ترقّی میں کردار ادا کرے۔

انفارمیشن ٹیکنالوجی (IT)؛
مینجمنٹ فریم ورک نافذ کیا ہے تاکہ اس کے سسٹمز قابلِ اعتماد، محفوظ، اور کاروباری ضروریات سے ہم آہنگ رہیں۔ اِس فریم ورک میں ہارڈویئر اور سوفٹ ویئر کی باقاعدہ اَپ گریڈیشن اور مینٹیننس شامل ہے، جس کے ذریعے جدید ٹیکنالوجی کو اپناتے و بہتر بنایا جا رہا ہے اور استقامت کو مزید تقویت دی جا رہی ہے۔ ساتھ ہی ہم اپنی IT ٹیمز کی مسلسل ٹریننگ اور ڈیولپمنٹ میں سرمایہ کاری کرتے ہیں تاکہ وہ اُبھرتے ہوئے چیلنجز سے نمٹنے اور کمپنی کے ڈیجیٹل ٹرانسفارمیشن کے سفر کی معاونت کرنے کے لیے تیار رہیں۔

گورننس پالیسی IT؛
گورننس فریم ورک انفارمیشن اثاثوں کی حفاظت، غیر مجاز رسائی کی روک تھام اور سائبر سکیورٹی رِسک کے تدارک میں کلیدی کردار ادا کرتا ہے۔ یہ فریم ورک سکیورٹی اقدامات کی مسلسل مانیٹرنگ اور بہتری کے لیے ایک مربوط میکانزم بھی فراہم کرتا ہے۔ یہ پالیسی ادارے بھر میں معلومات کی تخلیق، ذخیرہ، استعمال، آرکائیونگ اور ضائع کرنے کے لیے واضح رہنما اصول فراہم کرتی ہے تاکہ ڈیٹا کی سالمیت برقرار رہے اور بہترین طرزِ عمل کے مطابق عمل درآمد یقینی بنایا جا سکے۔ ٹیکنالوجی کے کاروباری کامیابی میں کلیدی کردار اور

صارفین کی بدلتی ہوئی ضروریات کو مدِنظر رکھتے ہوئے، ہم اپنے مینجمنٹ انفارمیشن سسٹمز کا مسلسل جائزہ لیتے اور اَپ گریڈ کرتے رہتے ہیں۔ یہ سسٹمز اس طرح ڈیزائن کیے گئے ہیں کہ

- ادارے کی کارکردگی کو مانیٹر اور بہتر بنایا جا سکے۔
- مبنی بر حکمت فیصلہ سازی کے لیے ریئل ٹائم اور قابلِ اعتماد ڈیٹا فراہم کیا جا سکے۔
- ڈپارٹمنٹس کی مؤثریت کا اندازہ لگایا جا سکے اور اُسے ظاہر کیا جا سکے۔

اس کے جواب میں کمپنی نے توانائی کی لاگت کو کنٹرول کرنے اور پائیداری کو بہتر بنانے کے لیے فعال اقدامات کیے۔ 18.2 میگاواٹ کا روف ٹاپ سولر انسٹالیشن پہلے ہی فعال ہو چکا ہے۔ مزید یہ کہ کمپنی کی ملکیت والی سائٹس پر 10 سے 15 میگاواٹ تک اضافی سولر صلاحیت بڑھانے کے منصوبے جاری ہیں جسے ایک مضبوط بیٹری اسٹوریج سسٹم کی معاونت حاصل ہوگی۔ اس کے علاوہ کمپنی اپنی فیکٹری لوکیشنز میں ونڈ ٹربائنز کے نفاذ پر بھی غور کر رہی ہے تاکہ توانائی کے ذرائع میں تنوع لایا جا سکے اور گیس پر مبنی روایتی بجلی پر انحصار کم ہو۔ یہ اسٹریٹجک سرمایہ کاریاں طویل مدتی توانائی کی لاگت کو قابو میں رکھنے اور یوٹیلٹی قیمتوں میں جاری اُتار چڑھاؤ کے دوران مارجنز کو محفوظ بنانے کے لیے کی جا رہی ہیں۔

فروختی اخراجات میں 17.19% کا نمایاں اضافہ ہوا، جس کی بڑی وجہ باربرداری اخراجات میں 24% اضافہ اور تنخواہوں اور اُجرتوں میں 10% اضافہ تھا۔ موجودہ جغرافیائی سیاسی غیر یقینی صورتحال نے عالمی تجارتی بہاؤ میں رکاوٹیں پیدا کیں، جس کے نتیجے میں ترسیلی اوقات طویل ہو گئے، سپلائی چین کی غیر مؤثریت بڑھی اور شپنگ لائنز کے متبادل راستے اختیار کرنے کے باعث باربرداری اخراجات میں اضافہ ہوا۔ اِس کے برعکس، انتظامی اخراجات میں % 18 اضافہ ہوا، جس کی بنیادی وجوہات میں % 56 اضافہ گاہکوں کی بڑھتی ہوئی تعداد کے سبب سفری و نقل و حمل کے اخراجات میں، % 91 اضافہ عطیات میں، اور % 9 اضافہ تنخواہوں، اُجرتوں اور دیگر فوائد میں شامل ہے۔

اگرچہ کمپنی کے قرضے 11.6 ارب روپے بڑھ گئے، جس کی بڑی وجہ گیس کی بلند قیمتیں اور زیادہ فروخت کے نتیجے میں ورکنگ کیپٹل کی بڑھتی ہوئی ضروریات تھیں، اس کے باوجود کمپنی نے مالیاتی لاگت کو گزشتہ سال کے مقابلے میں مستحکم رکھا کیونکہ شرحِ سُود میں کمی آنا شروع ہو گئی تھی۔ قرضوں میں گزشتہ سال کے مقابلے میں % 19.37 اضافہ ہوا، جبکہ مالیاتی اخراجات میں صرف % 11.95 اضافہ ریکارڈ ہوا۔ یہ نتیجہ اسٹریٹجک مالی منصوبہ بندی اور بہتر حکمتِ عملی کی کامیابی کو ظاہر کرتا ہے۔ اس کارکردگی کی ایک بڑی وجہ EFS اور FE فنانسنگ کو سازگار شرحوں پر حاصل کرنے کا فعال اقدام تھا۔ کم لاگت فنانسنگ سہولتوں سے فائدہ اُٹھا کر اور محتاط قرضہ جاتی نظم و نسق کو برقرار رکھتے ہوئے کمپنی زیادہ قرضوں کے اثرات کو کم کرنے اور مجموعی مالیاتی لاگت کو قابو میں رکھنے میں کامیاب رہی۔

کاروباری کارکردگی کا شعبہ جاتی جائزہ:

کمپنی کئی کاروباری شعبوں میں کام کرتی ہے تاہم یہاں صرف اہم اور بڑے شعبہ جات پر روشنی ڈالی گئی ہے

اسپننگ :

گل احمد ایک جدید اسپننگ پلانٹ چلاتی ہے، جو ہماری آمدنی میں اضافے اور منافع بخشی دونوں کے لیے مرکزی حیثیت رکھتا ہے۔ یہ شعبہ اعلیٰ معیار کا یارن فراہم کرتا ہے، جو ملکی ٹیکسٹائل مینوفیکچررز کے ساتھ ساتھ کمپنی کی اپنی پیداوار کی ضروریات کو بھی پورا کرتا ہے۔ جدید ٹیکنالوجی اور اسٹریٹجک آپریشنل طریقۂ کار سے فائدہ اُٹھاتے ہوئے ہمارا اسپننگ پلانٹ ہمیں مسابقتی، مارکیٹ کی طلب کو فوری پورا کرنے کے قابل بناتا اور ٹیکسٹائل سیکٹر میں اپنی قائدانہ حیثیت کو مزید مستحکم کرتا ہے۔

مالی سال 2025ء میں اسپننگ ڈویژن کی نیٹ سیلز میں گزشتہ سال کے مقابلے میں تقریباً % 15.43 اضافہ ہوا۔ تاہم یہ ترقّی زیادہ لاگت کے ساتھ آئی، جس کی بڑی وجوہات میں کم از کم اُجرت میں اضافہ، بجلی و ایندھن کے اخراجات اور دیگر اوور ہیڈز شامل تھے۔ اس کے نتیجے میں مجموعی مارجن کم ہو کر 13.02% رہ گیا جو گزشتہ سال کے % 18.11 کے مقابلے میں کمی کو ظاہر کرتا ہے، اور یہ منافع بخشی پر بڑھتی ہوئی لاگت کے اثرات کی عکّاسی کرتا ہے۔ اگرچہ فروخت کی کارکردگی مضبوط رہی، مارجن میں کمی نے اس بات کو نمایاں کیا کہ بڑھتی ہوئی لاگت کے ماحول نے کتنی مشکلات پیدا کی ہیں، باوجود اس کے کہ انتظامیہ نے مؤثریت اور عملی نظم و ضبط (آپریشنل ڈسپلن) پر مسلسل توجّہ مرکوز رکھی۔

یہ اقدامات خاص طور پر موجودہ چیلنجنگ کاروباری ماحول میں نہایت اہم ہیں کیونکہ مؤثر لاگت کا نظم و نسق اور آپریشنل بہتری اس شعبے کی طویل مدتی پائیداری کے لیے انتہائی اہم ہیں۔

کمپنی کی مختلف کاروباری شعبوں میں کارکردگی کا مجموعی جائزہ منسلکہ مالیاتی گوشوارے میں عملیاتی شعبے (آپریٹنگ سیگمنٹس) کے نتائج میں فراہم کیا گیا ہے؛ مزید تفصیلات کے لیے ازراہِ کرم نوٹ نمبر 35 ملاحظہ کریں۔

ہوم ٹیکسٹائل :

ہوم ٹیکسٹائل کا شعبہ کمپنی کی کارکردگی کا بنیادی ستون ہے، جو قابلِ قدر ٹیکسٹائل مصنوعات کی وسیع رینج کی تیّاری اور برآمد کے ذریعے کل برآمدات کے % 85 حصّے کا احاطہ کرتا ہے۔

مالی سال 2025ء کے دوران اس شعبے میں پاکستانی روپے کی بنیاد پر مجموعی خالص فروخت میں تقریباً % 11.4 اضافہ ریکارڈ کیا گیا جبکہ امریکی ڈالر کی بنیاد پر برآمدات میں % 12.6 کا نمایاں اضافہ ہوا۔ یہ ترقّی اس بات کی عکّاسی کرتی ہے کہ جغرافیائی سیاسی چیلنجز کے باوجود کمپنی نے مضبوط ریوینیو حاصل کیا اور مارکیٹ میں اپنی موجودگی کو مزید وسیع کیا۔ اگرچہ فروخت کی لاگت میں اضافہ ہوا جس کی بنیادی وجوہات کم از کم اُجرتوں میں اضافہ اور بجلی و ایندھن کے اخراجات تھے، تاہم مجموعی منافع کے مارجنز میں % 7.25 سے بڑھ کر % 9.59 تک بہتری آئی، جو اس بات کو ظاہر کرتا ہے کہ مشکل حالات میں بھی کمپنی اپنی منافع بخشی کو بہتر بنانے کی صلاحیت رکھتی ہے۔

مارجنز یعنی شرح منافع میں اس بہتری کی بنیادی وجوہات میں بہتر عملی کارکردگی، مضبوط انتظامی اُمور، اور مؤثر لاگت کنٹرول شامل ہیں۔ اس کے ساتھ ساتھ بہتر خریداری حکمتِ عملیوں اور بروقت فیصلوں نے پیداوار کی کارکردگی کو زیادہ سے زیادہ کرنے اور لاگت میں بچت حاصل کرنے میں اہم کردار ادا کیا۔

فروخت اور ڈسٹری بیوشن اخراجات میں تقریباً % 19.29 اضافہ ہوا، جو زیادہ تر فروخت کے حجم میں اضافے اور باربرداری اخراجات کے بڑھنے کی وجہ سے تھا، جبکہ یہ باربرداری اخراجات جغرافیائی سیاسی غیر یقینی صورتحال کے باعث مزید بڑھے۔

کمپنی کی مختلف کاروباری شعبوں میں کارکردگی کا ایک مجموعی جائزہ منسلکہ مالیاتی گوشوارے میں عملیاتی شعبے (آپریٹنگ سیگمنٹس) کے نتائج میں فراہم کیا گیا ہے؛ مزید تفصیلات کے لیے ازراہِ کرم نوٹ نمبر 35 ملاحظہ کریں۔

انتظامی مقاصد اور حکمتِ عملیاں:

گل احمد پاکستان کے ٹیکسٹائل سیکٹر میں ایک نمایاں اور قابلِ اعتماد نام کے طور پر اپنی حیثیت برقرار رکھے ہوئے ہے۔ گزشتہ سال کے دوران ہم نے پائیداری اور جدّت کے عزم کو مزید آگے بڑھایا اور اپنی تکنیکی صلاحیتوں کو مضبوط کیا تاکہ متحرک عالمی منڈی میں ہمیں سبقت حاصل رہے۔ عملی کارکردگی اور مصنوعات میں عمدگی پر ہماری توجّہ نے نہ صرف ہمیں معاشی چیلنجز سے نمٹنے میں مدد دی بلکہ ہمارے اسٹیک ہولڈرز کے لیے طویل مدّتی قدر و منزلت پیدا کرنے کے عزم کو بھی مزید مستحکم کیا۔ مبنی بر صارف جدّت کو مالی استحکام کے ساتھ ہم آہنگ کرتے ہوئے، ہم معیار، اعتماد اور پائیدار ترقّی فراہم کرنے کے لیے پُرعزم ہیں۔ ہماری اسٹریٹجک ترجیحات اور اُن کے حصول کے لیے کیے گئے اقدامات کی تفصیلی وضاحت سالانہ رپورٹ کے صفحہ 37 پر پیش کی گئی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال:

موجودہ متحرک ماحول میں کاروبار کو مختلف قسم کے خطرات اور غیر یقینی حالات کا سامنا ہے جنھیں اگر مؤثر طریقے سے نہ سنبھالا گیا تو کارکردگی اور طویل مدّتی پائیداری پر گہرے اثرات پڑ سکتے ہیں۔ کمپنی نے ان خطرات کی نشاندہی، جائزہ اور اُن کے تدارک کے لیے ایک مضبوط فریم ورک قائم کیا ہے۔ اس وقت توجّہ کے حامل بنیادی خطرات درج ذیل ہیں:

- قرض کے خطرات - خاص طور پر مقامی فروخت سے حاصل ہونے والی رقوم کی وصولی میں ڈیفالٹ کا خطرہ۔
- مارکیٹ اور خام مال کے خطرات - کپاس اور دھاگے کی قیمتوں میں اُتار چڑھاؤ، خام مال کی درآمد پر کسٹمز ڈیوٹی کا نفاذ،

ڈائریکٹرز کی رپورٹ برائے حصص یافتگان

ڈائریکٹرز کو کمپنی کے 30 جون 2025 ء کو ختم ہونے والے مالی سال کے مالی نتائج پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

معاشی و صنعتی جائزہ

عالمی معاشی منظرنامہ:

مالی سال 2025-26 ء کے آغاز پر توقع ہے کہ عالمی معیشت بتدریج بحالی کے رجحان پر قائم رہتے ہوئے معتدل ترقّی کی راہ پر گامزن رہے گی جو گزشتہ دو برسوں میں دیکھی گئی بہتری پر مبنی ہوگی۔ عالمی تجارت میں بتدریج اضافہ متوقع ہے جیسے ٹیکنالوجی، صنعتی مصنوعات اور ایشیا سے تیّار شدہ برآمدات کی مضبوط طلب سہارا دے گی۔ تاہم مجموعی ترقّی کی شرح کورونا وبا سے قبل کے دو دہائیوں کی سطح سے اب بھی کم ہے۔ مالیاتی حالات عمومی طور پر مستحکم رہنے کی توقع ہے، جہاں بعض ترقّی یافتہ معیشتوں میں شرح سُود کے دباؤ میں کمی اور معتدل مہنگائی سرمایہ کاری اور تجارت کے لیے سازگار پس منظر فراہم کرے گی۔ سپلائی چین میں رکاوٹیں ماضی کی نسبت کم ہو چکی ہیں، تاہم جغرافیائی سیاسی تناؤ اور لاجسٹک مسائل مقامی سطح پر عدم استحکام پیدا کر سکتے ہیں۔

عالمی مہنگائی بتدریج کم ہو کر مالی سال 2025-26 ء میں اوسطاً 3.4 تا 3.5% رہنے کی توقع ہے کیونکہ توانائی کی قیمتیں مستحکم ہیں اور بنیادی مہنگائی کے دباؤ میں بھی کمی آرہی ہے۔ تاہم غیر یقینی سیاسی حالات جیسے مشرقی یورپ اور مشرقِ وسطیٰ میں جاری تنازعات، امریکا-چین تعلقات میں کشیدگی، اور تحفّظاتی تجارتی اقدامات خام مال کی قیمتوں، تجارتی بہاؤ اور سرمایہ کاری پر اثر ڈال سکتی ہیں۔ ماحولیاتی تبدیلی سے جڑے شدید موسمی حالات و واقعات زرعی و صنعتی پیداوار کو متاثر کر سکتے ہیں، اور بڑے بازاروں میں پائیداری کے نئے ضوابط بھی آپریشنل اور سپلائی چین کے خطرات بڑھا سکتے ہیں۔ اس ماحول میں کاروباروں کو چیلنجز اور مواقع دونوں کا سامنا ہوگا، جن کے لیے فوری موافقت کی مہارت، مضبوط رِسک مینجمنٹ اور اسٹریٹجک ہم آہنگی ضروری ہے تاکہ غیر یقینی حالات پر قابو پاتے ہوئے اُبھرتے ہوئے عالمی رجحانات سے فائدہ اُٹھایا جا سکے۔

پاکستان کا معاشی منظرنامہ:

مالی سال 2025 ء میں پاکستان کی معیشت نے بحالی اور استقامت کے واضح آثار دکھائے۔ جی ڈی پی میں 2.68% اضافہ ہوا جبکہ افراطِ زر 23.4% سے کم ہو کر 4.5% پر آگیا جو شرحِ سُود میں کمی، زرمبادلہ کی شرح کے استحکام اور دانشمندانہ میکرو اکنامک انتظام کے نتیجے میں ممکن ہوا۔ کرنٹ اکاؤنٹ نے 14 برس بعد پہلی بار سالانہ سرپلس ریکارڈ کیا جو 22 برسوں میں سب سے بڑا تھا۔ یہ برآمدات میں بہتری، مضبوط ترسیلاتِ زر اور زرِمبادلہ کے ذخائر میں اضافے سے ممکن ہوا۔

مالیاتی نظم و ضبط میں بھی بہتری آئی کیونکہ مالیاتی خسارہ جولائی تا مئی مالی سال 25ء میں جی ڈی پی کا 3.7% رہا جبکہ ٹیکس آمدنی (25.9%) اور نان ٹیکس آمدنی (62.7%) میں نمایاں اضافے نے سہارا دیا۔ اس سے وفاقی ریوینیو میں مجموعی طور پر 41.1% اضافہ ہوا۔

مالی سال 2024-25 ء میں برآمدات میں 1.37 بلین ڈالر کا اضافہ ہوا اور یہ پچھلے سال کی اِسی مدّت کے 30.7 بلین ڈالر سے بڑھ کر 32.04 بلین ڈالر تک پہنچیں، جبکہ درآمدات میں 3.61 بلین ڈالر کا اضافہ ہوا اور یہ 58.39 بلین ڈالر تک پہنچیں۔ بیرونِ ملک مقیم پاکستانیوں کی ترسیلات میں 26.6% سال بہ سال اضافہ ہوا اور یہ 38.3 بلین ڈالر تک پہنچ گئیں جس سے کرنٹ اکاؤنٹ مالی سال 2024 ء کے 2.07 بلین ڈالر خسارے سے بدل کر مالی سال 2025 ء میں 0.328 بلین ڈالر سرپلس پر آگیا۔

صنعتی سرگرمیوں کی کارکردگی ملی جلی رہی۔ بڑے پیمانے کی مینوفیکچرنگ (LSM) کی مجموعی پیداوار جولائی تا جون مالی سال 25 ء میں 0.74% کم ہوئی جبکہ پچھلے سال یہ 0.9% بڑھی تھی۔ تاہم 22 میں سے 12 سیکٹرز نے مثبت ترقّی دکھائی جن میں ٹیکسٹائل، ملبوسات، کوک اور پیٹرولیم مصنوعات، مشروبات اور فارماسیوٹیکلز شامل ہیں۔ آٹو موبائل سیکٹر نے بھی مالی سال 24-25 ء کے دوران بہتر کارکردگی دکھائی، جو مجموعی چیلنجز کے باوجود صنعتی لچک کی عکّاسی کرتا ہے۔

آگے دیکھتے ہوئے مالی سال 2025-26 ء میں ان کامیابیوں کے مستحکم ہونے کی توقع ہے، جس میں معتدل ترقّی، افراطِ زر میں مزید کمی اور بیرونی توازن میں بہتری شامل ہوگی، حالانکہ معیشت کو مالیاتی اور عالمی تجارتی چیلنجز کا سامنا رہے گا۔

پاکستان کا ٹیکسٹائل سیکٹر:

مالی سال 2024-25 ء میں پاکستان کی برآمدات میں 7.39% اضافہ ہوا جو عالمی مسابقتی ماحول میں استقامت کو ظاہر کرتا ہے۔ خام مال سے قابل قدر مصنوعات کی جانب منتقلی عالمی صارفین کے رجحانات سے ہم آہنگ ہے۔ ذیل میں ٹیکسٹائل برآمدات کی زمرے (کیٹگری) کے حساب سے تفصیل پیش کی جا رہی ہے

تفصیل	2024-2025 میں امریکی ڈالر	2023-2024 میں امریکی ڈالر	تبدیلی
بنے ہوئے کپڑے	5,010,467	4,407,573	13.68%
تیار شدہ کپڑے	4,128,556	3,563,647	15.85%
پلنگ پوش چادریں	3,112,848	2,802,670	11.07%
سوتی کپڑا	1,808,997	1,865,964	-3.05%
تولیے	1,082,611	1,055,109	2.61%
سوتی دھاگہ	680,700	955,510	-28.76%
تیار کردہ اشیاء	775,791	715,333	8.45%
دیگر	1,287,068	1,290,092	-0.23%
کل مجموعی برآمدات	17,887,038	16,655,898	7.39%

ٹیکسٹائل سیکٹر کو اب بھی نمایاں چیلنجز کا سامنا ہے جن میں خام مال کی قیمتوں میں اُتار چڑھاؤ، توانائی کے اخراجات میں اضافہ، اور عالمی سطح پر بڑھتی ہوئی مسابقت شامل ہیں جو مجموعی طور پر مارجنز یعنی شرحِ منافع اور آپریشنل مؤثریت پر دباؤ ڈالتے ہیں۔ مزید برآں، حالیہ پالیسی تبدیلیاں جیسے کسٹم ڈیوٹیز میں ایڈجسٹمنٹس، ٹیکس رجیم میں تبدیلیاں، اور ریفنڈ کی پروسیسنگ میں تاخیر برآمدی مسابقت اور لیکویڈیٹی پر منفی اثر ڈال سکتی ہیں۔

عملی اور مالیاتی کارکردگی:

اگرچہ کمپنی کو برآمدی منڈیوں میں قیمتوں کے دباؤ، جغرافیائی سیاسی غیر یقینی صورتحال، بلند مالیاتی لاگت (جو سال کے آخر میں کچھ کم ہوئیں)، اور توانائی کی قیمتوں میں اُتار چڑھاؤ جیسے چیلنجز کا سامنا رہا، اس کے باوجود کمپنی نے آرڈر کے حجم میں کامیاب اضافہ کیا اور مالی سال 2024-25 ء کے دوران بہترین پیداواری صلاحیت پر کام کیا۔ برآمدی ریوینیو امریکی ڈالرز میں 4.07% بڑھا جو پچھلے سال کی اِسی مدّت میں 368.9 ملین امریکی ڈالر سے بڑھ کر مالی سال 2025 ء میں 383.6 ملین امریکی ڈالر تک پہنچ گیا۔ اس کارکردگی کے نتیجے میں نیٹ سیلز میں نمایاں اضافہ ہوا جو 10.31% اضافے کے ساتھ پچھلے سال کے 143.14 ارب روپے سے بڑھ کر 157.9 ارب روپے ہو گئی۔ تاہم، اس مضبوط ٹاپ لائن پرفارمنس کے باوجود، مجموعی، آپریٹنگ اور نیٹ سطح پر منافع بخشی کو مذکورہ بالا چیلنجز نے متاثر کیا۔ 30 جون 2025 ء کو ختم ہونے والے مالی سال کے کلیدی مالیاتی اشاریے ذیل میں درج کیے گئے ہیں:

تفصیل	2024 (ملین روپے)	2025 (ملین روپے)	تبدیلی (%)
ایکسپورٹ سیلز	99,403	105,815	6.45%
بالواسطہ برآمدی فروخت	32,031	37,279	16.38%
مقامی فروخت	11,711	14,811	26.47%
کُل فروخت	143,145	157,905	10.31%
مجموعی منافع	17,191	18,978	10.39%
قبل از ٹیکس منافع	6,537	5,660	-13.42%
بعد از ٹیکس منافع	4,728	4,023	-14.91%
EBITDA (اور کٹوتیاں آمدنی قبل از سُود، ٹیکس)	16,436	16,312	-0.75%
آمدنی فی حصص	6.39	5.44	-14.87%

فروختی کارکردگی:

پاکستانی روپے کے تناظر میں برآمدی ریوینیو میں 6.45% اضافہ ریکارڈ کیا گیا جس کی بنیادی وجہ سازگار زرِمبادلہ کی شرحوں اور امریکی ڈالر میں زیادہ برآمدی حجم رہا۔ بالواسطہ برآمدات میں بھی مالی سال 2025 ء کے دوران گزشتہ سال کے مقابلے میں 16.38% اضافہ ہوا۔ اِسی دوران مقامی فروخت میں 26.47% کا نمایاں اضافہ دیکھا گیا۔ فروخت میں یہ مجموعی نمو کمپنی کی حکمتِ عملی کی کامیابی کو ظاہر کرتی ہے، جس میں بروقت سرمایہ کاری اور بین الاقوامی و مقامی دونوں منڈیوں پر زیادہ توجّہ شامل ہے۔

لاگت اور مالیاتی اشاریے

کمپنی کو فروخت کی لاگت میں 10.3% اضافہ برداشت کرنا پڑا، جس کی بڑی وجوہات خام مال کی بڑھتی ہوئی قیمتیں، توانائی کے نرخوں میں اضافہ، اور کم از کم اُجرت کے ضوابط میں ردوبدل (ایڈجسٹمنٹس) تھیں۔

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 June 30, 2025 in accordance with the requirements of regulation 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.

Following instances of non-compliances with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

Section 32.7 of the regulation states that "It is mandatory that every company requires the external auditors to furnish a management letter to its Board within 45 days of the date of audit report"

However, the management letter was issued by the external auditors beyond the prescribed timeframe, resulting in non-compliance with the stated requirement.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that then 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 June 30, 2025.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note / paragraph referred below where these are stated in the Statement of Compliance:

S. No.	Paragraph Reference	Description
1	12	Section 12 of the regulation states that, "A copy of the draft minutes of meeting of board shall be furnished to every director within fourteen days of the date of meeting. However, during the course of our review, we have obtained the evidence of circulation of the board meeting minutes and observed instances of non-compliance with the prescribed timeframe, as three out of four of the minutes were not circulated to the directors within the specified timeframe.

Date: October 3, 2025
Karachi
UDIN: CR20251009lyl9zLovTf

Yousuf Adil
Chartered Accountants

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019

For the year ended June 30, 2025

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 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. The reason for such rounding down is because the Board considers that two (2) independent directors are sufficient to fulfill the roles and obligations of the independent director as per requirements of the applicable law and regulations.

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 three meeting of Board were circulated late by 2, 3 & 14 days respectively.

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	- Chairperson
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	Two Meetings

15. The Board has outsourced the internal audit function to BDO Ebrahim & Co, 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. 1The 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 is carried out at the overall Company 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 of the Board 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 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.

(iv) The Board is responsible for governanc and oversight of sustainability risks and opportunities by setting the company's sustainability strategies, priorities and targets to create long term corporate value and ensures that policies to promote diversity, equity and inclusion (DE&I) are in place. The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee.

Since the requirement of the Code of Corporate Governance 2019 S.R.O. (I)/2024, Regulation 10(A) is optional, therefore at present and under its mandate, the Board takes care of the responsibilities, insofar practicable, for the compliance of the above clause.

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

Karachi
September 29, 2025

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Our unwavering commitment to quality and reliability fosters lasting relationships, earning the trust and loyalty of our customers worldwide.

Analysis of Financial Information

FINANCIAL HIGHLIGHTS

Profit & Loss		2025	2024	2023	2022	2021	2020
Sales	Rs. Million	157,905	143,146	111,968	100,257	78,774	53,941
Gross profit	Rs. Million	18,978	17,191	16,695	17,368	12,869	9,069
Earnings before interest and tax	Rs. Million	11,736	11,964	11,297	13,138	7,506	1,932
Profit / (loss) before final tax and income tax	Rs. Million	5,660	6,537	5,949	10,469	5,562	(76)
Profit / (loss) after tax	Rs. Million	4,023	4,728	3,986	8,862	4,425	(479)
Cash dividend	Rs. Million	-	-	-	428	891	891
Bonus share	Rs. Million	-	-	1,233	-	713	-
Balance Sheet							
Property, plant and equipment	Rs. Million	50,895	50,024	50,122	45,842	38,351	23,936
Intangible	Rs. Million	45	45	38	52	78	90
Long term investment, loans, advances & deposits	Rs. Million	3,769	3,755	3,792	3,816	3,747	2,861
Net current assets	Rs. Million	10,803	6,119	6,903	9,495	5,539	606
Total assets employed	Rs. Million	65,512	59,942	60,855	59,205	47,715	27,493
Represented by							
Share capital	Rs. Million	7,401	7,401	7,401	6,167	5,312	4,278
Reserves	Rs. Million	41,452	37,353	32,671	29,966	21,952	9,685
Shareholders' equity	Rs. Million	48,853	44,754	40,072	36,133	27,264	13,963
Long term loans	Rs. Million	16,142	14,592	20,117	20,551	18,571	13,446
Deferred and other long-term liabilities	Rs. Million	517	599	689	1,774	1,880	172
Total capital employed	Rs. Million	65,512	59,945	60,878	58,458	47,715	27,581
Cash Flow Statement							
Operating activities	Rs. Million	(6,362)	(2,449)	16,269	(1,635)	(20)	160
Investing activities	Rs. Million	(5,416)	(3,889)	(7,931)	(9,867)	(8,806)	(4,899)
Financing activities	Rs. Million	14,232	2,984	(9,405)	6,837	2,298	875
Cash and cash equivalents at the end of the year*	Rs. Million	(2,312)	(4,766)	(1,412)	(28,852)	(24,998)	(18,470)

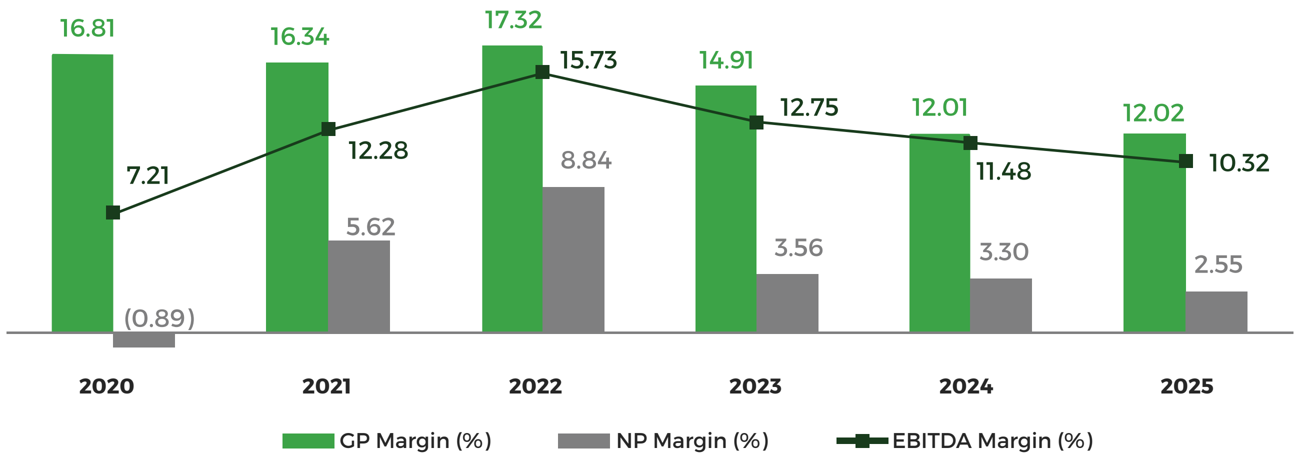
* Cash and equivalents for the year 2025, 2024 and 2023 have been calculated after incorporating the impact of reclassification of ERF and Other short-term financing (other than running finance) from cash and cash equivalent to short term borrowings.

FINANCIAL RATIOS

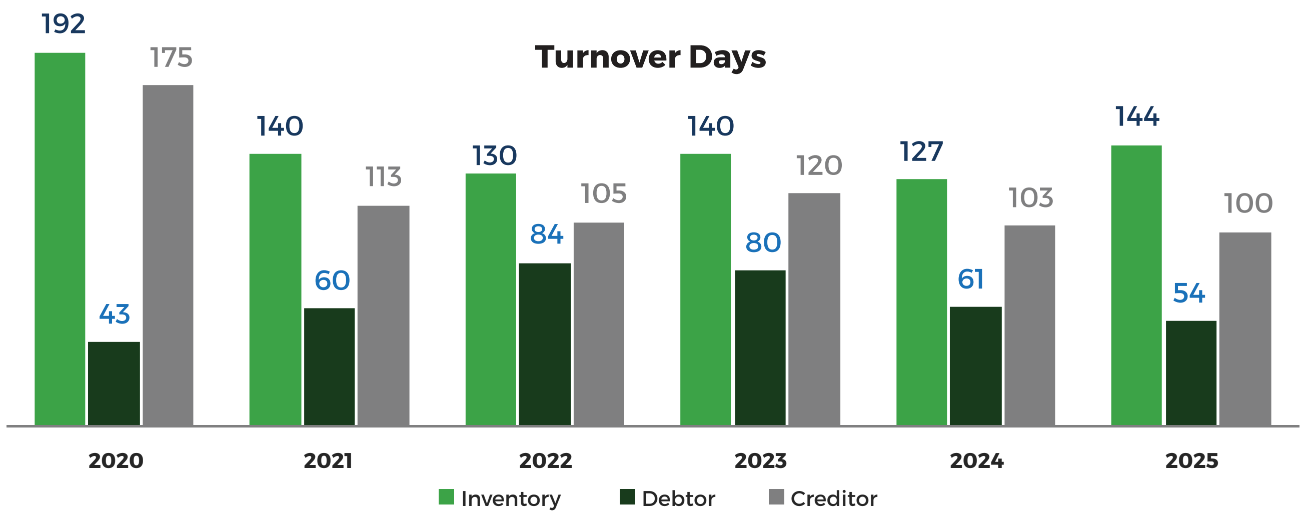
Profitability ratios		2025	2024	2023	2022	2021	2020
Gross profit ratio	Percent	12.02	12.01	14.91	17.32	16.34	16.81
Operating leverage ratio	Times	(0.18)	0.21	(1.20)	2.75	6.27	11.09
EBITDA margin to sales	Percent	10.32	11.48	12.75	15.73	12.28	7.21
Net profit to sales	Percent	2.55	3.30	3.56	8.84	5.62	(0.89)
Profit before tax margin	Percent	3.58	4.57	5.31	10.44	7.06	(0.14)
Return on equity	Percent	8.60	11.15	10.46	27.96	21.46	(3.27)
Return on capital employed	Percent	18.71	19.80	18.93	24.75	19.94	7.44
Liquidity ratios							
Current ratio	Times	1.13	1.08	1.11	1.16	1.12	1.02
Quick / acid test ratio	Times	0.38	0.41	0.47	0.56	0.57	0.29
Cash to current liabilities	Times	0.00	0.00	0.01	0.03	0.01	0.01
Cash flow from operations to sales	Times	(0.04)	(0.02)	0.15	(0.02)	(0.00)	0.00
Capital structure ratios							
Financial leverage ratio	Times	1.46	1.34	1.33	1.62	1.84	2.82
Weighted average cost of debt	Percent	9.26	9.58	9.56	4.92	4.34	5.04
Debt to funding ratio	Percent	59.38	57.20	57.14	61.78	64.80	73.81
Interest cover ratio	Times	1.93	2.20	2.11	4.92	3.86	0.96
Turnover ratios							
Inventory turnover days	Days	144	127	140	130	140	192
Inventory turnover ratio	Times	2.53	2.88	2.61	2.81	2.62	1.90
Debtor turnover days	Days	54	61	80	84	60	43
Debtor turnover ratio	Times	6.76	5.97	4.57	4.36	6.03	8.45
Creditors turnover days	Days	100	111	120	105	113	175
Creditors turnover ratio	Times	3.66	3.27	2.68	3.26	2.92	1.83
Fixed assets turnover ratio	Times	3.13	2.86	2.23	2.19	2.05	2.25
Total assets turnover ratio	Times	1.10	1.10	0.91	0.85	0.83	0.78
Operating cycle	Days	99	76	100	109	87	60
Investor information							
Earnings per share	Rupees	5.44	6.39	5.39	11.97	7.83	(1.12)
Price earning ratio	Times	5.05	3.30	3.31	2.82	6.48	(25.56)
Price to book ratio	Times	0.42	0.35	0.33	0.58	0.99	0.88
Dividend yield ratio	Times	-	-	-	0.03	0.05	0.09
Cash dividend per share	Rupees	-	-	-	1.00	2.50	2.50
Bonus shares issued	Percent	-	-	20.00	20.00	-	20.00
Dividend payout ratio	Percent	-	-	-	0.08	(2.23)	0.25
Dividend cover ratio	Times	-	-	-	11.97	3.13	(0.45)
Break - up value per share	Rupees	66.01	60.47	54.15	58.59	51.33	32.64
Market value per share							
at the end of the year	Rupees	27.47	21.10	17.81	33.81	50.73	28.63
high during the year	Rupees	27.47	25.96	32.94	60.80	58.32	49.62
low during the year	Rupees	17.99	16.83	17.81	32.80	28.93	21.45
EBITDA	Rs. Million	16,312	16,436	14,271	15,773	9,677	3,891

GRAPHICAL ANALYSIS

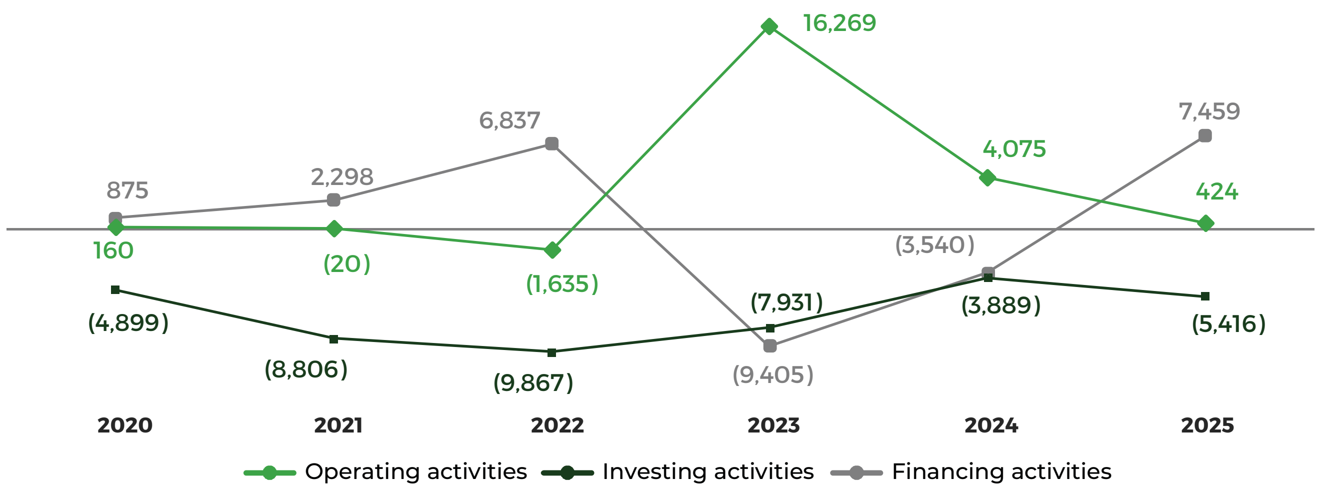
Profitability Ratios



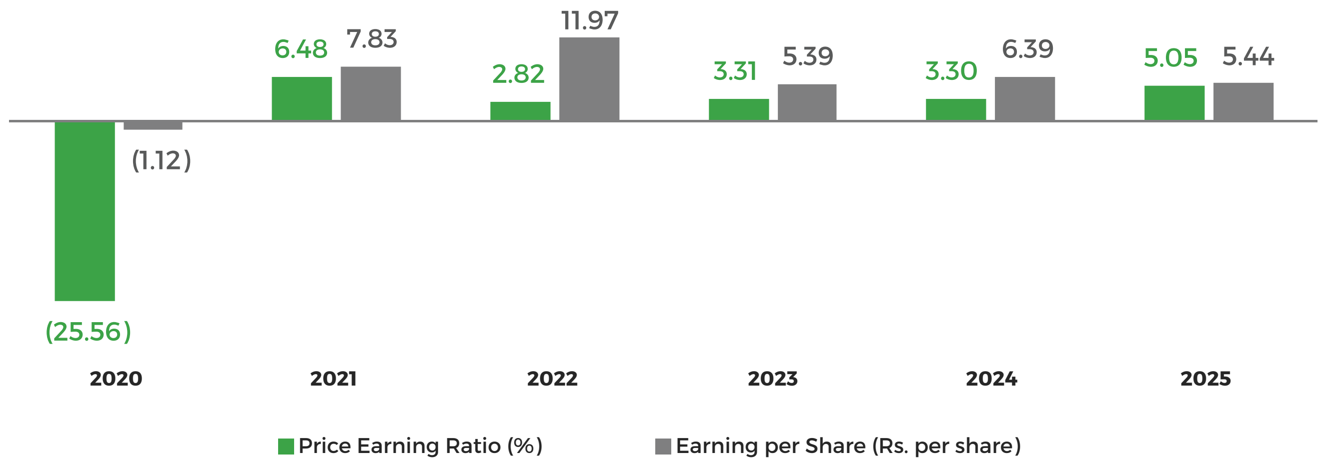
Turnover Days



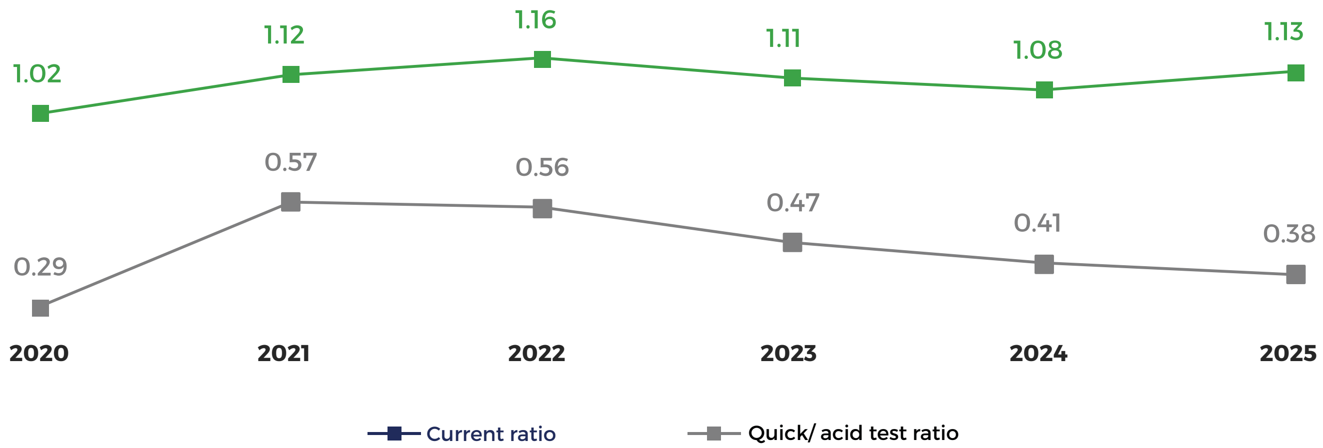
Cashflow from Activities (Rs. in million)



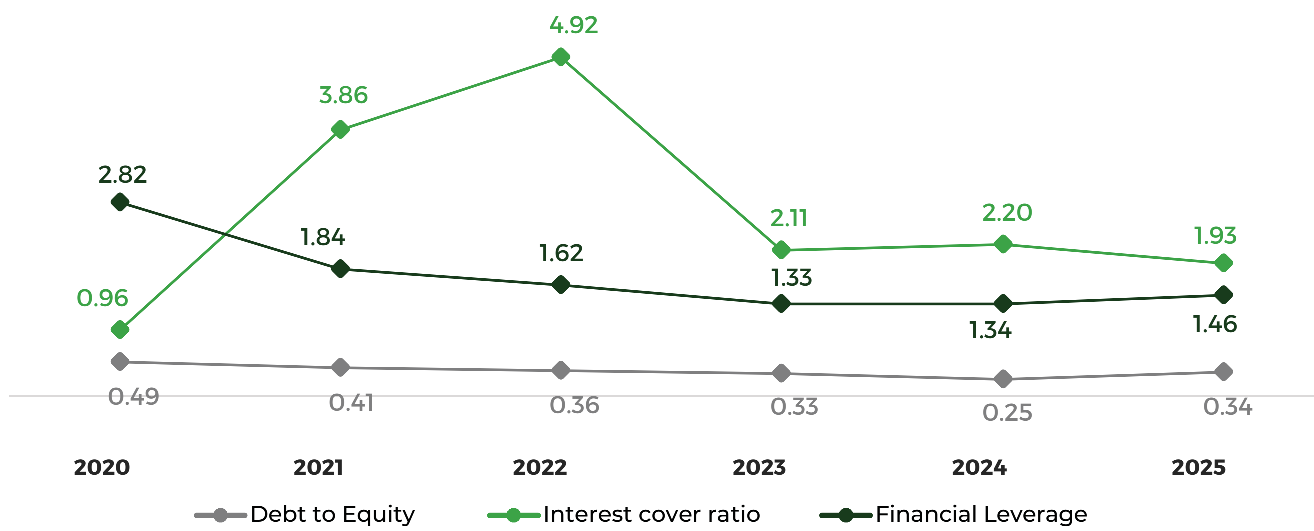
Investor Ratios



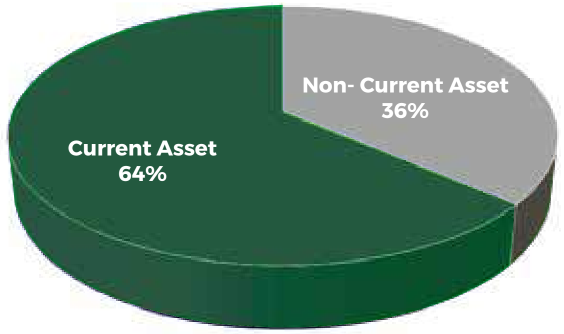
Liquidity Ratios



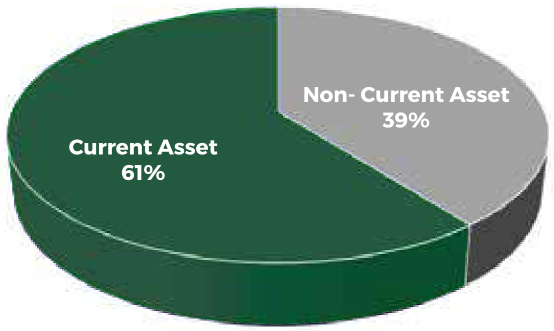
Capital Structure Ratios



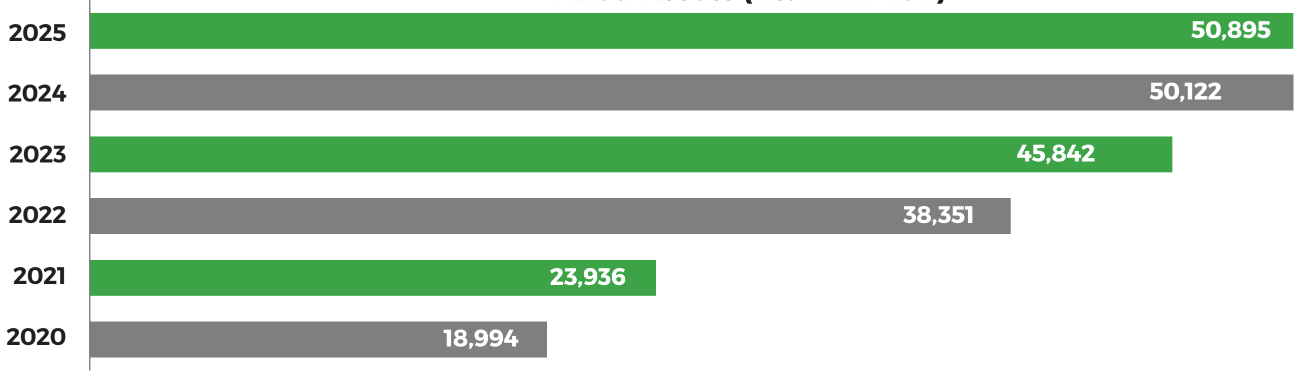
Assets 2025



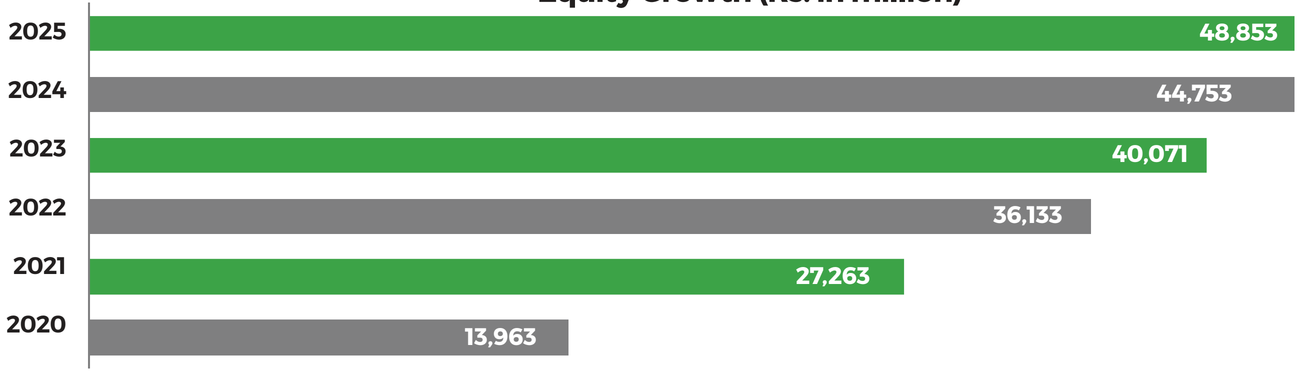
Assets 2024



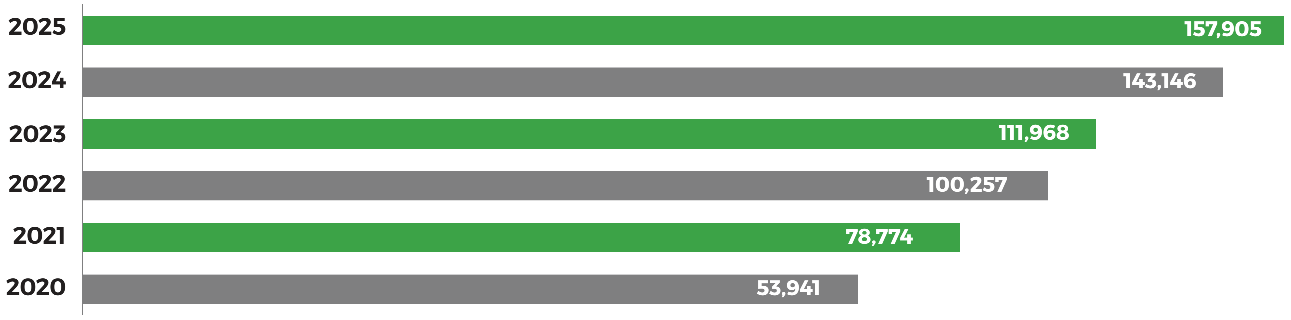
Fixed Assets (Rs. in million)



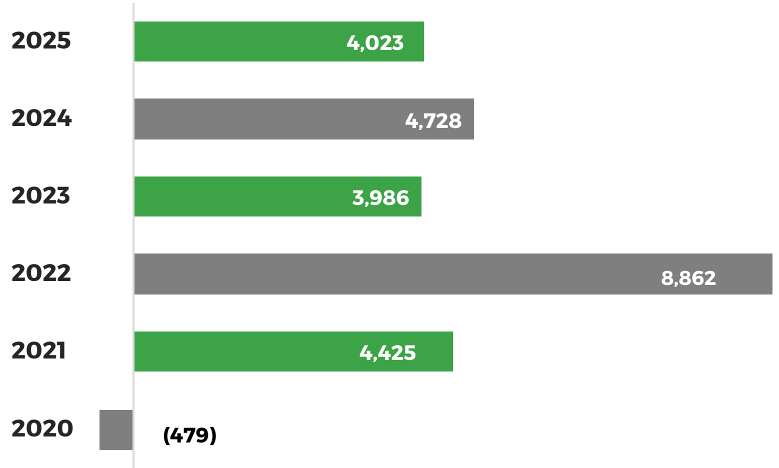
Equity Growth (Rs. in million)



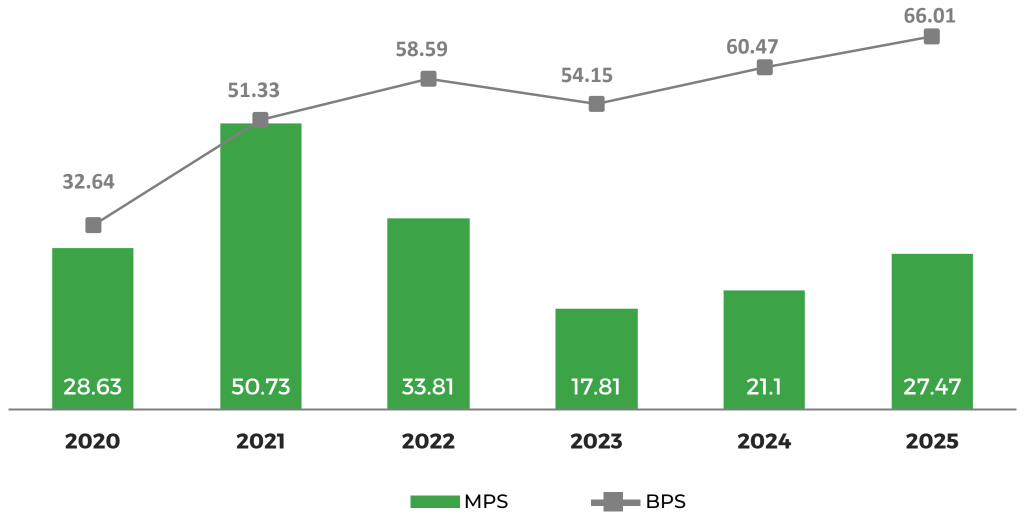
Sales Growth



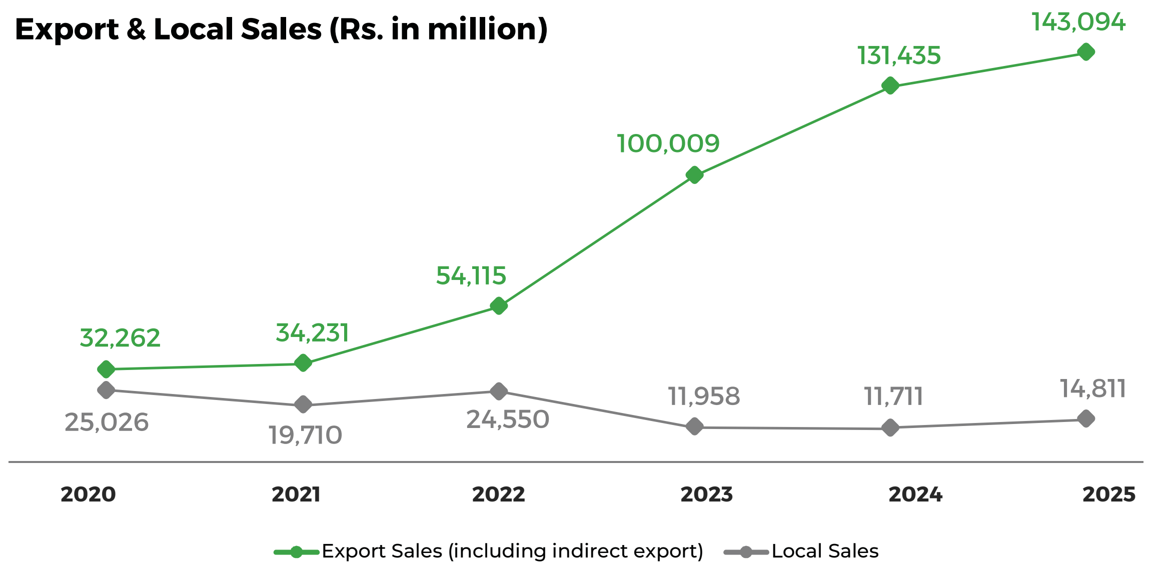
Profit after tax



Market and Break Value per share



Export & Local Sales (Rs. in million)



HORIZONTAL ANALYSIS

	2025		2024		2023		2022		2021		2020	
	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	48,853	9.2	44,753	11.7	40,071	10.9	36,133	32.5	27,263	95.3	13,963	(8.9)
Total non-current liabilities	16,659	9.7	15,190	(27.0)	20,806	(6.8)	22,324	9.2	20,452	29.1	15,844	75.8
Total current liabilities	85,583	11.8	76,545	22.3	62,610	6.3	58,922	26.0	46,749	20.1	38,914	29.3
Total equity and liabilities	151,095	10.7	136,488	10.5	123,488	5.2	117,380	24.3	94,464	37.5	68,721	26.2
Total non-current assets	54,709	1.6	53,824	(0.2)	53,952	8.5	49,710	17.9	42,176	44.4	29,201	49.5
Total current assets	96,386	16.6	82,663	18.9	69,514	1.6	68,417	30.8	52,287	32.3	39,520	13.2
Total assets	151,095	10.7	136,487	10.5	123,466	4.5	118,127	25.0	94,464	37.5	68,721	26.2
Profit & loss account												
Net sales	157,905	10.3	143,146	27.8	111,968	11.7	100,257	27.3	78,774	46.0	53,941	(5.8)
Cost of sales	(138,926)	10.3	(125,955)	32.2	(95,272)	14.9	(82,889)	25.8	(65,905)	46.9	(44,872)	(1.0)
Gross profit	18,978	10.4	17,191	3.0	16,695	(3.9)	17,368	35.0	12,869	41.9	9,069	(24.3)
Distribution expenses	(3,806)	17.2	(3,247)	47.5	(2,201)	12.4	(1,958)	(41.2)	(3,329)	(26.5)	(4,528)	(2.6)
Administrative expenses	(4,105)	18.3	(3,471)	1.3	(3,428)	54.4	(2,221)	(6.5)	(2,375)	(12.4)	(2,713)	1.3
Other expenses	(452)	(7.9)	(491)	13.6	(432)	(49.8)	(860)	65.7	(519)	96.5	(264)	(15.3)
Other income	1,120	(43.5)	1,983	199.1	663	(18.1)	809	(6.0)	861	134.1	368	(67.7)
Operating profit	11,736	(1.9)	11,964	5.9	11,297	(14.0)	13,138	75.0	7,506	288.6	1,932	(64.8)
Financial expenses	(6,076)	12.0	(5,426)	1.5	(5,348)	100.3	(2,669)	37.3	(1,944)	(3.2)	(2,008)	36.3
Profit / (loss) before taxation	5,660	(13.4)	6,537	9.9	5,949	(43.2)	10,469	88.2	5,562	(7,407.4)	(76)	(101.9)
Income tax expense	(1,637)	(9.5)	(1,810)	(7.8)	(1,963)	22.2	(1,607)	41.3	(1,137)	182.0	(403)	1.0
Profit / (loss) after taxation	4,023	(14.9)	4,728	18.6	3,986	(55.0)	8,862	100.3	4,425	(1,023.0)	(479)	(113.3)

VERTICAL ANALYSIS

	2025		2024		2023		2022		2021		2020	
	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)	Amount in million	(%)
Balance Sheet												
Total equity	48,853	32.3	44,753	32.8	40,071	32.4	36,133	30.8	27,263	28.9	13,963	20.3
Total non-current liabilities	16,659	11.0	15,190	11.1	20,806	16.8	22,324	19.0	20,452	21.7	15,844	23.1
Total current liabilities	85,583	56.6	76,545	56.1	62,610	50.7	58,922	50.2	46,749	49.5	38,914	56.6
Total equity and liabilities	151,095	100.0	136,488	100.0	123,488	100.0	117,380	100.0	94,464	100.0	68,721	100.0
Total non-current assets	54,709	36.2	53,824	39.4	53,952	43.7	49,710	42.1	42,176	44.6	29,201	42.5
Total current assets	96,386	63.8	82,663	60.6	69,514	56.3	68,417	57.9	52,287	55.4	39,520	57.5
Total assets	151,095	100.0	136,487	100.0	123,466	100.0	118,127	100.0	94,464	100.0	68,721	100.0
Profit & loss account												
Net sales	157,905	100.0	143,146	100.0	111,968	100.0	100,257	100.0	78,774	100.0	53,941	100.0
Cost of sales	(138,926)	(88.0)	(125,955)	(88.0)	(95,272)	(85.1)	(82,889)	(82.7)	(65,905)	(83.7)	(44,872)	(83.2)
Gross profit	18,978	12.0	17,191	12.0	16,695	14.9	17,368	17.3	12,869	16.3	9,069	16.8
Distribution expenses	(3,806)	(2.4)	(3,247)	(2.3)	(2,201)	(2.0)	(1,958)	(2.0)	(3,329)	(4.2)	(4,528)	(8.4)
Administrative expenses	(4,105)	(2.6)	(3,471)	(2.4)	(3,428)	(3.1)	(2,221)	(2.2)	(2,375)	(3.0)	(2,713)	(5.0)
Other expense	(452)	(0.3)	(491)	(0.3)	(432)	(0.4)	(860)	(0.9)	(519)	(0.7)	(264)	(0.5)
Other income	1,120	0.7	1,983	1.4	663	0.6	809	0.8	861	1.1	368	0.7
Operating profit	11,736	7.4	11,964	8.4	11,297	10.1	13,138	13.1	7,506	9.5	1,932	3.6
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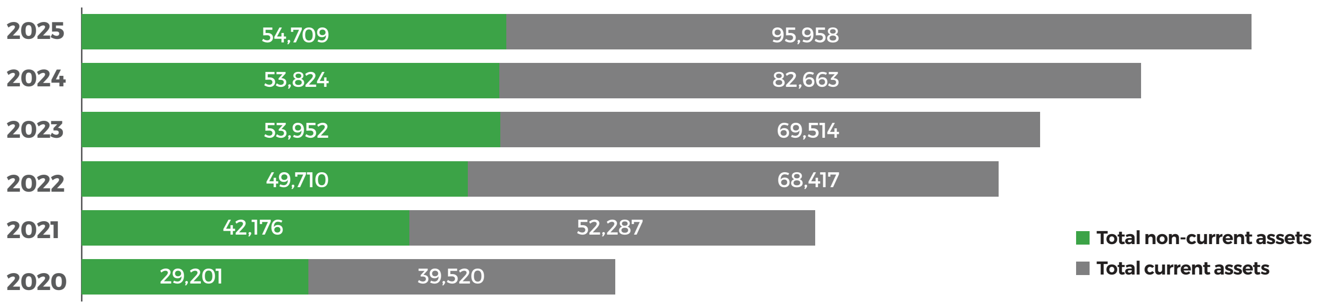
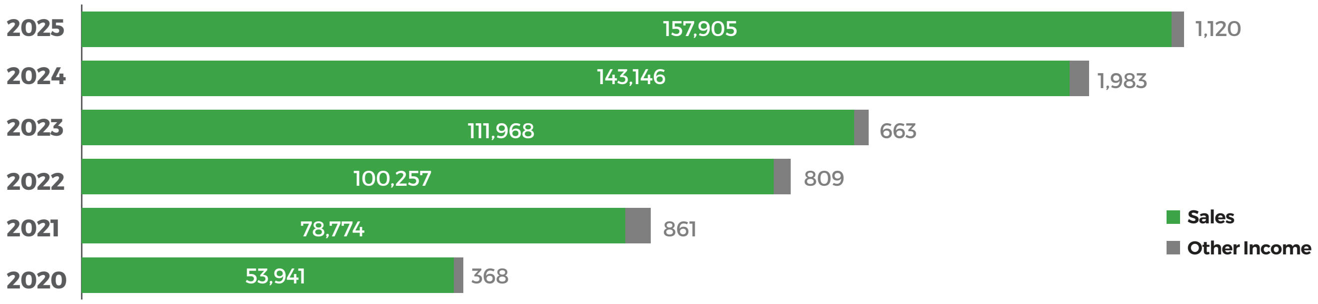
Profit / (loss)before taxation	5,660	3.6	6,537	4.6	5,949	5.3	10,469	10.4	5,562	7.1	(76)	(0.1)
Income tax expense	(1,637)	(1.0)	(1,810)	(1.3)	(1,963)	(1.8)	(1,607)	(1.6)	(1,137)	(1.4)	(403)	(0.7)
Profit / (loss)after taxation	4,023	2.5	4,728	3.3	3,986	3.6	8,862	8.8	4,425	5.6	(479)	(0.9)

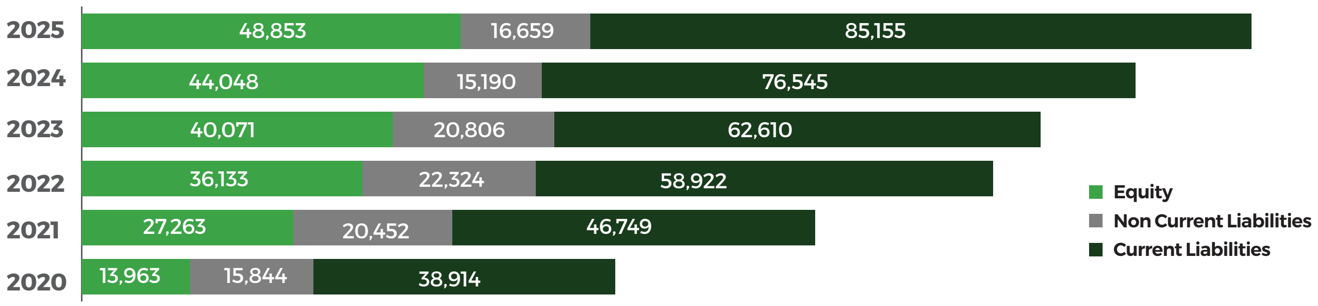
Non Current & Current Assets (Rs. in Million)



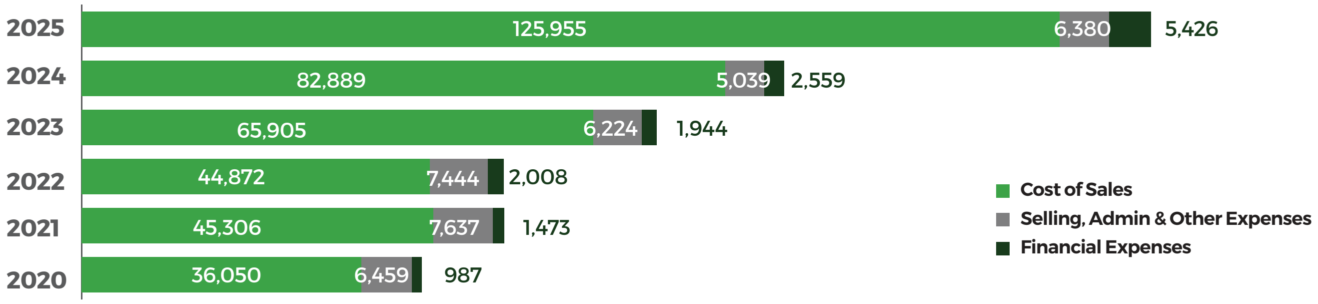
Sales & Other Income (Rs. in million)



Equity & Liabilities (Rs in millions)



Cost of Sales and Expenses (Rs in million)



COMMENTS ON FINANCIAL ANALYSIS

Shareholder's Equity

Shareholders' equity increased by 9.2% during the year, rising from Rs. 44.75 billion to Rs. 48.85 billion, supported by a profit of Rs. 4.02 billion. This translated into an increase in break-up value per share from Rs. 60.5 to Rs. 66, reflecting stronger reserves. However, profitability ratios softened, with return on equity declining to 8.6% from 11.15% and EPS decreasing to Rs. 5.44 from Rs. 6.39, mainly due to margin pressures in the textile sector. Considering the prevailing uncertainty and the need to maintain healthy cash flows, the Board has not recommended any dividend, opting instead to retain earnings to reinforce reserves and ensure long-term financial stability.

Non-Current & Current Liabilities

During the year, the Company recorded a notable rise in liabilities, reflecting both strategic investments and working capital pressures. Long-term borrowings increased from Rs. 14.6 billion to Rs. 16.1 billion, largely driven by capital expenditure on renewable energy initiatives, particularly solar and biomass projects. Short-term borrowings rose sharply from Rs. 42 billion to Rs. 52 billion, mainly due to the need to maintain higher inventory levels in response to changes in the Export Finance Scheme (EFS), anticipated shortages of raw materials, and significant cashflows tied up in pending income tax refunds. Rising power costs have further strained liquidity and contributed to the increase in short-term borrowing requirements. As a result, non-current liabilities grew from Rs. 15.2 billion to Rs. 16.7 billion, while current liabilities expanded from Rs. 76.5 billion to Rs. 85.6 billion, underscoring the combined impact of long-term growth investments, energy cost pressures, and short-term funding needs.

Non-Current & Current Assets

Non-current assets rose from Rs. 53.8 billion to Rs. 54.7 billion, mainly due to an increase in capital work-in-progress from Rs. 607 million to Rs. 2.1 billion for ongoing renewable projects. Stock-in-hand grew from Rs. 49 billion to Rs. 61 billion, while government receivables increased from Rs. 3.7 billion to Rs. 5.5 billion on account of income tax refunds. Liquidity ratios reflected mixed trends, with the current ratio improving from 1.08 to 1.13 but the quick ratio declining from 0.41 to 0.38, showing higher dependence on inventory. Operationally, inventory turnover days increased from 127 to 144, debtor days improved from 61 to 54, and creditor days stayed consistent, resulting in the operating cycle extending from 76 to 99 days. The longer cycle, coupled with rising power costs, has directly contributed to higher short-term borrowing needs.

Sales and Cost of Sales

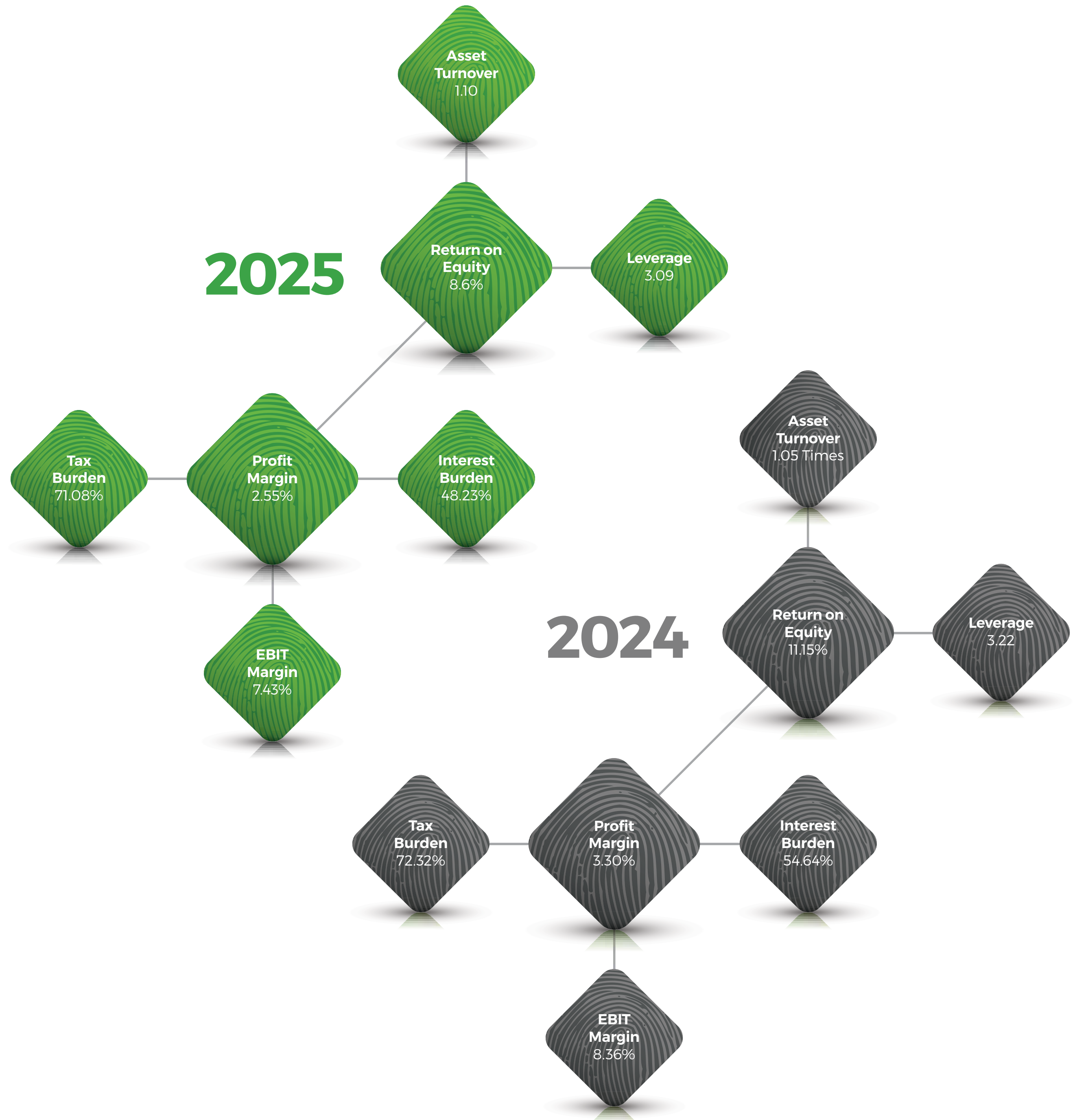
Sales increased by 10% from PKR 143.1 billion to PKR 157.9 billion, with local sales rising from PKR 44.1 billion to PKR 52.5 billion, including PKR 44 billion in indirect exports, while direct exports grew from PKR 102.3 billion to PKR 109.3 billion. Regionally, sales to Germany increased from PKR 30.6 billion to PKR 32.2 billion and to the Netherlands from PKR 4.8 billion to PKR 7.0 billion, while sales to the UK, USA, Italy, France, and other European markets remained stable. Despite higher volumes, the appreciation of the PKR against the USD (FY 2024 average: 279.38 vs. 283.15 last year) adversely impacted export realizations. Segmentally, spinning sales declined from PKR 58 billion to PKR 52 billion with gross margins slipping from 12% to 11% due to elevated raw material costs, whereas home textile sales rose from PKR 85 billion to PKR 93 billion with margins improving from 9% to 11%. However, higher administrative and selling expenses and increased financing costs from excess inventory eroded much of the profitability gains. At the consolidated level, gross profit margin remained at 12% as cost of sales grew proportionally, with raw material consumption and conversion costs increasing by 11% from PKR 95.2 billion to PKR 105.7 billion, salaries and wages up 11% from PKR 15.7 billion to PKR 17.4 billion due to minimum wage revisions and increments, and power and utilities expenses rising by 13% from PKR 12 billion to PKR 13.5 billion.

Operational Expenses, Other Income and Finance Costs
Selling and distribution expenses increased by PKR 600 million, primarily due to higher freight and shipping costs as cargo ships continue to avoid the Suez Canal because of regional conflicts, forcing reliance on longer and more expensive Cape of Good Hope routes, which also extended delivery lead times. Administrative expenses rose by PKR 633 million, largely driven by higher travelling and conveyance costs along with annual salary increments. Finance costs increased by PKR 649 million, reflecting higher charges on short-term borrowings and greater bank fees related to discounting of export bills. Other income declined compared to last year, as the significant exchange gains from currency realizations and derivative financial instruments recorded in the prior year did not recur at the same level.

Cashflows
Profit before tax declined from PKR 4.5 billion to PKR 4.0 billion, while working capital adjustments rose from PKR 10.6 billion to PKR 12.8 billion due to higher stock-in-trade and reduced trade creditors, alongside a PKR 1.5 billion increase in levies and taxes paid, resulting in net cash outflows of PKR 6.4 billion from operating activities. Cash used in investing activities also increased to PKR 5.4 billion (vs. PKR 3.9 billion last year) on account of higher acquisition and construction of property, plant, and equipment. To offset these pressures, the Company relied on additional financing, with long-term borrowings rising by PKR 4.3 billion and short-term borrowings by PKR 4.4 billion, leading to positive financing cashflows of PKR 14.2 billion. Consequently, despite a net increase of PKR 2.5 billion during the year, cash and cash equivalents closed at a negative PKR 2.3 billion, underscoring ongoing liquidity challenges driven by rising power costs and higher inventory holdings.

DUPONT ANALYSIS

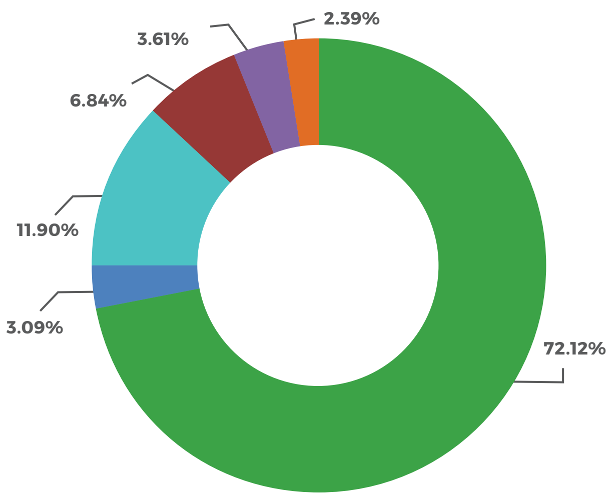
		2025	2024	2023	2022	2021	2020
Return on Equity (ROE)	Percent	8.60	11.15	10.46	27.96	21.46	(3.27)
Asset Turnover	Times	1.10	1.05	0.91	0.85	0.83	0.78
Leverage	Times	3.09	3.22	3.24	3.73	4.58	4.69
Net Profit Margin	Percent	2.55	3.30	3.56	8.84	5.62	(0.89)
Interest Burden	Percent	48.23	54.64	52.66	79.68	74.10	(3.94)
Tax Burden	Percent	71.07	72.32	67.00	84.65	79.55	629.82
EBIT Margin	Percent	7.43	8.36	10.09	13.10	9.53	3.58



VALUE ADDITION & DISTRIBUTION

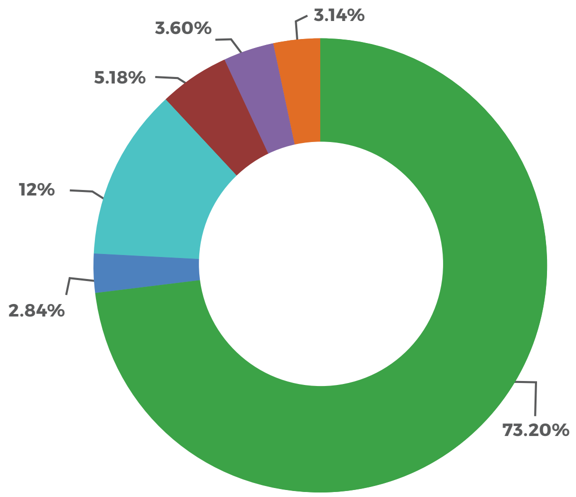
	2025		2024	
	Rs. In '000s	(%)	Rs. In '000s	(%)
Value Addition				
Net Sales (including Sales Tax)	167,366,998	99.3%	148,670,279	98.7%
Other Income	1,120,463	0.7%	1,982,933	1.3%
	168,487,461	100.0%	150,653,212	100.0%
Value Distribution				
Cost of Sales	121,505,215	73.9%	110,278,792	75.6%
Distribution & Admin Expenses	5,203,729	3.2%	4,283,267	2.9%
Employee Remuneration	20,044,741	12.2%	19,823,186	12.4%
Government Tax	11,516,325	7.0%	7,796,668	5.3%
Providers of capital (Finance Cost)	6,075,630	3.7%	5,426,456	3.7%
Contributions to society	119,047	0.1%	62,095	0.0%
	164,464,687	100.0%	145,925,409	100.0%
Value Retained	4,022,773		4,727,803	

Distribution of Value - 2025



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

Distribution of Value - 2024



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

QUARTERLY PERFORMANCE ANALYSIS

	FY 24 - 25			
	Q1	Q2	Q3	Q4
	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
	(Rupees in '000)			
Sales - net	42,078,103	39,558,704	37,456,341	38,811,571
Cost of sales	(38,509,492)	(35,262,044)	(32,387,005)	(32,767,757)
Gross profit	3,568,611	4,296,660	5,069,336	6,043,814
Selling and distribution cost	(1,104,047)	(896,375)	(807,424)	(997,870)
Administrative cost	(947,022)	(1,042,760)	(1,096,982)	(1,018,345)
Other operating cost	(47,605)	(87,031)	(73,860)	(243,770)
	(2,098,674)	(2,026,166)	(1,978,266)	(2,259,985)
Operating profit	1,469,937	2,270,494	3,091,070	83,829
Other income	943,806	97,527	117,425	(38,295)
Finance costs	(1,741,584)	(1,648,051)	(1,379,891)	(1,306,103)
Profit before taxation	672,159	719,970	1,828,604	2,439,431
Taxation	(315,294)	(65,080)	(703,191)	(553,825)
Profit after taxation	356,865	654,890	1,125,413	1,885,606
Earnings per share - basic and diluted	0.48	0.88	1.52	2.55

	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

Quarter 1:
The Company commenced the fiscal year with net sales of Rs. 42.08 billion, reflecting an 18% increase over the same period last year (SPLY). Export sales, including indirect exports, contributed Rs. 39.07 billion, while local sales stood at Rs. 3.01 billion. Home Textile remained the dominant segment, accounting for nearly 75% of overall sales. Despite increase in sales, profitability was constrained by surging energy costs, with fuel, power, and water expenses rising to Rs. 2.09 billion. Selling and distribution expenses also increased by 48% compared to SPLY, primarily due to higher freight and shipment charges, while administrative expenses remained largely stable, reflecting effective cost control.

As a result, gross profit improved modestly to Rs. 3.57 billion, translating into a gross margin of 8%, significantly below SPLY (11%). Finance costs rose 10% YoY to Rs. 1.74 billion, exerting further pressure on earnings. Consequently, profit after tax stood at Rs. 356.9 million, reflecting a net margin of 1%. Earnings per share were reported at Rs. 0.81, broadly in line with SPLY.

Quarter 2:
The second quarter reflected a modest slowdown in sales activity, with net sales of Rs. 39.56 billion, though still showing 18% growth compared to SPLY. Export sales including indirect exports amounted to Rs. 35.837 billion, while local sales reached Rs. 3.72 billion. Cost pressures persisted, particularly from fuel and power expenses of Rs. 2.1 billion, while inflation and wage adjustments also added to the burden. Selling & distribution costs declined in regard with previous quarter at Rs. 896 million vs. 1.1 billion, while admin expenses were higher at Rs. 1.04 billion vs. 820 million.

Gross profit increased to Rs. 4.30 billion, translating into an 11% margin. Finance costs remained high at Rs. 1.65 billion, up 5% from SPLY. Despite these challenges, profit after tax rose to Rs. 654.9 million compared to Rs. 703.5 million in SPLY, supported by improved cost management and timely operational adjustments. Earnings per share maintained at Rs. 0.95

Quarter 3:
Performance in the third quarter showed a strong recovery, with net sales of Rs. 37.46 billion, comprising Rs. 33.3 billion exports and Rs. 4.1 billion local sales. Total PKR sales increased 13% over SPLY, reflecting effective strategic initiatives. Cost of sales increased 14% overall, mainly from higher raw material prices, energy tariffs, and wage adjustments, selling and distribution expenses declined to Rs. 807 million, and other operating costs were effectively controlled.

Gross profit improved to Rs. 5.07 billion (14% margin), and profit after tax rose to Rs. 1.13 billion (3% margin). EPS increased to Rs. 6.08, compared to Rs. 1.36 last year. The improved results were driven by cost efficiencies, a stronger sales mix, and a 12% reduction in finance costs versus the previous quarter.

Quarter 4:
The Company closed the fiscal year on a strong note, with net sales of Rs. 38.81 billion, 2% higher than SPLY. Export sales increased to Rs. 34.885 billion including indirect export sales, while local sales, amounted to Rs. 3.92 billion. An Overall increase for the whole year in Fuel, power, and water expenses was 12.7% compared to last year, due to persistent inflationary pressures and higher energy tariffs.

Gross profit climbed to Rs. 6.04 billion, translating into a 16% margin, while operating profit reached Rs. 3.78 billion. Despite additional finance costs of Rs. 1.31 billion, profit after tax increased to Rs. 1.89 billion, representing a net margin of 5%. Earnings per share rose to Rs. 5.44. Strategic financial management and debt optimization helped sustain profitability despite macroeconomic headwinds.

A MARK OF

PRUDENCE

Our prudent approach to reporting and control reinforces trust, ensuring clarity and reliability in our financial performance.

Unconsolidated Financial Statements & Consolidated Financial Statements

INDEPENDENT AUDITOR'S 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 **June 30, 2025**, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 the 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 June 30, 2025 and of the profit and comprehensive income, the changes in equity and its cash flows 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 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated 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 3.18 and 25 to the unconsolidated financial statements. The Company's net revenue for the year ended June 30, 2025 was Rs. 157,904 million. The Company's revenue is principally generated from the sale of textile goods and related processing services and consists of local and export sales. We identified revenue as key audit matter because; • revenue is one of the key performance indicators of the Company; • there are large number of revenue transactions; and • There is inherent risk that revenue could be recorded in an incorrect accounting period in order to achieve the financial targets and expectations.	Our audit procedures in this area, amongst others, included the following: • Obtained an understanding of the accounting policy and Company's accounting process for revenue recognition and tested the design and implementation of relevant controls; • Performed verification of sample of revenue transactions recorded during the year with underlying documentation including sales invoices and other dispatch documents; • Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognised in the appropriate accounting period; and • Evaluated the appropriateness of disclosures in the unconsolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.
2	Valuation of Stock-in-trade	
	Refer notes 3.7 and 9 to the unconsolidated financial statements. As at June 30, 2025, the Company held stock-in-trade of Rs. 60,911 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. We have considered this matter as key audit matter because of the significance of the balance and due to the estimates and judgments involved in the valuation.t	Our audit procedures in this area, amongst others, included the following: • Obtained an understanding of the Company's policies and procedures with respect to valuation of stock-in-trade; • Assessed appropriateness of the Company's accounting policies for valuation of stock-in-trade and compliance of those policies with accounting and reporting standards applicable in Pakistan; • Assessed the adequacy of the allowance for obsolescence, by taking into consideration the status of ageing conditions of the stock-in-trade and historical usage pattern; • Compared the net realizable value, on a sample basis, to the carrying value of stock-in-trade to assess whether any adjustments are required to value of stock-in-trade in accordance with the applicable accounting framework; and • Assessed the adequacy of the related disclosures in the notes to the unconsolidated financial statements, in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the unconsolidated 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 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and 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.

Board of Directors are 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 Company'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 Company 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 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 statement of unconsolidated financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flow 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 (XVIII of 1980).

Other Matter

The unconsolidated financial statements of the Company for the year ended June 30, 2024 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated October 4, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Date: October 03, 2025
Karachi
UDIN: AR202510091oKb1QC5VU

Yousuf Adil
Chartered Accountants

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025	2024
		------------- (Rupees in '000) -----------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	50,894,607	50,023,808
Intangible assets	5	45,221	45,484
Long term investments	6	3,601,461	3,591,206
Long term loans	7	21,487	17,939
Long term deposits		146,240	145,595
Total non-current assets		54,709,016	53,824,032
CURRENT ASSETS			
Store, spares and loose tools	8	2,725,457	2,298,322
Stock-in-trade	9	60,911,875	49,014,078
Trade debts	10	22,155,562	24,567,107
Loans, advances and other receivables	11	4,810,814	2,638,317
Short term prepayments		73,298	63,612
Receivables from government	12	5,542,398	3,705,858
Short term investments		-	1,243
Cash and bank balances	13	166,429	375,876
Total current assets		96,385,833	82,664,413
Total assets		151,094,849	136,488,445
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	7,400,594	7,400,594
Reserves	15	41,452,343	37,352,629
Total share capital and reserves		48,852,937	44,753,223
NON-CURRENT LIABILITIES			
Long term financing	16	16,142,475	14,591,587
Deferred income - government grant	17	50,620	74,655
Defined benefit plan - staff gratuity	18	466,178	523,996
Total non-current liabilities		16,659,273	15,190,238
CURRENT LIABILITIES			
Trade and other payables	19	27,690,959	28,775,841
Accrued mark-up / profit	20	788,421	1,391,643
Short term borrowings	21	52,157,704	42,005,502
Current portion of non-current liabilities	22	3,152,215	3,262,187
Unclaimed dividend		9,365	9,840
Unpaid dividend	23	23,505	23,505
Taxation-net		1,760,470	1,076,466
Total current liabilities		85,582,639	76,544,984
Total equity and liabilities		151,094,849	136,488,445
CONTINGENCIES AND COMMITMENTS	24	-	-

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

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2025

	Note	2025	2024
		------------- (Rupees in '000) -----------	
Revenue from contracts with customers	25	157,904,719	143,145,844
Cost of sales	26	(138,926,298)	(125,954,822)
Gross profit		18,978,421	17,191,022
Selling and distribution cost	27	(3,805,716)	(3,247,465)
Administrative cost	28	(4,105,109)	(3,471,467)
Other expense	29	(452,266)	(491,140)
		(8,363,091)	(7,210,072)
Operating profit		10,615,330	9,980,950
Other income	30	1,120,463	1,982,933
Finance costs	31	(6,075,629)	(5,426,456)
Profit before levies and taxation		5,660,164	6,537,427
Levies	32	(1,688,647)	(2,043,969)
Profit before taxation		3,971,517	4,493,458
Taxation	33	51,257	234,344
Profit for the year		4,022,774	4,727,802
		2025	2024
		----------------- (Rupees) -----------------	
Earnings per share - basic and diluted	34	5.44	6.39

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

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

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2025

	Note	2025	2024
		(Rupees in '000)	
Profit for the year		4,022,774	4,727,802
Other comprehensive income / (loss)			
Items that will not be reclassified to unconsolidated statement of profit or loss subsequently			
Remeasurement gain / (loss) on defined benefit plan	18.3	76,940	(41,421)
Reversal of deferred tax		-	(4,535)
		76,940	(45,956)
Items that may be reclassified to unconsolidated statement of profit or loss subsequently		-	-
		76,940	(45,956)
Total comprehensive income for the year		4,099,714	4,681,846

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, 2025

	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 July 01, 2023	7,400,594	-	8,252,059	24,418,724	32,670,783	40,071,377
Reclassification of reserves - (note 15.2)	-	23,000,000	-	(23,000,000)	-	-
Profit for the year	-	-	-	4,727,802	4,727,802	4,727,802
Other comprehensive loss	-	-	-	(45,956)	(45,956)	(45,956)
Total comprehensive income for the year	-	-	-	4,681,846	4,681,846	4,681,846
Balance as at June 30, 2024	7,400,594	23,000,000	8,252,059	6,100,570	37,352,629	44,753,223
Profit for the year	-	-	-	4,022,774	4,022,774	4,022,774
Other comprehensive income	-	-	-	76,940	76,940	76,940
Total comprehensive income for the year	-	-	-	4,099,714	4,099,714	4,099,714
Balance as at June 30, 2025	7,400,594	23,000,000	8,252,059	10,200,284	41,452,343	48,852,937

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, 2025

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,971,517	4,493,458
Adjustments for non-cash items:			
Depreciation of operating fixed assets	4.1.1	4,558,811	4,450,617
Amortisation of intangible assets	5.1	17,197	21,302
Expense recognised for defined benefit plan	18	264,743	238,199
Finance costs	31	6,075,629	5,426,456
Reversal of provision for slow moving - stores and spares	8.1	(60,103)	(151,739)
Levies	32	1,688,647	2,043,969
Provision for slow moving stock-in-trade	9.1	(112,009)	(78,792)
Dividend income	30	-	(1,462)
Government grant recognised in income	30	(28,251)	(32,088)
Loss on disposal of operating fixed assets	29	35,609	28,533
Expected credit loss on trade debts	10.4	(33,058)	(229,760)
		12,407,215	11,715,235
Changes in working capital:			
Store, spares and loose tools		(367,032)	(383,725)
Stock-in-trade		(11,785,788)	(10,484,855)
Trade debts		2,444,603	(915,464)
Loans, advances and other receivables		(2,129,287)	(570,332)
Receivables from government		152,518	(404,820)
Short term prepayments		(9,686)	108,893
Trade and other payables		(1,084,882)	2,023,519
Net decrease in working capital		(12,779,554)	(10,626,784)
Cash generated from operating activities		3,599,178	5,581,909
Payment made to defined benefit plan	18.1	(245,621)	(81,236)
Finance costs paid		(6,773,467)	(6,524,443)
Levies and taxes paid		(2,942,444)	(1,425,436)
		(9,961,532)	(8,031,115)
Net cash used in operating activities		(6,362,354)	(2,449,206)

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(5,371,400)	(3,929,694)
Payments for acquisition of intangible assets		(16,934)	(28,535)
Proceeds from disposal of operating fixed assets		29,048	28,758
Long term investment made		(10,255)	-
Short term investment made		-	(601,243)
Short term investments redeemed		1,243	600,000
Dividend income received		-	1,462
Long term loans - net		(46,758)	52,587
Long term deposits		(645)	(12,648)
Net cash used in investing activities		(5,415,701)	(3,889,313)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing	37.1	4,700,000	358,000
Repayment of long term financing	37.1	(3,283,119)	(5,777,758)
Increase in short term borrowings - net	37.1	12,815,653	8,403,987
Dividend paid		(475)	(91)
Net cash generated from financing activities		14,232,059	2,984,138
Net increase / (decrease) in cash and cash equivalents		2,454,004	(3,354,381)
Cash and cash equivalents at the beginning of the year		(4,766,370)	(1,411,989)
Cash and cash equivalents at the end of the year	37	(2,312,366)	(4,766,370)

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

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

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, 2025

1 **LEGAL STATUS AND ITS OPERATIONS**

1.1 Gul Ahmed Textile Mills Limited (the Company) was incorporated in Pakistan on April 01, 1953 as a private limited company and subsequently converted into a public limited company on January 07, 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	Date of Incorporation	Country of Incorporation	Principal place of business
Direct Subsidiaries			
Gul Ahmed International Limited FZC - UAE	December 11, 2002	United Arab Emirates	Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.
Ideas (Private) Limited	December 27, 2004 (Subsidiary since January 01, 2021)	Pakistan	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Gul Ahmed Ecotex (Private) Limited	March 26, 2025	Pakistan	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi, Pakistan
Gul Ahmed Ecofab (Private) Limited	March 26, 2025	Pakistan	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi, Pakistan
Gul Ahmed Circular Fabrics (Private) Limited	March 26, 2025	Pakistan	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi, Pakistan
Indirect Subsidiaries			
GTM USA Corporation	March 19, 2012	United States of America	106 Lang Tree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Sky Home Corporation - USA	February 28, 2017	United States of America	106 Lang Tree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Vantona Home Limited	April 22, 2013	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
JCCO 406 Limited	September 29, 2017	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM (Europe) Limited	April 17, 2003	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
Omnify (Private) Limited	March 12, 2025	Pakistan	Plot No. 65/I, Korangi Industrial Area, Karachi, Pakistan
Elegant Fashion (Private) Limited	March 19, 2025	Pakistan	Plot No. 65/I, Korangi Industrial Area, Karachi, Pakistan
Fragrance Fusion (Private) Limited	March 12, 2025	Pakistan	Plot No. 65/I, Korangi Industrial Area, Karachi, Pakistan

1.2 **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; and
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.

2.2 **Statement of compliance**
These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Accounting Standards) 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 Accounting Standards, the provisions of and directives issued under the Act have been followed.

2.3 **Functional and presentation currency**
Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. 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, requires management to make judgments, estimates and assumptions that affects the application of the Company's accounting policies and reported amounts of assets, liabilities,

income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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 follows:

a) Operating fixed assets and Intangible assets (notes 3.2, 3.3, 3.8, 4 and 5)

The Company reviews appropriateness of the method of depreciation / amortisation and useful lives used in the calculation of depreciation / amortisation of operating fixed assets 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 (notes 3.6 and 8)

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 realisable values.

c) Stock-in-trade (notes 3.7 and 9)

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 (notes 3.9.4, 10 and 44.2)

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.

e) Defined benefit plan (notes 3.14.2 and 18)

The present value of defined benefit plan 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.

f) Taxation (notes 3.20, 24 and 33)

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.

g) Levies (notes 3.21 and 32)

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 recognising the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

h) Contingencies (notes 3.17 and 24)

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 that are effective for the year ended June 30, 2025 are as follows:

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
- Amendments to IFRS 16 ' Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 01, 2024
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024

(b) Standards, Interpretations and Amendments to published approved accounting standards not yet effective The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
- IFRS 7 - Financial Instruments: Disclosures	July 01, 2025
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

3 MATERIAL ACCOUNTING POLICY INFORMATION

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 operating fixed assets have different useful lives, they are accounted for as separate items (major components) of operating fixed assets.

Subsequent cost

Expenditure incurred to replace a significant component of an item of operating fixed assets 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 expenditure (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 and Machinery identifiable as a separate asset due to different useful life from the Plant and Machinery.

Rates of depreciation on above are specified in the note 4 of the unconsolidated financial statements.

Depreciation on additions to operating fixed assets 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 operating fixed assets is determined by comparing the proceeds from disposal with the carrying amount of the operating fixed assets, and is recognised in the unconsolidated statement of profit or loss.

3.2.2 Capital work-in-progress

Capital work in progress (CWIP) is stated at cost less impairment loss, if any, and consists of expenditure 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 5 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 amortisation 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 Borrowing cost

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

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

3.6 **Store, spares and loose tools**
Stores, spares and loose tools are stated at lower of moving average cost and net realisable value, less provision for impairment, if any. Stores-in-transit is stated at cost comprising invoice value plus other incremental charges incurred thereon.

Provision is made for obsolete and slow moving stores, spares and loose tools based on management's best estimate regarding their future usability and is recognised in the unconsolidated statement of profit or loss.

3.7 **Stock-in-trade**
Stock of raw materials and finished goods are valued at lower of moving average cost and net realisable 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 realisable value. Stock-in-transit is stated at cost comprising invoice value and other incidental charges paid thereon up to reporting date.

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

3.8 **Impairment of non-financial assets**
The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the unconsolidated statement of profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 **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. Financial assets and financial liabilities are recognised in the Company's unconsolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the unconsolidated statement of profit or loss.

3.9.1 Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and measurement of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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 carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the unconsolidated statement of profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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 FVTOCI are carried on the unconsolidated statement of financial position at fair value with gains or losses recognised in the unconsolidated statement of other comprehensive income.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Financial assets at FVTPL are carried on the unconsolidated statement of financial position at fair value with gains or losses recognised in the unconsolidated statement of profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the unconsolidated statement of profit or loss.

3.9.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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 the unconsolidated statement of profit or loss.

3.9.3 Offsetting of financial assets and liabilities

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

3.9.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company measures ECL of a financial instrument in a way that reflects (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

A default on a financial asset is considered when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there are no reasonable expectation of recovery. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in the unconsolidated statement of profit or loss.

3.10 Derivative

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the unconsolidated statement of profit or loss. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in trade and other payables in unconsolidated statement of financial position.

3.11 Cash and cash equivalents

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.

3.12 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.13 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 recognises 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 recognised 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 recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised 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 derecognised 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.

3.14 **Staff retirement benefits**

3.14.1 Defined contribution plan

The Company operates a recognised 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.

3.14.2 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.

Remeasurement of the net defined benefit liability, which comprises of actuarial gains and losses are recognised immediately in unconsolidated statement of other comprehensive income. The Company determines the net interest expense on the net defined liability 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, taking into account any changes in the net defined benefit liability during the year as a result of 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.

3.15 **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.

3.16 **Unclaimed dividend**

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

3.17 **Provisions and contingencies**

Provisions are recognised 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. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.18 **Recognition of revenue from contracts with customers**

Revenue from contracts with customers is recognised 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 recognised on following basis:

- Revenue from contracts with customers 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.

- 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 contracts with customers on 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 sanforisation and mercerisation of fabric.

- Export rebate (if any) on export sales is recognised on an accrual basis at the time of export sale.

- Processing charges are recorded when processed goods are delivered to customers.

3.19 **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 recognised on time proportion basis taking into account the amount outstanding and rates applicable thereon.

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

- Interest on loans and advances to employees is recognised 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 realisation and derivative financial instruments are described in note 3.1 and 3.10 of these unconsolidated financial statements.

3.20 **Taxation**

3.20.1 Current tax

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.

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 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 contingent liabilities.

3.20.2 Deferred tax

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, and tax credits, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.21 **Levies**

The tax charged under ITO, which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the unconsolidated statement of profit or loss as these levies fall under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

3.21.1 Revenue tax

Revenue tax include levies as per IFRIC 21, minimum tax on imported goods and export sales under ITO. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.
(b) fines or other penalties that are imposed for breaches of the legislation.

3.21.2 Final tax

Final tax includes tax charged / withheld / paid on certain income streams under various provisions of ITO. Final tax is charged / computed under the ITO, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the ITO.

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 **Dividend and appropriation to reserves**

Final dividend distributions to the Company's shareholders are recognised 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 recognised in the period in which the dividends are declared by the Board of Directors (the Board). Appropriations of profit are reflected in the unconsolidated statement of changes in equity in the period in which such appropriations are approved.

3.24 **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 35 to these unconsolidated financial statements.

4. **PROPERTY, PLANT AND EQUIPMENT**

	Note	**2025**	2024
		---------- (Rupees in '000)	------------
Operating fixed assets	4.1	48,777,835	49,416,906
Capital work in progress (CWIP)	4.2	2,116,772	606,902
		50,894,607	50,023,808

4.1 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 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 July 01, 2023		7,924,915	10,143,979	28,805,281	200,021	579,230	216,417	47,869,843
Movement during year ended June 30, 2024								
Transfers during the year	4.2.1	121,484	1,246,791	4,433,375	32,300	242,619	67,304	6,143,873
Written off during the year		-	(70,070)	-	-	-	-	(70,070)
Reclassification to CWIP		-	-	(18,832)	-	-	-	(18,832)
Disposals during the year	4.1.2							
Cost		-	-	(144,675)	-	-	-	(144,675)
Depreciation		-	-	87,384	-	-	-	87,384
Net book value		-	-	(57,291)	-	-	-	(57,291)
Depreciation charge for the year	4.1.1	-	(1,104,333)	(3,140,204)	(24,768)	(131,601)	(49,711)	(4,450,617)
Net book value as at June 30, 2024	4.4	8,046,399	10,216,367	30,022,329	207,553	690,248	234,010	49,416,906
As at June 30, 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)
		8,046,399	10,216,367	30,022,329	207,553	690,248	234,010	49,416,906

	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 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 July 01, 2024		8,046,399	10,216,367	30,022,329	207,553	690,248	234,010	49,416,906
Movement during year ended June 30, 2025								
Transfers during the year	4.2.1	-	479,558	3,160,737	52,877	240,953	42,152	3,976,277
Adjustments during the year								
Cost		-	3,956	97,640	(154)	(71,154)	(30,178)	110
Depreciation		-	(1,964)	(15,901)	-	25,297	578	8,010
		-	1,992	81,739	(154)	(45,857)	(29,600)	8,120
Disposals during the year	4.1.2							
Cost		-	-	(335,998)	-	-	-	(335,998)
Depreciation		-	-	271,341	-	-	-	271,341
Net book value		-	-	(64,657)	-	-	-	(64,657)
Depreciation charge for the year	4.1.1	-	(1,067,637)	(3,269,016)	(25,005)	(153,730)	(43,423)	(4,558,811)
Net book value as at June 30, 2025		8,046,399	9,630,280	29,931,132	235,271	731,614	203,139	48,777,835
As at June 30, 2025								
Cost		8,046,399	16,070,146	50,662,534	385,019	1,305,497	660,736	77,130,331
Accumulated depreciation		-	(6,439,866)	(20,731,402)	(149,748)	(573,883)	(457,597)	(28,352,496)
Net book value as at June 30, 2025	4.4	8,046,399	9,630,280	29,931,132	235,271	731,614	203,139	48,777,835
		----	----	----	(%)	----	----	
Depreciation per annum		-	10 to 33	10 to 33	10 to 12	10 to 33	20	

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

	Note	2025	2024
		---- (Rupees in '000)	----
Cost of goods manufactured	26.1	4,338,904	4,265,756
Selling and distribution cost	27	87	100
Administrative cost	28	219,820	184,761
		4,558,811	4,450,617

4.1.2 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							
Waukesha Gas Third party Engine	37,809	2,454	1,139	(1,315)	Bidding	Ams Enterprise Plot # D-126. Bawany Challi. Site Town, Karachi	
Passenger Lift Third party	6,283	6,283	3,077	(3,206)	Bidding	Awan Lift Company (Pvt) Ltd 11th Floor, Rimpa Plaza, M.A. Jinnah Road, Karachi	
Machine Paper Third party Transfer Printing	2,883	1,129	1,000	(129)	Bidding	Badar Processing Industries D-256, 273, Site, Karachi Pakistan	
Waukesha Gas Third party Engine	43,177	2,852	3,000	148	Bidding	R.A Engineering & Services 2nd Floor, plot no-18, sector-47, korangi creek industrial area, Karachi	
Air Jet Looms Third party Tsudakoma	191,708	49,019	14,294	(34,725)	Bidding	Valitex (Pvt) Ltd. A/36-A, Mangopir Road, Site Karachi, Karachi West Site Town	
Items with written down value below Rs. 500,000	54,138	2,920	6,538	3,618	Bidding	Various	
As on 30 June 2025	335,998	64,657	29,048	(35,609)			
As on 30 June 2024	144,675	57,291	28,758	(28,533)			

4.1.3 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.

	Note	2025	2024
		(Rupees in '000)	

4.2 Capital work in progress (CWIP)

	Note	2025	2024
Plant and machinery		1,335,351	536,930
Buildings and structures on leasehold land		762,391	60,261
Others		19,030	9,711
	4.2.1	2,116,772	606,902

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

	Note	2025	2024
Opening balance		606,902	2,251,995
Capital expenditure incurred during the year			
Plant and machinery	4.2.2	3,959,158	3,309,671
Buildings and structures on leasehold land		1,181,689	696,859
Others		345,301	473,418
		5,486,148	4,479,948
Transfers to operating fixed assets during the year			
Plant and machinery		(3,160,737)	(4,433,375)
Buildings and structures on leasehold land		(479,558)	(1,246,791)
Others		(335,982)	(463,707)
	4.1	(3,976,277)	(6,143,873)
Reclassification from operating fixed assets		-	18,832
Closing balance		2,116,772	606,902

4.2.2 This includes borrowing cost captalised during the construction period amounting to Rs. 123 million (June 30, 2024: Rs. 480 million). The effective rate of borrowing cost capitalised during the year was 15.98% (June 30, 2024: 18.60%) per annum.

4.3 The cost of fully depreciated operating fixed assets still in use:

	Note	2025	2024
		(Rupees in '000)	
Buildings and structures on leasehold land		114,059	114,059
Office equipment		116,506	93,736
Plant and machinery		506,814	506,814
Vehicles		109	109
		737,489	714,718

4.4 Plant and machinery, land and buildings are subject to first pari passu charge and a equitable mortgageamounting to Rs. 38,574 million as on June 30, 2025 (June 30, 2024: Rs. 38,574 million). These charges are against different financing facilities obtained from various banks as disclosed in note 16 of these unconsolidated financial statements.

	Note	2025	2024
		(Rupees in '000)	

5. INTANGIBLE ASSETS - ACQUIRED

	Note	2025	2024
Cost		228,324	199,789
Accumulated amortisation		(182,840)	(161,538)
Net book value as at		45,484	38,251
Movement during the year			
Additions - cost		16,934	28,535
Amortisation charge for the year	5.1	(17,197)	(21,302)
Net book value as at		45,221	45,484
As at June 30			
Cost		245,258	228,324
Accumulated amortisation		(200,037)	(182,840)
Net book value as at		45,221	45,484

5.1 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	2025	2024
		(Rupees in '000)	
Cost of goods manufactured	26.1	3,241	1,793
Administrative cost	28	13,956	19,509
	`	17,197	21,302

5.2 The cost of fully amortised intangible assets still in use

	Note	2025	2024
Software		169,125	101,562

6. LONG TERM INVESTMENT

	Note	2025	2024
Investment in subsidiary companies at cost			
- Gul Ahmed International Limited	6.1	58,450	58,450
- Ideas (Private) Limited	6.2	3,462,756	3,462,756
- Gul Ahmed Ecotex (Private) Limited	6.3	2,841	-
- Gul Ahmed Ecofab (Private) Limited	6.3	2,841	-
- Gul Ahmed Circular FabrIcs (Private) Limited	6.3	4,573	-
		3,531,461	3,521,206
Investment at amortised cost			
- Term Finance Certificate (TFC)	6.4	70,000	70,000
		3,601,461	3,591,206

6.1 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 June 30, 2025 is Rs. 1,334 million (June 30, 2024: Rs. 1,265 million).

6.2 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 June 30, 2025 is Rs. 5,194 million (June 30, 2024: Rs. 5,081 million).

6.3 These unquoted entities are wholly owned subsidiaries of the Company, incorporated in Pakistan during the year. These entities are intended to be established under the Special Economic Zone (the Zone) and is presently in the approval phase of the zone.

6.4 This represents Rs. 70 million (June 30, 2024: Rs. 70 million) invested in perpetual TFC issued by Habib Bank Limited, which carries profit at the rate of 3Month KIBOR + 1.6% receivable on quarterly basis.

7. LONG TERM LOANS

	Note	2025	2024
		-------------- (Rupees in '000)	------------
Considered good			
- Due from executives	7.2	128,615	87,256
- Due from non-executives		9,227	3,828
		137,842	91,084
Current portion			
- Due from executives		(108,001)	(69,871)
- Due from non-executives		(8,354)	(3,274)
	11	(116,355)	(73,145)
		21,487	17,939

7.1 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 guarantee by two employees. The loan tenor extends maximum upto 24 months.

Included in these are loans of Rs. 110.63 million (June 30, 2024: Rs. 48 million) to executives and Rs. 7.9 million (June 30, 2024 : Rs. 3 million) to non-executive which carry no mark-up. The loans amounting to Rs. 17.98 million (June 30, 2024: 39.2 million) to executives and Rs. 1.3 million to non-executives (June 30, 2024: Rs. 0.8 million) carry mark-up at rates ranging from 12.08% to 20.14% (2024: 8.5% to 22.97%) per annum.

7.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 129 million (June 30, 2024: Rs. 87 million).

8. STORE, SPARES AND LOOSE TOOLS

	Note	2025	2024
		-------------- (Rupees in '000)	------------
Stores, spares and loose tools		2,755,637	2,380,844
Stores-in-transit		5,535	13,296
		2,761,172	2,394,140
Provision for slow moving / obsolete items	8.1	(35,715)	(95,818)
		2,725,457	2,298,322

	Note	2025	2024
8.1 Movement in provision for slow moving / obsolete items			
Opening balance		95,818	247,557
Reversal of provision for the year - Cost of goods manufactured	26.1	(60,103)	(151,739)
Closing balance		35,715	95,818

9. STOCK-IN-TRADE

	Note	2025	2024
		-------------- (Rupees in '000)	------------
Raw material			
- In hand	26.2	38,516,922	30,975,136
- In transit		626,820	1,495,563
Work-in-process	26.1	11,176,902	8,967,188
Finished goods	26	10,591,231	7,688,200
		60,911,875	49,126,087
Provision for slow moving - stock-in-trade / obsolete items	9.1	-	(112,009)
	9.2	60,911,875	49,014,078

	Note	2025	2024
9.1 Movement in provision for slow moving			
Opening balance		112,009	190,801
Reversal of provision for the year	26.1	(112,009)	(78,792)
Closing balance		-	112,009

9.2 The stock includes inventory held with third party amounting to Rs. 5,179 million (June 30, 2024: Rs. 7,171 million).

10. TRADE DEBTS

	Note	2025	2024
		-------------- (Rupees in '000)	------------
Secured			
Export debtors		4,918,658	2,999,337
Local debtors		2,302,712	6,893,301
	10.5	7,221,370	9,892,638
Unsecured			
Export debtors		3,038,950	5,557,687
Local debtors		12,044,543	9,299,141
		15,083,493	14,856,828
		22,304,863	24,749,466
Expected credit loss	10.4	(149,301)	(182,359)
	10.6	22,155,562	24,567,107

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

2025

	Note	0 to 30 Days	31 to 180 Days	More than 181 days	Total
		------- (Rupees in '000) -------			
Export debtors					
GTM USA Corporation		48,866	-	-	48,866
GTM (Europe) Limited		2,598,530	-	-	2,598,530
Sky Home Corporation - USA		257,439	-	-	257,439
Vantona Home Limited		77,970	-	-	77,970
		2,982,805	-	-	2,982,805
Local debtor					
Ideas (Private) Limited	10.2	649,161	373,731	-	1,022,892
		3,631,966	373,731	-	4,005,697

2024

	Note	0 to 30 Days	31 to 180 Days	More than 181 days	Total
		------- (Rupees in '000) -------			
Export debtors					
GTM USA Corporation		78,799	10,295	-	89,094
GTM (Europe) Limited		168,495	681	-	169,176
Sky Home Corporation - USA		5,880	-	-	5,880
		253,174	10,976	-	264,150
Local debtor					
Ideas (Private) Limited	10.2	643,842	81,466	4,951,647	5,676,955
		897,016	92,442	4,951,647	5,941,105

10.2 The amount outstanding is payable on demand and is subject to markup at the rate of KIBOR + 0.75% (2024: KIBOR + 0.75%). The markup charged during the year is disclosed in note 31.2.

10.3 The maximum aggregate month end balance during the year due from related parties was Rs. 5,941 million (June 30, 2024: Rs. 9,040 million).

10.4. Movement in expected credit loss against doubtful trade debts:

	Note	2025	2024
		------- (Rupees in '000) -------	
Opening balance		182,359	412,119
Reversal for the year	28	(33,058)	(229,760)
Closing balance		149,301	182,359

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

10.6 This includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rs. 1,639 million (June 30, 2024: Rs. 4,598 million).

11. LOANS, ADVANCES AND OTHER RECEIVABLES

	Note	2025	2024
		------- (Rupees in '000) -------	
Loans and advances - considered good			
Advances to suppliers		3,342,358	1,434,883
Current portion of loans to employees	7	116,355	73,145
		3,458,713	1,508,028
Other receivables			
Letter of Credit and Bank Guarantee Margin	11.1	1,312,338	650,183
Forward contracts		-	332,315
Accrued markup on Term Deposit Receipts (TDRs)		24,299	-
Others	11.2	15,464	147,791
		1,352,101	1,130,289
		4,810,814	2,638,317

11.1 These include Term Deposit Receipts (TDRs) of Soneri Bank Limited amounting to Rs. 979 million. (2024: Rs. 550 million) placed against bank guarantee margin. The guarantee margin carries mark up at the rate of 10% to 11% (2024: 14.35% to 19.75%) per annum.

11.2 This includes balance receivable from Hub Liquid Terminal (Private) Limited, a related party amounting to Rs. 9.13 million (2024: Nil)

12. RECEIVABLE FROM GOVERNMENT

	Note	2025	2024
		------- (Rupees in '000) -------	
Sales tax refund		1,253,460	978,178
Income tax refund		2,417,771	428,713
Duty drawback and rebate		1,871,167	2,298,967
		5,542,398	3,705,858

13. CASH AND BANK BALANCES

	Note	2025	2024
		------- (Rupees in '000) -------	
Cash in hand		10,879	11,387
Balances with banks in current accounts			
- Local currency		133,019	359,581
- Foreign currency		22,531	4,908
		155,550	364,489
	13.1 & 13.2	166,429	375,876

13.1 This includes an amount of Rs. 17.93 million (June 30, 2024: Rs. 202.93 million) held by Shariah compliant banks.

13.2 This includes balances held with related parties (associated banks due to common directorships) amounting to Rs. 72.66 million (2024: Rs. 5.70 million).

14. SHARE CAPITAL

14.1 Authorized capital

2025	2024		2025	2024
---------------(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

14.2 Issued, subscribed and paid-up capital

2025	2024		2025	2024
---------------(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 (note 15.1)	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

14.2.1 As at June 30, 2025, Gul Ahmed Holdings (Private) Limited, the parent company of Gul Ahmed Textile Mills Limited, held 413,383,760 (June 30, 2024: 413,383,760) ordinary shares of Rs. 10 each, constituting 55.86% (June 30, 2024: 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 (June 30, 2024: 99,476,824) ordinary shares of Rs. 10 each.

14.2.2 As per the Honourable Sindh High Court's order, the Company held 3,471,541 (June 30, 2024: 3,471,541) out of the total bonus shares issued for the year 2015, 2019 and 2021 to Gul Ahmed Holdings (Private) Limited, parent company, and other parties, as these shareholders are part of the suit filed against the tax on bonus shares imposed through Finance Act, 2014.

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

15. RESERVES

	Note	2025	2024
		------------- (Rupees in '000)	-------------
Capital reserves			
Amalgamation reserve	15.1	8,252,059	8,252,059
Against long term investments, capacity expansion and BMR	15.2	23,000,000	23,000,000
		31,252,059	31,252,059
Revenue reserve			
Unappropriated profit		10,200,284	6,100,570
		41,452,343	37,352,629

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

15.2 The Board, in their meeting held on September 25, 2023, approved the creation of a reserve, for the purpose of long term investments, Business Modernisation and capacity expansion, 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.

16. LONG TERM FINANCING

	Note	2025	2024
		------------- (Rupees in '000)	-------------
Secured			
From Banking Companies	16.1	13,662,456	10,983,212
From Non-Banking Financial Institutions	16.2	2,826,322	3,562,997
Financing under Temporary Economic Refinance Scheme Facility - Net of Government Grant	16.3	2,781,877	3,279,314
		19,270,655	17,825,523
Current portion shown under current liabilities	22	(3,128,180)	(3,233,936)
	16.10	16,142,475	14,591,587

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit rate per annum	2025	2024
					(Rupees in '000)		
16.1 Banking Companies - Secured							
Islamic							
Dubai Islamic Bank Under LTL scheme	16.5, 16.8 & 16.9	24 & 36 quarterly	May 06 2032	173,079	Three months KIBOR ask rate + 0.3% payable quarterly	4,700,000	-
Faysal Bank Limited Under ILTFF scheme - Diminishing Musharaka	16.5, 16.7 & 16.9	32 quarterly	November 01 2030	28,128	2.75% - 3.9% p.a. payable quarterly	485,178	645,711
Meezan Bank Limited Under LTL and ILTFF scheme - Diminishing Musharaka	16.6, 16.8 & 16.9	32 quarterly	September 13 2032	91,054	3.5% - 5.5% p.a. payable quarterly	2,174,863	2,529,595
Conventional							
Askari Bank Limited Under LTFF scheme	16.5, 16.8 & 16.11	20 and 32 quarterly	August 12, 2027	25,163	2.75% - 3.5% p.a. payable quarterly	453,209	553,368
Bank Al-Habib Limited Under LTFF scheme	16.7	16 half yearly	October 22, 2027	13,519	2.75% p.a. payable half yearly	81,109	108,147
Bank Al-Falah Limited Under LTFF and LTL scheme	16.4 & 16.8	16 half yearly	December 26, 2032	58,964	3% - 5.5% p.a. payable half yearly	550,482	668,409
The Bank of Khyber Under LTL scheme	16.4	32 quarterly	August 17, 2032	15,625	5.5% - 8.5% p.a. payable quarterly	437,500	500,000
The Bank of Punjab Under LTFF scheme	16.4 & 16.8	28 quarterly	December 02, 2030	71,429	3% p.a. payable quarterly	682,394	967,990
Habib Bank Limited Under LTL and LTFF scheme	16.6 & 16.7	32, 36 and 39 quarterly	August 09, 2032	50,655	2.80% - 3.25% p.a. payable half yearly and quarterly	966,207	1,163,250
MCB Bank Limited Under LTL scheme	16.6 & 16.8	32 quarterly	February 23, 2031	9,596	4.00% p.a. payable half yearly and quarterly	201,637	240,179
National Bank of Pakistan Under LTFF scheme	16.4,16.5, 16.6 & 16.8	20 and 32 quarterly	May 26, 2030	85,313	2.75% - 2.80% p.a. payable half yearly and quarterly	1,358,119	1,674,467
Soneri Bank Limited Under LTFF scheme	16.4 & 16.8	16 half yearly and 32 Quarterly	April 14, 2032	40,395	3.50% - 5.0% p.a. payable half yearly and quarterly	743,684	876,346
United Bank Limited Under LTFF scheme	16.5 & 16.8	16 half yearly	March 21, 2032	64,452	2.75% - 6.25% p.a. payable half yearly and quarterly	754,021	912,670
Samba Bank Limited Under LTFF scheme	16.4, 16.8 & 16.11	10 and 16 half yearly	December 27, 2028	35,501	3% p.a. payable half yearly	74,053	143,080
						13,662,456	10,983,212
16.2 Non-Banking Financial Institutions - Secured							
Pair Investment Company Limited Under LTFF scheme	16.4, 16.6 & 16.8	12 and 16 half yearly	October 15, 2029	65,392	3.0% - 3.5% p.a. payable half yearly	311,699	419,341
Pak Kuwait Investment Pvt. Limited Under LTFF scheme	16.4, 16.5 & 16.8	32 quarterly	September 25, 2032	62,189	3.0% - 8.5% p.a. payable quarterly	960,562	1,211,540
Pak China Investment Pvt. Limited Under LTFF scheme	16.4, 16.5 & 16.8	32 quarterly	November 22, 2031	44,763	3.35% - 5.35% p.a. payable quarterly	1,079,118	1,261,065
Pak Brunei Investment Company Limited Under LTFF scheme	16.4, 16.5 &16.8	16 half yearly	July 28, 2027	36,524	2.5% p.a payable quarterly	159,472	232,684
Pak Oman Investment Company Limited Under LTFF scheme	16.5 & 16.8	32 quarterly	September 13, 2027	30,724	2.75% p.a payable quarterly	315,471	438,367
						2,826,322	3,562,997

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit rate per annum	2025	2024
(Rupees in '000)							
16.3 Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant							
Habib Bank Limited	16.5 & 16.8	16 half yearly	September 23, 2030	59,375	2.25 % p.a. payable half yearly	637,854	750,163
MCB Bank Limited	16.6 & 16.8	32 quarterly	February 23, 2031	13,841	3.00% p.a. payable quarterly	296,868	349,236
MCB Islamic Bank Limited	16.6 & 16.8	32 quarterly	January 19, 2031	9,375	2.50% p.a. payable quarterly	201,416	236,889
Bank of Punjab	16.4, 16.5 & 16.8	32 quarterly	December 02, 2030	31,250	2.0 % p.a. payable quarterly	727,587	863,939
Pak Kuwait Investment (Private) Limited	16.4, 16.5 & 16.8	32 quarterly	September 25, 2032	9,464	2.5% p.a. payable quarterly	187,579	223,491
Pak China Investment (Private) Limited	16.4, 16.5 & 16.8	32 quarterly	November 22, 2031	17,738	2.50% p.a. payable quarterly	386,414	453,453
Saudi Pak Industrial And Agricultural Investment Company Limited	16.4, 16.5 & 16.8	32 quarterly	April 27, 2031	15,357	2.50% p.a payable quarterly	344,159	402,143
						2,781,877	3,279,314

16.4 These loans are secured by first pari passu charge over present and future operating fixed assets of the Company.

16.5 These loans are secured by charge over specified machinery.

16.6 These loans are secured by first pari passu charge over present and future operating fixed assets of the Company and equitable mortgage over land and building.

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

16.8 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.

16.9 These loans are obtained under Shariah compliant arrangements.

16.10 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.

16.11 These represent financing obtained from related parties (associated banks due to common directorships) of the Company.

17. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2025	2024
		(Rupees in '000)	
Opening balance		102,906	134,994
Amortised during the year	30	(28,251)	(32,088)
		74,655	102,906
Current portion shown under current liabilities	22	(24,035)	(28,251)
Closing balance		50,620	74,655

17.1 This represent government grant recognised on the concessionary refinance facility introduced by the State Bank of Pakistan under a Temporary Economic Refinance Facility (TERF) for setting up of new industrial units and for undertaking Balancing, Modernisation 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.

18 DEFINED BENEFIT PLAN - STAFF GRATUITY

	Note	2025	2024
		(Rupees in '000)	
18.1 Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability			
Opening balance		523,996	329,018
Charge	18.2	264,743	238,199
Remeasurement (gain) / loss	18.3	(76,940)	41,421
Benefits paid		(245,621)	(81,236)
Benefits due but not paid		-	(3,406)
Closing balance		466,178	523,996
18.2 Charge for the year recognised in unconsolidated statement of profit or loss			
Current service cost		205,666	191,611
Markup cost		59,077	46,588
	28.1	264,743	238,199

18.3 **Remeasurement loss / (gain) charged in unconsolidated statement of other comprehensive income**

	Note	**2025**	2024
		-------------- (Rupees in '000) -------------	
Actuarial (gain) / losses from changes in financial assumptions		(1,683)	20,441
Experience adjustments		(75,257)	20,980
		(76,940)	41,421

18.4 **Significant actuarial assumptions used**

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

	2025	2024
Discount rate used for year end obligation	11.75%	14.75%
Rate used for markup cost	14.75%	16.25%
Expected increase in salary	10.00%	20.00%
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Set back 1 Year	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 June 30, 2024 was 14.75%. However, in the current investment environment, where there is a downward trend in the interest rate structure, the discount rate has been decreased to 11.75% per annum, in line with the specifications of the IAS-19.

Correspondingly, due to decrease in inflationary expectations, the rate of increase in eligible salary has been decreased to 10.75% from 13.75% per annum.

18.5 **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.

18.6 **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 (6 months). Actuarial valuation of the scheme is carried out periodically and latest actuarial valuation was carried out at June 30, 2025. 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.

18.7 **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:

	Note	**2025**	2024
		-------------- (Rupees in '000) ------------	
Discount Rate + 100 bps		6,502	7,098
Discount Rate - 100 bps		(6,754)	(7,366)
Salary increase + 100 bps		(6,503)	(7,185)
Salary increase - 100 bps		6,371	7,044

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 used.

18.8 **Maturity Profile**

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

	2025	2024
	(Rupees in '000)	
FY 2025	N/A	321,496
FY 2026	278,916	258,322
FY 2027	215,999	178,930
FY 2028	146,144	123,968
FY 2029	98,818	86,754
FY 2030	67,340	61,650
FY 2031	47,396	45,036
FY 2032	32,144	31,222
FY 2033	23,215	23,818
FY 2034	16,462	17,535
FY 2035	11,642	50,061
FY 2036 onwards	30,986	N/A

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

18.9 **Estimated expenses to be charged to unconsolidated statement of profit or loss in financial year 2026:**

Current service cost	191,624
Mark up on defined benefit obligation	38,390
	230,014

19. TRADE AND OTHER PAYABLES

	Note	2025	2024
		(Rupees in '000)	
Creditors		13,058,018	12,398,328
Accrued expenses		7,237,324	6,386,921
Gas infrastructure development cess payable	19.1	3,686,367	3,686,367
Payable to banks under bill discounting arrangement		2,111,194	4,598,402
Due to related parties	19.2	228,104	216,692
Workers' profit participation fund	19.3	295,120	345,459
Workers' welfare fund	19.4	121,537	117,148
Payable to employees' provident fund trust		47,732	61,057
Fair value of forward contracts		64,902	-
Advance from customers	19.5	674,552	818,325
Taxes withheld		164,769	145,714
Others		1,340	1,428
		27,690,959	28,775,841

19.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015 (refer note 24.4).

19.2 **Due to related parties**

	2025	2024
	(Rupees in '000)	
Subsidiaries		
GTM Europe, UK	32,346	-
GTM USA Corp.	38,469	16,166
Sky Home Corporation - USA	104,203	105,369
Associates		
Win Star (Private) Limited	26,022	19,211
Swisstex Chemicals (Private) Limited	398	49,508
Grand Industries (Private) Limited	4,617	4,389
TPL Properties Limited	22,049	22,049
	228,104	216,692

19.3 **Workers' profit participation fund**

	Note	2025	2024
		(Rupees in '000)	
Movement of balance during the year:			
Opening balance		345,459	317,940
Allocation	29	295,120	345,459
Markup	31	22,867	3,954
		663,446	667,353
Payments		(368,326)	(321,894)
Closing balance		295,120	345,459

19.4 **Workers' welfare fund**

	Note	2025	2024
		(Rupees in '000)	
Movement of balance during the year:			
Opening balance		117,148	91,498
Allocation	29	121,537	117,149
		238,685	208,647
Payments		(117,148)	(91,499)
Closing balance		121,537	117,148

19.5 This includes advance received from Gul Ahmed International Limited (FZC), a related party, amounting to Rs. Nil (June 30, 2024: Rs: 1.4 million).

20. ACCRUED MARK-UP / PROFIT

	Note	2025	2024
		(Rupees in '000)	
Long term financing		192,314	192,003
Short term borrowings		596,107	1,199,640
	20.1 & 20.2	788,421	1,391,643

20.1 This includes accrued markup of Rs. 102 million and Rs. 161 million (June 30, 2024: Rs. 81.1 million and Rs. 358.7 million) accrued in long term financing and short term borrowings respectively under Shariah Compliant arrangements.

20.2 This includes accrued markup pertaining to related parties (associated banks due to common directorships) amounting to Rs. 4 million and Rs. 82 million in respect of long term financing and short term borrowings respectively (2024: Rs. 5 million and Rs. 257 million).

21. SHORT TERM BORROWINGS

	Note	2025	2024
		(Rupees in '000)	
Local currency			
Running finance		2,478,795	5,142,246
Export refinance scheme		22,161,400	20,761,400
Other short term finances		4,204,545	3,773,206
		28,844,740	29,676,852
Foreign currency			
Export Facilitation Scheme		8,645,751	9,542,784
Foreign Currency Import Finance		783,043	-
Foreign Currency Export Finance		13,884,170	2,785,866
	21.1 to 21.3	52,157,704	42,005,502

21.1 This includes Istisna (Shariah Compliant) amounting to Rs. 14,844 million (June 30, 2024: Rs. 9,949 million) in local currency.

21.2 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. 15,242 million (June 30, 2024: Rs. 2,874 million).

21.3 Local currency borrowings markup ranges from 8% to 12.5% (June 30, 2024: 18% to 25%) per annum payable quarterly, whereas, foreign currency borrowings markup range from 2.5% to 5% (June 30, 2024: 2.5% to 6%) per annum.

21.4 These include balances pertaining to related parties (associated banks due to common directorships) amounting to Rs. 8,796 million (2024: Rs. 14,579 million).

22. CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2025	2024
		(Rupees in '000)	
Current maturity of long term financing - secured	16	3,128,180	3,233,936
Current maturity of deferred income - government grant	17	24,035	28,251
		3,152,215	3,262,187
23. UNPAID DIVIDEND	23.1	23,505	23,505

23.1 This represents amount 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 (June 30, 2024: Rs. 18 million and Rs. 0.8 million) of parent company and an associated company respectively.

24 CONTINGENCIES AND COMMITMENTS

24.1 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 (June 30, 2024: 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.

24.2 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 (June 30, 2024: 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 finalisation 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.

24.3 The Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated June 30, 2016 made amendments in SRO 1125(I)/2011 dated December 31, 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 November 10, 2016 against Federation of Pakistan and others. The matter is pending before the Honourable Court for final outcome, however provision has been made amounting to Rs. 431.88 million (June 30, 2024: Rs. 431.88 million) in these unconsolidated financial statements.

24.4 The Company's review petition challenging the decision of High Court against the GIDC Act, 2015 had been dismissed by the 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 December 15, 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. 3.69 billion (June 30, 2024: Rs. 3.69 billion) in these unconsolidated financial statements.

24.5 The Company has filed appeal before Commissioner Appeals Inland Revenue against the Order-In-Original vide No. 04/176 of 2023 dated August 24, 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.

24.6 For the tax year 2016, FBR issued income tax amended order under section 122(1) of the Income Tax Ordinance, 2001 on August 21, 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 September 17, 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 excess of the adjustment of Rs. 8 million recorded, in these unconsolidated financial statements.

24.7 "The Federal Government, through the Finance Act, 2019, amended Section 65B of the Income Tax Ordinance, 2001, reducing the rate of tax credit from 10% to 5% on investments made in the extension, expansion, balancing, modernization, and replacement (BMR) of plant and machinery for Tax Year 2019. Further, the availability of such tax credit was curtailed to June 30, 2019, whereas under the un-amended law, it was available up to June 30, 2021.

The Company, along with other petitioners, challenged the aforesaid amendment before the Honourable Sindh High Court through constitutional petitions filed for Tax Years 2019, 2020, and 2021. The Honourable Court granted interim relief, allowing the petitioners to file their income tax returns in accordance with the un-amended provisions of Section 65B. Consequently, the Company claimed tax credit at the rate of 10% in its income tax returns for the above-mentioned tax years.

On February 07, 2023, the Honourable Sindh High Court decided the matter, holding that tax credit under Section 65B at the rate of 10% was allowable, subject to the condition that the letter of credit for import of plant and machinery was established on or before June 30, 2019 and the installation was completed on or before June 30, 2021.

The Federal Board of Revenue (FBR) preferred an appeal before the Honourable Supreme Court, contending that the applicable rate of tax credit should be restricted to 5% instead of 10%. Vide judgment dated 18 September 2024, the Honourable Supreme Court upheld the allowance of 10% tax credit only in respect of plant and machinery imported and installed up to 30 June 2019, while disallowing the tax credit for Tax Year 2020. Since the Company had derecognised the investment tax credit in previous years, now as a result of the aforementioned judgement of the Supreme Court, the Company has recorded adjustment of Rs. 470.177 million, for the said judgement in these unconsolidated financial statements (refer note 33).

24.8 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 October 03, 2023 allowing the petitioners not to pay Super Tax in excess of the rate prescribed in the amendment under challenge and has restrained tax authorities, from taking any coercive action against the Company. On March 15, 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 is Rs. 946 million (June 30, 2024: Rs. 421 million).

The Supreme court, vide Order dated March 23, 2025 directed that all the petitioners and appeal pending at different High court of the Country regarding Super Tax should be transferred to the Supreme Court of Pakistan. Accordingly, the above mentioned case has also been, transferred to the Supreme Court of Pakistan.

24.9 The Company along with several other petitioners had filed a Constitution Petition on January 16, 2020 against Karachi Water & Sewerage Board (KWSB) and others in the Honourable Sindh High Court against notification dated October 30, 2019 issued by the KWSB whereby water charges were increased from Rs. 242 to Rs. 313 per 1000 gallons. Subsequently, the Company along with other petitioners filed petition against KWSB notifications for the years 2021 to 2024 of water rate enhancement. 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 provided banker's verified Cheques each month aggregating to Rs. 337.89 million (June 30, 2024: Rs. 211.72 million) for the rate difference. After detailed hearing now the judgment has been reserved. The company, however has maintained full provision in these unconsolidated financial statements, on prudence basis.

24.10 The Company, along with other petitioners, has challenged the imposition of Infrastructure Cess by the relevant Excise and Taxation Officer, Karachi through petition dated May 28, 2011. Furthermore, the Company has also filed petition against Sindh Infrastructure Cess levied through the Sindh Finance Act, 1994. During the year end June 30, 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. 2,107 million as a security was given (June 30, 2024: Rs. 1,477 million).

24.11 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 August 31, 2015 regarding increase in the gas tariff, on November 16, 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. As a matter of prudence, the Company has maintained a full provision of the said notification amounting to Rs. 159.9 million (June 30, 2024: Rs. 159.9 million) in the unconsolidated financial statements. OGRA issued further notifications on December 30, 2016, September 17, 2018, October 23, 2020 enhancing the rates. The Company, along with others, has filed petition in the Honourable Sindh High Court against the said notifications.

For notification dated December 30, 2016, Honourable Sindh High 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. During the year, the Divisional Bench of Honorable Sindh High Court has decided the case in favour of the Company vide judgment dated February 3, 2025. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court returns the cheques of Rs. 250.67 million which was deposited with Nazir, which have been received back by the Company. SSGC has filed the appeal in Supreme Court against the judgment.

For notification dated October 23, 2020, on February 18, 2024, the Honourable Sindh High Court decided the case against the Company. 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 March 28 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.

On February 15, 2023, OGRA issued another notification revising the gas tariff with retrospective effect from January 01, 2023. The Company, along with several other companies, has filed a suit in the Honourable Sindh High Court challenging the increase in the gas tariff with retrospective effect. The Honourable Sindh High Court has restrained SSGC from taking any coercive action against the Company. As a matter of prudence, the Company has maintained a full provision of the said notification amounting to Rs. 174.4 million (June 30, 2024: Rs. 174.4 million) in the unconsolidated financial statements.

On November 8, 2023, OGRA issued notification and increased the gas rate retrospectively from November 1, 2023. The Company along with others filed petition in the Honourable Sindh High Court against the notification challenging the increase of gas tariff and its retrospective application from November 1, 2023. While 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 bills post favourable decision.

While awaiting the decision for above case, on February 15, 2024, SSGC issued another notification to further increase the gas tariff with retrospective application from February 1, 2024, where the Company again challenged its retrospective charge from February 1, 2024. Subsequently, the Honourable Sindh High Court decided the case of retrospective application under above notification in favour of the Company, which has been challenged by SSGC in the Supreme Court of Pakistan and is currently, pending for hearing.

24.12 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 August 31, 2015 for charging of captive power tariff instead of Industry tariff rate to the Company, as the Company is producing electricity entirely for its own consumption, on November 16, 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. SSGC has filed the appeal in Supreme Court against the judgement. As a matter of prudence, the Company has maintained a full provision of the said notification amounting to Rs. 237.6 million (June 30, 2024: Rs. 237.6 million) in the unconsolidated financial statements.

The Company along with several other companies has filed a suit in the Honourable Sindh High Court challenging the notifications dated December 30, 2016, September 17, 2018 and October 23, 2020 for charging of captive power tariff instead of Industry tariff rate to the Company, as 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 SSGC from taking any coercive action against the Company.

During the year, for OGRA Notification dated on December 30, 2016, the Divisional Bench of Honorable Sindh High Court has decided the case in favour of the Company vide judgment dated February 03, 2025. SSGC has filed the appeal in Supreme Court against the judgment. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court returns the cheques of Rs. 388.57 million which was deposited with Nazir, which have been received back by the Company. SSGC has filed the appeal in Supreme Court against the judgment.

OGRA issued another notification dated October 04, 2018 revising the tariff effective September 27, 2018, and subsequent to this notification, the Company paid the bills accordingly at the specified rates.

24.13 The Company along with other Companies, have challenged the vires of the Off the Grid (Captive Power Plants) Levy Ordinance, 2025 promulgated on January 30, 2025 and the notifications dated March 7, 2025 issued by the Ministry of Energy in purported exercise of the powers conferred by section 3(1) of the Impugned Ordinance, which imposes a levy, to be notified by Ministry of Energy, on the consumption of natural gas or RLNG by captive power plants over and above the sale price of such natural gas or RLNG. The above case is still pending before the Honourable Islamabad High Court. The Company, along with others, filed petition in the Honourable Sindh High Court against the notification challenging with its retrospective implication from February 1, 2025. The Honourable Sindh High Court has passed the interim orders for not charging the relevant amount for the month of February 2025. The Bank Guarantee of Rs. 138.59 million (June 30, 2024 Rs. Nil) as a security was given , while awaiting the decision for above case.

24.14 **Guarantees and others**

(a) Guarantees of Rs. 5,464 million (June 30, 2024: Rs. 2,542 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 include guarantees issued by related parties amounting to Rs. 2,980 million (June 30, 2024: Rs. 1,154 million).

(b) Post dated cheques of Rs. 30,298 million (June 30, 2024: Rs. 25,580 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 of Rs. 11,220 million (June 30, 2024: Rs. 13,451 million), including bills discounted from related parties amounting to Rs. 3,643 million (June 30, 2024: Rs. 4,470 million).

(d) Corporate guarantees of Rs. 264 million (June 30, 2024: Rs. 237 million), Rs. 1,129 million (June 30, 2024: 1,106 million) and Rs. 256 million (June 30, 2024: Rs. 251 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.

24.15 **Commitments**

	Note	2025	2024
		(Rupees in '000)	
Capital expenditure for plant and machineries		3,892,512	761,382
Other than capital expenditure	24.15.1	22,222,457	14,543,122
Forward foreign exchange contracts	24.15.2	9,183,718	21,344,805

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

24.15.2 This includes forward foreign exchange contracts amounting to USD 30 million (2024: USD 33 million), equivalent to Rs. 8,646 million (June 30, 2024: Rs. 9,543 million) obtained under pre-shipment exports. The Company is obligated to provide export documents against such amount. The above liability has been appropriately recorded under Export Facilitation Scheme and is disclosed in note 21 of these unconsolidated financial statements.

25 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	2025	2024
		(Rupees in '000)	
Export sales			
Direct		109,264,983	102,286,261
Indirect		43,991,770	35,374,474
		153,256,753	137,660,735
Export rebate		-	573,777
Trade and other discount		(1,121,015)	(801,259)
Commission		(2,329,273)	(2,655,325)
Sales tax		(6,712,615)	(3,343,155)
		143,093,850	131,434,773
Local sales	25.1	17,996,290	14,299,504
Brokerage		(435,758)	(407,153)
Sales tax		(2,749,663)	(2,181,280)
		14,810,869	11,711,071
		157,904,719	143,145,844

25.1 Local sales include revenue from in-house manufacturing services on behalf of third party of Rs. 1,178 million (2024: Rs. 772 million).

25.2 Information with respect to disaggregration of revenue by internal segment and geographical location is disclosed in note 35 and 36 respectively.

25.3 All revenue earned is from shariah permissible business.

26. COST OF SALES

	Note	2025	2024
		(Rupees in '000)	
Opening stock of finished goods		7,688,200	6,883,952
Cost of goods manufactured	26.1 & 26.3	141,829,329	126,759,070
		149,517,529	133,643,022
Closing stock of finished goods	9	(10,591,231)	(7,688,200)
		138,926,298	125,954,822

26.1 **Cost of goods manufactured**

	Note	2025	2024
Raw materials consumed	26.2	95,926,405	86,694,918
Other material and conversion cost		9,768,021	8,515,916
Stores and spares consumed		143,443	384,074
Salaries, wages and benefits	28.1	17,421,083	15,676,029
Fuel, power and water		13,536,651	12,009,865
Insurance		265,317	212,099
Repairs and maintenance		2,037,827	2,277,364
Depreciation and amortisation	4.1.1 & 5.1	4,342,145	4,267,549
Reversal of provision for slow moving - stores and spares	8.1	(60,103)	(151,739)
Reversal of provison for slow moving - stock-in-trade	9.1	(112,009)	(78,792)
Other manufacturing expenses		770,263	433,392
		144,039,043	130,240,675
Work-in-process (WIP)			
Opening stock - WIP		8,967,188	5,485,583
Closing stock - WIP	9	(11,176,902)	(8,967,188)
		(2,209,714)	(3,481,605)
		141,829,329	126,759,070

26.2 **Raw materials consumed**

	Note	2025	2024
Opening stock - raw material		30,975,136	25,979,360
Purchases during the year		103,468,191	91,690,694
Closing stock - raw material	9	(38,516,922)	(30,975,136)
		95,926,405	86,694,918

26.3 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 to Rs. 61.01 million (2024: Rs. 57.96 million) was carrried out by the Company.

27. SELLING AND DISTRIBUTION COST

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	28.1	893,380	813,955
Freight and shipment expenses		2,138,940	1,730,054
Advertisement and publicity		419,272	319,255
Depreciation	4.1.1	87	100
Export development surcharge		282,183	283,219
Other expenses		71,854	100,882
		3,805,716	3,247,465

28. ADMINISTRATIVE COST

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	28.1	1,730,278	1,588,148
Rent and ancillary charges	28.2	139,190	123,114
Repairs and maintenance		14,767	28,296
Vehicle up keep and maintenance		561,232	587,009
Utilities		4,154	3,992
Traveling and conveyance		647,031	413,072
Printing and stationery		78,647	86,438
Communication		247,361	251,264
Legal and consultancy fees		87,165	96,327
Depreciation and amortisation	4.1.1 & 5.1	233,776	204,270
Auditor's remuneration	28.4	17,578	22,641
Donations	28.5 & 28.6	119,047	62,095
Insurance		70,540	60,721
Expected credit loss	10.4	(33,058)	(229,760)
Other expenses		187,401	173,840
		4,105,109	3,471,467

28.1 Salaries, wages and benefits

	Cost of sales		Selling and distribution costs		Administrative costs		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in '000)							
Salaries, wages and benefits	16,703,102	15,035,100	855,708	780,098	1,674,299	1,536,326	19,233,109	17,351,524
Retirement benefits								
Gratuity (note 18.2)	264,743	238,199	-	-	-	-	264,743	238,199
Provident fund	346,978	306,483	37,633	33,840	55,854	51,722	440,465	392,045
	611,721	544,682	37,633	33,840	55,854	51,722	705,208	630,244
Staff compensated absences	106,260	96,247	39	17	125	100	106,424	96,364
	17,421,083	15,676,029	893,380	813,955	1,730,278	1,588,148	20,044,741	18,078,132

28.2 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.

28.3 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. 11.53 million (2024: Rs. 65.63 million) was carried out by the Company.

28.4 Auditor's remuneration

	2025	2024
	(Rupees in '000)	
Audit fee	10,800	10,800
Fee for review of condensed interim financial statements	2,160	2,160
Fee for audit of consolidated financial statements	1,560	1,560
Review fee of statement of compliance with code of corporate governance	200	480
Other certification fee	400	2,200
Out of pocket expenses	2,458	5,441
	17,578	22,641

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

Name of Donee	Interest in Donee	Name of Director	2025	2024
			(Rupees in '000)	
Habib University Foundation	Common Directorship	Mr. Mohomed Bashir	4,002	8,785
Landhi Association Of Trade & Industry	Patron in Chief	Mr. Ziad Bashir	400	250

28.6 During the year, the Company made donations amounting to Rs. 100 million to Indus Hospital & Health Network (2024: Rs. 43 million to Saylani Welfare International Trust).

29. OTHER EXPENSE

	Note	2025	2024
		(Rupees in '000)	
Workers' profit participation fund (WPPF)	19.3	295,120	345,459
Workers' welfare fund (WWF)	19.4	121,537	117,148
Loss on sale of operating fixed assets	4.1.2	35,609	28,533
		452,266	491,140

30. OTHER INCOME

	Note	2025	2024
Income from non-financial assets and others			
Scrap sales		3,004	-
Government grant	17	28,251	32,088
Others		1,008	-
		32,263	32,088
Income from financial assets			
Mark-up income on TFC	30.1	11,819	16,481
Dividend income		-	1,462
Other markup income	30.2	122,538	72,909
Exchange gain from currency realisation		848,806	1,217,615
Exchange gain from derivative financial instruments	30.3	105,037	642,378
		1,088,200	1,950,845
		1,120,463	1,982,933

30.1 This includes profit earned on Shariah Compliant investment on TFCs.

30.2 This includes markup income earned on interest bearing loan to employees (note 7.1) and Term Deposit Receipts (note 11.1).

30.3 This includes unrealised exchange gain earned on coventional derivative instruments during the year amounting to Rs. 64.9 million. (June 30, 2024: Rs. 332.31 million).

31. FINANCE COSTS

	Note	2025	2024
		(Rupees in '000)	
Markup / profit on:			
- Short term borrowings	31.1 & 31.2	3,898,992	3,497,277
- Long term financing		710,319	1,013,013
- Workers' profit participation fund	19.3	22,867	3,954
Bank and other charges		1,443,451	912,212
		6,075,629	5,426,456

31.1 Finance cost includes Rs. 790 million and 1,468 million (2024: Rs. 241.8 million and Rs. 1,183 million) in long term financing and short term borrowing respectively under Shariah Compliant mode of financing.

31.2 The finance cost is exclusive of amount of Rs. 520.91 million (2024: Rs. 1,296.18 million) attributed to Ideas (Private) Limited, a subsidiary company.

	2025	2024
	(Rupees in '000)	
32. LEVIES	1,688,647	2,043,969

32.1 This represents minimum tax paid (2024: Final tax) under sections 154 and 113 of ITO, representing levy in terms of requirements of IFRIC 21/ IAS 37.

33. TAXATION

	Note	2025	2024
		(Rupees in '000)	
Current tax		438,490	27,890
Prior tax	24.7	(489,747)	-
		(51,257)	27,890
Deferred tax income	33.3	-	(262,234)
	33.1	(51,257)	(234,344)

33.1 The Company is subject to Minimum Tax Regime under section 113 and section 154 of the Income Tax Ordinance, 2001, (2024: Final tax under section 154) for local and export sales. Accordingly, the relationship between tax expense and accounting profit has not been presented in these unconsolidated financial statements.

33.2 The aggregate of minimum tax and income tax, amounting to Rs. 2,127.137 million (2024: Rs. 2,071.859 million) represents tax liability of the Company calculated under the relevant provisions of the ITO, 2001.

33.3 As per the guidelines issued by Institute of Chartered Accountants of Pakistan 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, is 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 June 30, 2025 and June 30, 2024.

34. EARNINGS PER SHARE - basic and diluted

	Note	2025	2024
Profit after taxation (Rupees in 000)		4,022,774	4,727,802
Weighted average outstanding shares (Number)	14.2	740,059,458	740,059,458
Earnings per share - basic and diluted (Rupees)		5.44	6.39

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

35. SEGMENT INFORMATION

The Company's operations has been divided into three segments are given below 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) Home Textile: Production of different types and qualities of products falling under the definition of home textile.

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

Transactions among the business segments are recorded at cost.

35.1 Segment Profitability

	Spinning		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in '000)									
Sales to external customers	43,295,304	37,465,896	93,150,342	84,494,878	21,459,073	21,185,070	-	-	157,904,719	143,145,844
Intersegmental sales	8,958,108	20,812,656	17,750,057	15,054,113	11,718,160	11,195,472	(38,426,325)	(47,062,241)	-	-
Cost of sales	(46,608,768)	(51,475,905)	(100,263,322)	(92,334,755)	(30,480,533)	(29,206,403)	38,426,325	47,062,241	(138,926,298)	(125,954,822)
Gross profit	5,644,644	6,802,647	10,637,077	7,214,236	2,696,700	3,174,139	-	-	18,978,421	17,191,022
Selling, distribution and administrative cost	(530,964)	(451,016)	(5,556,306)	(4,657,633)	(1,823,555)	(1,610,283)	-	-	(7,910,825)	(6,718,932)
Profit before tax and before charging following	5,113,680	6,351,631	5,080,771	2,556,603	873,145	1,563,856	-	-	11,067,596	10,472,090
Finance cost									(6,075,629)	(5,426,456)
Other operating cost									(452,266)	(491,140)
Other income									1,120,463	1,982,933
									(5,407,432)	(3,934,663)
Profit before taxation									5,660,164	6,537,427
Levies and taxation									(1,637,390)	(1,809,625)
Profit after taxation									4,022,774	4,727,802
Depreciation and amortisation expense	1,275,326	1,365,083	1,088,354	1,031,594	2,212,328	2,075,242	-	-	4,576,008	4,471,919

35.2 Segment assets and liabilities

	Spinning		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in '000)									
Assets	32,572,319	32,289,234	72,271,204	57,379,745	20,847,799	21,431,696	25,403,527	25,387,770	151,094,849	136,488,445
Liabilities	(11,488,190)	(12,971,968)	(22,373,512)	(22,355,651)	(10,801,574)	(11,357,326)	(57,578,636)	(45,050,277)	(102,241,912)	(91,735,222)
Segment Capital and Intangible expenditure	477,342	324,127	1,784,291	1,355,898	1,170,018	547,169	1,956,683	1,731,035	5,388,334	3,958,229

35.3 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.

35.4 **Information about major customer**

Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 41,963 million (2024: Rs. 34,250 million)

36. INFORMATION BY GEOGRAPHICAL AREA

	Revenue		Non-current assets	
	2025	2024	2025	2024
	(Rupees in '000)			
Pakistan	52,525,782	44,149,543	54,650,566	53,765,582
Germany	32,265,194	30,637,887	-	-
United States	13,090,843	13,903,167	-	-
United Kingdom	11,888,340	11,462,356	-	-
Italy	8,872,670	9,268,684	-	-
France	7,571,900	7,146,621	-	-
Netherlands	7,021,034	4,802,197	-	-
Denmark	6,020,894	5,228,578	-	-
Poland	5,469,602	5,058,486	-	-
Sweden	3,654,145	2,125,559	-	-
Spain	3,009,965	2,944,500	-	-
Other countries	10,400,396	9,708,226	58,450	58,450
	161,790,765	146,435,804	54,709,016	53,824,032

37 CASH AND CASH EQUIVALENTS

	Note	**2025**	2024
		(Rupees in '000)	
Cash and bank balances	13	166,429	375,876
Running finance	21	(2,478,795)	(5,142,246)
		(2,312,366)	(4,766,370)

37.1 **Changes Arising From Financing Activities**

	Note	2024	Financing cash inflows, net	Financing cash outflows	Non-cash changes	2025
		(Rupees in '000)				
Long-term finance and deferred government grant	16 & 17	17,928,429	4,700,000	(3,283,119)	-	19,345,310
Short term borrowings - net	21	36,863,256	12,815,653	-	-	49,678,909

	Note	2023	Financing cash inflows, net	Financing cash outflows	Non-cash changes	2024
		(Rupees in '000)				
Long-term finance and deferred government grant	16 & 17	23,348,187	358,000	(5,777,758)	-	17,928,429
Short term borrowings - net	21	28,459,269	8,403,987	-	-	36,863,256

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			
	Chief Executive	Director	Executives	Total
	(Rupees in '000)			
Managerial remuneration	16,000	12,000	1,496,804	1,524,804
Performance bonus	1,333	1,000	124,734	127,067
House rent allowance	6,400	4,800	598,722	609,922
Other allowances	1,600	1,200	408,045	410,845
Contribution to provident fund	1,333	1,000	119,402	121,735
	26,666	20,000	2,747,707	2,794,373
Number of persons	1	1	598	600

	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

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

38.2 Aggregate amount charged during the year in respect of meeting fee to Four Non-Executive Directors and the Chairman was Rs. 8.6 million (2024: Four Non Executive Directors and Chairman amounting to Rs. 7.7 million).

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

39. TRANSACTIONS 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 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	2025	2024
			------------- (Rupees in '000) -------------	
Ideas (Private) Limited	Subsidiary company	Sale of goods and services	1,781,679	1,403,220
Gul Ahmed International Limited (FZC) - UAE	Subsidiary company	Sale of goods	-	7,603
GTM (Europe) Limited - UK	Subsidiary company	Sale of goods	4,273,298	3,029,350
		Sales through subsidiaries acting as agents	5,285,156	3,234,764
		Commission	191,888	92,968
Vantona Home Limited	Subsidiary company	Sales through subsidiaries acting as agents	169,910	127,431
GTM USA Corporation	Subsidiary company	Sale of goods	762,588	792,209
Sky Home Corp. - USA	Subsidiary company	Sale of goods	659,905	497,444
		Commission	380,082	377,096
Grand Industries (Pvt) Limited	Associated company	Rent expense	600	2,648
Swisstex Chemicals (Private) Limited	Associated company	Purchase of goods	106,868	196,859
		Services rendered	-	15,000
Win Star (Private) Limited	Associated company	Purchase of goods	31,893	31,169
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	17,804,583	23,026,343
		Finance cost	203,159	252,719
Askari Bank Limited	Associated company	Bills discounted	4,554,017	2,361,162
		Finance cost	269,052	414,904
Samba Bank Limited	Associated company	Bills discounted	420,155	169,874
		Finance cost	58,251	81,167
Standard Chartered Pakistan Limited	Associated company	Bills discounted	3,915,018	1,696,905
		Finance cost	432,123	468,738
Gul Ahmed Textile Mills Limited Employees Provident Fund	Associated company	Company's contribution to provident fund	440,465	392,046
International Cotton Association	Associated company	Fees paid	693	643
Pakistan Textile Council	Associated company	Membership fees	2,500	1,250
International Textile Manufacturers Federation	Associated company	Fees paid	2,172	2,222
Landhi Association of Trade and Industry	Associated company	Fees paid	60	60

39.1 There were 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 7 and 38 respectively.

39.2 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	Parent company	55.86%
Ideas (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Gul Ahmed Ecotex (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Gul Ahmed Ecofab (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Gul Ahmed Circular FabrIcs (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Habib Metropolitan Bank Limited (HMBL)	Pakistan	Common directorship	-
Askari Bank Limited (ABL)	Pakistan	Common directorship	-
Samba Bank Limited (SBL)	Pakistan	Common directorship	-
Standard Chartered Pakistan Limited (SCPL)	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	-
Hub Liquid Terminal (Private) Limited	Pakistan	Subsidiary of Parent company	-
TPL Properties Limited	Pakistan	Common directorship	-
Habib University Foundation	Pakistan	Common directorship	-
The Pakistan Business Council	Pakistan	Common directorship	-
Pakistan Textile Council	Pakistan	Common directorship	-
Ghafooria Industries (Private) Limited	Pakistan	Group company and common directorship	2.17%
LITE Development and Management Company	Pakistan	Common directorship	-
Grand Industries (Private) Limited	Pakistan	Group company and major shareholders	7.86%
Haji Ali Mohammad Foundation	Pakistan	Member of Foundation	-
Gul Ahmed Holdings (Private) Limited	Pakistan	Holding company	-
Gul Ahmed Textile Mills	Pakistan	Parent company	-
Limited Employees Provident Fund Trust	Pakistan	Employees fund	0.42%
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%
International Cotton Association	United Kingdom	Common directorship	-
Mohomed Bashir	-	Director	0.07%
Mohammed Zaki Bashir	-	Director	0.34%
Zain Bashir	-	Director	0.34%
Ziad Bashir	-	Director	0.00%
Ehsan A. Malik	-	Director	0.00%
Zeeba Ansar	-	Director	0.00%
Kamran Y. Mirza	-	Director	0.00%

40. CAPACITY AND PRODUCTION

	Unit	2025			2024		
		Capacity	Production	Working	Capacity	Production	Working
		---------- (in '000) ----------					
Spinning	Kgs. (20 Counts converted)	98,277	92,433	3 shifts	98,277	93,227	3 shifts
Weaving	Sq. meters (50 Picks converted)	239,649	219,048	3 shifts	234,987	213,103	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.

41. NUMBER OF PERSONS EMPLOYED

	2025	2024
	------------ (Number) ------------	
As at	15,496	16,082
Average during the year	15,802	15,907

42. PROVIDENT FUND RELATED DISCLOSURES

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

43. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the Company as at June 30, 2025 are as follows:

	Note	2025						
		Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
		---------------------------------- (Rupees in '000) ----------------------------------						
Financial assets								
At amortised cost								
Long term investments	6	-	70,000	70,000	-	-	-	70,000
Long term loans	7	8,087	11,198	19,285	108,268	10,289	118,557	137,842
Other receivables	11	1,019,464	-	1,019,464	332,637	-	332,637	1,352,101
Long term deposits		-	-	-	-	146,240	146,240	146,240
Trade debts	10	1,022,892	-	1,022,892	21,132,670	-	21,132,670	22,155,562
Cash and bank balances	13	-	-	-	166,429	-	166,429	166,429
At Fair value through profit or loss								
Short term investments		-	-	-	-	-	-	-
Forward contracts		-	-	-	-	-	-	-
		2,050,443	81,198	2,131,641	21,740,004	156,529	21,896,533	24,028,174
Financial liabilities								
At amortised cost								
Long term financing	16	3,128,180	16,142,475	19,270,655	-	-	-	19,270,655
Trade and other payables (other than fair value of forward contracts)	19	-	-	-	22,683,712	-	22,683,712	22,683,712
Accrued mark-up / profit		-	-	-	788,421	-	788,421	788,421
Short term borrowings	21	52,157,704	-	52,157,704	-	-	-	52,157,704
Unclaimed dividend		-	-	-	9,365	-	9,365	9,365
Unpaid dividend	23	-	-	-	23,505	-	23,505	23,505
At Fair value through profit or loss								
Fair value of forward contracts	19	-	-	-	64,902	-	64,902	64,902
		55,285,884	16,142,475	71,428,359	23,569,905	-	23,569,905	94,998,264

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

	Note	2024						
		Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
		Maturity upto one year	Maturity after one year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
		---------------------------------- (Rupees in '000) ----------------------------------						
Financial assets								
At amortised cost								
Long term investments	6	-	70,000	70,000	-	-	-	70,000
Long term loans	7	23,434	16,125	39,559	49,711	1,814	51,525	91,084
Other receivables (other than forward contracts)	11	621,652	-	621,652	176,322	-	176,322	797,974
Long term deposits		-	-	-	-	145,595	145,595	145,595
Trade debts	10	5,676,955	-	5,676,955	18,890,152	-	18,890,152	24,567,107
Cash and bank balances	13	-	-	-	375,876	-	375,876	375,876
At Fair value through profit or loss								
Short term investments		-	-	-	1,243	-	1,243	1,243
Forward contracts		-	-	-	332,315	-	332,315	332,315
		6,322,041	86,125	6,408,166	19,825,619	147,409	19,973,028	26,381,194
Financial liabilities								
At amortised cost								
Long term financing	16	3,233,936	14,591,587	17,825,523	-	-	-	17,825,523
Trade and other payables	19	-	-	-	23,662,828	-	23,662,828	23,662,828
Accrued mark-up / profit		-	-	-	1,391,643	-	1,391,643	1,391,643
Short term borrowings	21	42,005,502	-	42,005,502	-	-	-	42,005,502
Unclaimed dividend		-	-	-	9,840	-	9,840	9,840
Unpaid dividend	23	-	-	-	23,505	-	23,505	23,505
At Fair value through profit or loss								
Fair value of forward contracts	19	-	-	-	-	-	-	-
		45,239,438	14,591,587	59,831,025	25,087,816	-	25,087,816	84,918,841

44. 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 minimise potential adverse effects on the Company's financial performance.

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

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

44.1 Market risks

Market risk is the risk that the fair value or 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 or 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:

	2025	2024
	--------- (Equivalent USD 000) ---------	
Trade debts	28,461	30,194
Cash and bank balances	81	17
Short term borrowing	(83,529)	(43,564)
Trade and other payables	(627)	(429)
Net exposure	(55,614)	(13,782)

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

	2025	2024
	------------ (Rupees in '000) ------------	
Foreign currency commitments and guarantees outstanding at year end are as follows:		
USD	124,871	96,879
EURO	500	500
AED	14,600	14,600
GBP	250	250

The following significant exchange rates were applied during the year:

	2025	2024
Rupee per USD		
Average rate (Selling / Buying)	279.6 / 279.1	283.4 / 283.0
Reporting date rate (Selling / Buying)	283.9 / 283.5	278.6 / 278.1
Rupee per EURO		
Average rate (Selling / Buying)	304.1 / 303.7	306.7 / 306.2
Reporting date rate (Selling / Buying)	333.1 / 332.6	297.8 / 297.4
Rupee per GBP		
Average rate (Selling / Buying)	361.7 / 361.1	356.5 / 357.2
Reporting date rate (Selling / Buying)	389.7 / 389.1	356.9 / 356.4
Rupee per AED		
Average rate (Selling / Buying)	76.1 / 76.0	75.8 / 75.7
Reporting date rate (Selling / Buying)	77.3 / 77.2	77.2 / 77.1

Foreign currency sensitivity analysis

A five percent strengthening / weakening of the PKR against the USD at June 30, 2025 would have increased / decreased the equity and profit / loss after tax by Rs. 778 million (2024: Rs. 195 million). This analysis assumes that all other variables, in particular markups, remain constant. The analysis is performed on the same basis for June 30, 2024.

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

b) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the interest rates. The Company has long term finance and short term borrowings at fixed and variable rates.

The Company is mainly exposed to interest rate risk on 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 rates.

Financial assets include balances of Rs. 2,132 million (June 30, 2024: Rs. 6,408 million) which are subject to interest rate risk. Financial liabilities include balances of Rs. 71,428 million (June 30, 2024: Rs. 59,831 million) which are subject to interest rate risk. Applicable interest rates for financial assets and liabilities are given in respective notes.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2025, if markups on interest bearing financial instruments would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 693 million (2024: Rs. 534 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.
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 or loss. 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. As at June 30, 2025, the Company is not exposed to other price risk.

44.2 **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 long term investments, loans and other receivables, trade debts, long term deposits and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025	2024
		----------- (Rupees in '000) -----------	
Long term investments	6	70,000	70,000
Other receivables		1,352,101	1,130,289
Long term loans		137,842	91,084
Long term deposits		146,240	145,595
Trade debts	10	22,155,562	24,567,107
Bank balances	13	155,550	364,489
		24,017,295	26,368,564

The Company manages credit risk as follows:

Loans, advances and other receivables

These 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 receivables include bank guarantee margin Letter of Credit and miscellaneous receivables which are 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 trade debt and based on past experience and business relationship and credit worthiness of these customers, the Company does not expect these customers will fail to meet their obligations except for some past due trade debts against which adequate allowance for impairment has 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:

	2025		2024	
	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance
	------------ (Rupees in '000) ------------		------------ (Rupees in '000) ------------	
Secured	7,221,370	-	9,892,638	-
Unsecured				
Current	9,942,688	4	11,471,259	17
1-30 Days	4,320,028	406	2,194,240	624
31-60 Days	628,499	5,909	700,840	9,973
61-90 Days	41,001	248	376,504	57,760
More than 90 Days	151,277	142,734	113,985	113,985
	15,083,493	149,301	14,856,828	182,359
	22,304,863	149,301	24,749,466	182,359

Management believes that the unimpaired balances that are past due are still collectable in full, based on historical payment behavior and review of financial strength of respective customers. Further, certain trade debtors, which have been derecognised as a result of bills discounting, 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:v

	Note	2025	2024
		----------- (Rupees in '000) ---------	
Long term investment			
AAA	6.4	70,000	70,000
Bank balances			
AAA		74,783	41,773
AA+		61,844	5,700
AA		14,197	765
AA-		2,492	75,711
A+		1,834	180,254
A1		-	184
BBB-		400	60,102
		155,550	364,489
		225,550	434,489

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

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company's exposure to a single customer exceeding 10% of the total exposure amounts to Rs. 2,436 million (2024: 2,790 million).

Credit risk of the Company arises principally from long term investments, loans and other receivables, trade debts, long term deposits and bank balances.

44.3 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 43.

The Company manages liquidity risk by maintaining sufficient cash in hand and at banks and ensuring the fund availability through adequate credit facilities. At June 30, 2025, the Company has Rs. 67,325 million (June 30, 2024: Rs. 44,880 million) available borrowing limit from financial institutions. Unutilised borrowing facilities of Rs. 15,167 million (June 30, 2024: Rs. 2,874 million) and also has Rs. 166 million (June 30, 2024: Rs. 376 million) being cash in hand and balances at banks. Based on the above, management believes the liquidity risk is insignificant.

	Note	Less than one year	More than one year	Total carrying amount
		---------------- (Rupees in '000) ----------------		
As at June 30, 2025				
Long term financing	16	3,128,180	16,142,475	19,270,655
Trade and other payables	19	22,748,614	-	22,748,614
Accrued markup		788,421	-	788,421
Short term borrowings	21	52,157,704	-	52,157,704
Unclaimed dividend		9,365	-	9,365
Unpaid dividend	23	23,505	-	23,505
		78,855,789	16,142,475	94,998,264
Total as at June 30, 2024		70,327,254	14,591,587	84,918,841

44.4 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 June 30, 2025 and June 30, 2024 were as follows;

	Note	2025	2024
		------------ (Rupees in '000) ------------	
Total borrowings	16 & 21	71,428,359	59,831,025
Cash and bank	13	(166,429)	(375,876)
Net debt		71,261,930	59,455,149
Total equity	14 & 15	48,852,937	44,753,223
Total equity and debt		120,114,867	104,208,372
		-------------- (%) --------------	
Gearing ratio		59	57

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 minimise risk and borrowing cost.

45 . 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 minimising the use of unobservable inputs. Fair values are categorised 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 categorised 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 recognised 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 operating fixed assets is carried at cost less accumulated depreciation and impairment if any, except there is no free-hold land and lease-hold land 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.

46. GENERAL

46.1 Events occurring after reporting date

On September 29, 2025, Board of Directors, approved the closure of the
Company's Export Apparel operations as part of its strategic review of operations. The closure will be implemented in the forthcoming financial year, with financial and operational impacts to be recognised in the financial statements of the ensuing year

46.2 Corresponding figures

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these un-consolidated financial statements during the current year.

47. DATE OF AUTHORIZATION

These unconsolidated financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on September 29, 2025

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

GROUP DIRECTORS' 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, 2025.

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
- Gul Ahmed Ecotex (Pvt) Limited, Pakistan
- Gul Ahmed Ecofab (Pvt) Limited, Pakistan
- Gul Ahmed Circular Fabrics (Pvt) Limited, Pakistan
- Elegant Fashion (Pvt) Limited, Pakistan
- Fragrance Fusion (Pvt) Limited, Pakistan
- Omnify (Pvt) Limited, Pakistan

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	6,556,367
Taxation	(2,101,948)
Profit after tax	4,454,419
Total Reserves brought forward	39,927,105
Transferred to Capital Reserves	(3,248)
Amount available for appropriation	44,378,276
Appropriation	
Amount carried to other comprehensive income	76,940
Exchange difference on transactions of foreign subsidiaries	(18,861)
Transferred to Capital Reserves	3,248
Amount available for appropriation	44,439,603
Total Reserves carried forward	44,439,603
Earnings Per Share (Rs.)	6.02

Pattern of Shareholding

Ideas (Private) Limited, Gul Ahmed International Limited (FZC) – UAE, Gul Ahmed Ecotex (Private) Limited, Gul Ahmed Ecofab (Private) Limited and Gul Ahmed Circular Fabrics (Private) Limited 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. Elegant Fashion (Private) Limited, Fragrance Fusion (Private) Limited and Omnify (Private) Limited are wholly owned subsidiaries of Ideas (Private) Limited. Shareholding in each company is in the name of respective holding companies.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Karachi
September 29, 2025

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 June 30, 2025 , and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of 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 June 30, 2025 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 the 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 is the key audit matter:

S.No.	Key audit matters	How the matters were addressed in our audit
1	Revenue Recognition	
	Refer notes 3.19 and 28 to the consolidated financial statements. The Group's net revenue for the year ended June 30, 2025 was Rs. 185,541 million. The Group's revenue is principally generated from the sale of textile goods and related processing services and consists of local and export sales. We identified revenue as key audit matter because; • revenue is one of the key performance indicators of the Group; • there are large number of revenue transactions; and • there are large number of revenue transactions; and • there is inherent risk that revenue could be recorded in an incorrect accounting period in order to achieve the financial targets and expectations.	Our audit procedures in this area, amongst others, included the following: • Obtained an understanding of the accounting policy and Group's accounting process for revenue recognition and tested the design and implementation of relevant controls; • Performed verification of sample of revenue transactions recorded during the year with underlying documentation including sales invoices and other dispatch documents; • Performed cut-off procedures on sample basis on revenue transactions recorded just before and after the year end with the underlying goods delivery notes, bill of lading, invoices and other relevant documents to assess whether the revenue has been recognised in the appropriate accounting period • Evaluated the appropriateness of disclosures in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards applicable in Pakistan.; and
2	Valuation of Stock-in-trade	
	Refer notes 3.7 and 11 to the consolidated financial statements. As at June 30, 2025, the Group held stock-in-trade of Rs. 72,901 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.	Our audit procedures in this area, amongst others, included the following: • Obtained an understanding of the Group's policies and procedures with respect to valuation of stock-in-trade; • Assessed appropriateness of the Group's accounting policies for valuation of stock-in-trade and compliance of those policies with accounting and reporting standards applicable in Pakistan; • Assessed the adequacy of the allowance for obsolescence, by taking into consideration the status of ageing conditions of the stock-in-trade and historical usage pattern;

S.No.	Key audit matters	How the matters were addressed in our audit
	We have considered this matter as key audit matter because of the significance of the balance and due to the estimates and judgments involved in the valuation.	• Compared the net realizable value, on a sample basis, to the carrying value of stock-in-trade to assess whether any adjustments are required to value of stock-in-trade in accordance with the applicable accounting framework; and • Assessed the adequacy of the related disclosures in the notes to the consolidated financial statements, in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the consolidated and unconsolidated financial statements and our auditors' reports 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 accounting and reporting standards as applicable in Pakistan and 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.

Auditors' 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.

Other Matter

The consolidated financial statements of the Company for the year ended June 30, 2024 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated October 4, 2024.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Date: October 3, 2025
Karachi
UDIN: AR202510091hlop8RqVb

Yousuf Adil
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

	Note	2025	2024
		------------- (Rupees in '000) ------------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	55,384,267	54,341,947
Right of use assets	5	4,247,834	2,818,151
Intangible assets	6	181,206	182,858
Long term investment	7	70,000	70,000
Long term loans	8	21,487	17,939
Long term deposits		512,483	518,467
Deferred taxation - net	9	1,004,141	1,115,326
Total non-current assets		61,421,418	59,064,688
CURRENT ASSETS			
Store, spares and loose tools	10	2,856,321	2,727,361
Stock-in-trade	11	72,901,493	57,358,906
Trade debts	12	21,520,605	20,719,045
Loans, advances and other receivables	13	5,664,884	4,347,029
Short term prepayments		184,658	145,872
Receivables from government	14	5,729,576	3,493,969
Short term investment		-	1,243
Cash and bank balances	15	559,457	1,081,768
Total current assets		109,416,994	89,875,193
Total Assets		170,838,412	148,939,881
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	7,400,594	7,400,594
Reserves	17	44,439,603	39,927,105
Total share capital and reserves		51,840,197	47,327,699
NON-CURRENT LIABILITIES			
Long term financing	18	18,392,475	14,591,587
Lease liability against right of use assets	19	4,383,400	3,189,839
Deferred income - government grant	20	50,620	74,655
Defined benefit plan - staff gratuity	21	475,267	528,898
Long term deposits		22,269	19,769
Total non-current liabilities		23,324,031	18,404,748
CURRENT LIABILITIES			
Trade and other payables	22	31,843,262	34,321,875
Accrued mark-up / profit	23	886,790	1,403,751
Short term borrowings	24	56,082,057	42,494,328
Current portion of non-current liabilities	25	4,996,906	3,810,360
Unclaimed dividend		9,365	9,840
Unpaid dividend	26	23,505	23,505
Taxation-net		1,832,299	1,143,775
Total current liabilities		95,674,184	83,207,434
Total Equity and Liabilities		170,838,412	148,939,881
CONTINGENCIES AND COMMITMENTS	27		

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2025

	Note	2025	2024
		------------- (Rupees in '000) ------------	
Revenue from contracts with customers	28	185,541,432	172,479,728
Cost of sales	29	(153,463,906)	(143,735,509)
Gross profit		32,077,526	28,744,219
Selling and distribution cost	30	(11,321,307)	(10,000,783)
Administrative cost	31	(6,835,488)	(5,946,963)
Other expense	32	(573,947)	(572,192)
		(18,730,742)	(16,519,938)
Operating profit		13,346,784	12,224,281
Other income	33	1,170,239	2,155,433
Finance costs	34	(7,960,656)	(7,664,182)
Profit before levies and taxation		6,556,367	6,715,532
Levies	35	(1,692,863)	(2,235,322)
Profit before taxation		4,863,504	4,480,210
Taxation	36	(409,085)	371,753
Profit for the year		4,454,419	4,851,963

	Note	2025	2024
		----------------- (Rupees) -----------------	
Earnings per share - basic and diluted	37	6.02	6.56

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2025

	Note	2025	2024
		(Rupees in '000)	
Profit for the year		4,454,419	4,851,963
Other comprehensive income / (loss)			
Items that will not be reclassified to consolidated statement of profit or loss subsequently			
Remeasurement gain / (loss) on defined benefit plan	21.3	76,940	(41,421)
Reversal of deferred tax		-	(4,535)
Exchange loss on translation		(18,861)	(43,899)
		58,079	(89,855)
Items that may be reclassified to consolidated statement of profit or loss subsequently		-	-
Total comprehensive income for the year		4,512,498	4,762,108

The annexed notes from 1 to 50 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 CHANGES IN EQUITY

For the year ended June 30, 2025

	Share capital	Reserves							Total equity
		Capital Reserves				Revenue Reserves	Total reserves		
		Against long term investments, capacity expansion and BMR	Statutory reserve created by foreign subsidiary	Amalgamation reserve	Foreign currency translation reserve	Unappropriated profit			
	(Rupees in '000)								
Balance as at July 01, 2023	7,400,594	-	20,845	8,252,059	(258,307)	27,150,400	35,164,997		42,565,591
Reclassification of reserves - (note 17.3)	-	23,000,000	-	-	-	(23,000,000)	-		-
Profit for the year	-	-	-	-	-	4,851,963	4,851,963		4,851,963
Other comprehensive loss	-	-	-	-	(43,899)	(45,956)	(89,855)		(89,855)
Total comprehensive income for the year	-	-	-	-	(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
Reclassification of reserves - (note 17.2)	-	-	3,248	-	-	(3,248)	-		-
Profit for the year	-	-	-	-	-	4,454,419	4,454,419		4,454,419
Other comprehensive income	-	-	-	-	(18,861)	76,940	58,079		58,079
Total comprehensive income for the year	-	-	-	-	(18,861)	4,531,359	4,512,498		4,512,498
Balance as at 30 June 2025	7,400,594	23,000,000	24,093	8,252,059	(321,067)	13,484,518	44,439,603		51,840,197

The annexed notes from 1 to 50 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, 2025

	Note	2025	2024
		------------- (Rupees in '000)	---------
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,863,504	4,480,210
Adjustments for non-cash items:			
Depreciation of operating fixed assets	4.1.1	5,114,568	4,967,334
Depreciation of right of use assets	5	993,728	706,250
Amortisation of intangible assets	6.1	32,478	38,514
Expense recognised for defined benefit plan	21.2	268,770	236,932
Finance costs	34	7,960,656	7,664,182
Reversal of provision for slow moving - stores and spares	10.1	(51,249)	(148,345)
Reversal of provison for slow moving - stock-in-trade	11.1	(174,464)	(12,028)
Levies	35	1,692,863	2,235,322
Unclaimed liabilities written back	33	(13,794)	(3,910)
Dividend income	33	-	(1,462)
Government grant recognised in income	33	(28,251)	(32,088)
Loss on reassessment of right of use asset and corresponding lease liability	32	46,930	9,902
Loss on disposal of operating fixed assets	32	52,272	57,358
Expected credit loss on trade debts	12.1	(58,900)	(226,929)
		15,835,607	15,491,032
Changes in working capital:			
Store, spares and loose tools		(77,711)	(665,956)
Stock-in-trade		(15,368,123)	(9,763,874)
Trade debts		(742,660)	(3,870,569)
Loans, advances and other receivables		(1,317,855)	(912,675)
Short term prepayments		(38,786)	126,662
Receivables from government		(246,549)	187,888
Trade and other payables		(2,478,613)	4,339,813
Net decrease in working capital		(20,270,297)	(10,558,711)
Cash generated from operating activities		428,814	9,412,531
Payment made to defined benefit plan	21.1	(245,621)	(83,420)
Finance costs paid		(7,824,746)	(8,274,854)
Levies and taxes paid		(3,292,766)	(1,812,551)
		(11,363,133)	(10,170,825)
Net cash used in operating activities		(10,934,319)	(758,294)

	Note	2025	2024
		------------- (Rupees in '000)	-----------
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(6,118,696)	(4,175,596)
Payments for acquisition of intangible assets		(18,477)	(28,535)
Proceeds from disposal of operating fixed assets		35,463	37,515
Short term investment made		-	(601,243)
Short term investment redeemed		1,243	600,000
Dividend income received	33	-	1,462
Long term loans		(3,548)	49,962
Long term deposits		8,484	(38,684)
Net cash used in investing activities		(6,095,531)	(4,155,119)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing	40.1	7,700,000	358,000
Repayment of long term financing	40.1	(3,283,119)	(5,777,758)
Payments against lease liabilities	19	(1,477,737)	(1,044,823)
Increase in short term borrowings-net		12,893,950	8,499,688
Dividend paid		(475)	(91)
Net cash generated from financing activities		15,832,621	2,035,016
Exchange loss on translation		(18,861)	(43,899)
Net decrease in cash and cash equivalents		(1,216,090)	(2,922,296)
Cash and cash equivalents at the beginning of the year		(4,453,603)	(1,531,307)
Cash and cash equivalents at the end of the year	40	(5,669,693)	(4,453,603)

The annexed notes from 1 to 50 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, 2025

1. **THE GROUP AND ITS OPERATIONS**

As at June 30, 2025 'the Group' comprise of the Gul Ahmed Textile Mills Limited (the Holding Company) and the following subsidiaries that have been consolidated in these consolidated financial statements.

	Shareholding	
	2025	2024
	------------- (%) ------------	
Ideas (Private) Limited	100	100
Gul Ahmed International Limited FZC - UAE	100	100
Gul Ahmed Ecofab (Private) Limited	100	100
Gul Ahmed Ecotex (Private) Limited	100	100
Gul Ahmed Circular Fabrics (Private) Limited	100	100

The following companies also fall in the definition of subsidiary as per the criteria given in IFRS 10 - Consolidated Financial Statements' and Section 2(68) of the Companies Act, 2017 (the Act) and are therefore, consolidated in these consolidated financial statements.

	Shareholding	
	2025	2024
	------------- (%) ------------	
GTM (Europe) Limited	100	100
GTM USA Corporation	100	100
Sky Home Corporation - USA	100	100
JCCO 406 Limited	100	100
Vantona Home Limited	100	100
Fragrance Fusion (Private) Limited	100	100
Elegant Fashion (Private) Limited	100	100
Omnify (Private) Limited	100	100

1.1 **Holding Company**

Gul Ahmed Textile Mills Limited (the Holding Company) was incorporated in Pakistan on April 01, 1953 as a private limited company and subsequently converted into a public limited company on January 07, 1955. The Holding Company is a subsidiary of Gul Ahmed Holdings (Private) Limited (the Parent Company) and is listed on Pakistan Stock Exchange Limited (PSX). The Holding 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 Holding 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	Date of incorporation	Nature of business	Principle place of business
Direct subsidiaries			
Gul Ahmed International Limited FZC - UAE	December 11, 2002	Trade of textile, garments and related products	Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.
Ideas (Private) limited	December 27, 2004 (Subsidiary since January 01, 2021)	Manufacturing and sale of textile good and other products	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Gul Ahmed Ecotex (Private) Limited	March 26, 2025	Manufacturing and distuibution of textile related products	Plot No. H-7, Landhi Industrial Area, Karachi, Pakistan.
Gul Ahmed Ecofab (Private) Limited	March 26, 2025	Manufacturing and distuibution of textile related products	Plot No. H-7, Landhi Industrial Area, Karachi, Pakistan.
Gul Ahmed Circular Fabrics (Private) Limited	March 26, 2025	Recycling of textile waste for production of yarns and fabrics	Plot No. H-7, Landhi Industrial Area, Karachi, Pakistan.
Indirect subsidiaries			
GTM USA Corporation	March 19, 2012	Commission agent service and trading of textile related products	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Sky Home Corporation - USA	February 28, 2017	Import and wholesale of home textile products	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Vantona Home Limited	April 22, 2013	Trading and distribution of textile related products	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
JCCO 406 Limited	September 29, 2017	Trading and distribution of textile related products	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM (Europe) Limited	April 17, 2003	Trading and distribution of textile related products	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
Omnify (Private) Limited	March 12, 2025	Technology related services and e-commerce business solutions	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.
Elegant Fashion (Private) Limited	March 19, 2025	Industrial undertaking for manufacturing and stitching garmants and textile related products	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.
Fragrance Fusion (Private) Limited	March 12, 2025	Trading of fragrance and cosmetic related products	Plot No. 65/1, Korangi Industrial Area, Karachi, Pakistan.

1.2 **Geographical locations and addresses of all premises obtained on rented basis by the Holding Company 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; and
22nd Floor, Ocean Mall, Khayaban-e-Iqbal, Block-9, Clifton, Karachi.

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

1.3 **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.

Subsidiaries
Subsidiaries are entities controlled by the Holding Company. The Holding Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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.

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

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

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, which represents ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Transactions with non-controlling interests
The Group treats transactions with non-controlling interest that do not result in loss of control as transactions with equity owners of the Group. For purchase of interest from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the equity is remeasured to its fair value, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amount previously recognised in other comprehensive income in respect to that entity is accounted for as if the Group had directly disposed off the related assets and liabilities.

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.

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 Accounting Standards) 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 Accounting Standards, the provisions of and directives issued under the Act have been followed.

2.3 Functional and presentation currency
Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pakistani Rupees, 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
The preparation of these consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis

of making judgment about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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) Operating fixed assets, Right of use assets and Intangible assets (notes 3.2, 3.3, 3.4, 3.8, 4, 5 and 6)
The Group reviews appropriateness of the method of depreciation / amortisation and useful lives used in the calculation of depreciation / amortisation of operating fixed assets, right of use assets 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 (notes 3.6 and 10) Provision for obsolescence and slow moving stores and spares is based on parameters set out by the management of the Group, which includes ageing, expected use and realisable values.

c) Stock-in-trade (notes 3.7 and 11)
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 (notes 3.9.4, 12 and 47.2)
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.

e) Defined benefit plan (notes 3.14.2 and 21)
The present value of defined benefit plan 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.

f) Taxation (notes 3.21, 27 and 36)
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.

g) Levies (notes 3.22 and 35)
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 recognising the levy liability. These estimates and judgements are periodically reviewed and updated as necessary.

h) Contingencies (notes 3.18 and 27)
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 (notes 3.16 and 19)
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 that are effective for the year ended June 30, 2025 are as follows:

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 ' Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants.	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements.	January 01, 2024

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

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
IFRS 7 - Financial Instruments: Disclosures	July 01, 2025
Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

3 MATERIAL ACCOUNTING POLICIES

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

On consolidation, the assets and liabilities of foreign operations are retranslated into presentation currency i.e. Pakistan Rupee at the rate of exchange prevailing at the reporting date and their income and expenses are translated using the average of exchange rates for the period. The exchange differences arising on such translations are recognised in consolidated statement of comprehensive income.

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 operating fixed assets have different useful lives, they are accounted for as separate items (major components) of operating fixed assets.

Subsequent cost

Expenditure incurred to replace a significant component of an item of operating fixed assets 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 expenditure (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 and Machinery, Office Equipment (other than IT Equipment), Building on Leasehold Land, Vehicles and Furniture and Fixtures; and

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

Rate of depreciation on above are specified in the note 4 of these consolidated financial statements.

Depreciation on additions to operating fixed assets 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 operating fixed assets 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 operating fixed assets is determined by comparing the proceeds from disposal with the carrying amount of the operating fixed assets, and is recognised 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 6 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 **Borrowing cost**

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

3.6 **Store, spares and loose tools**

Stores, spares and loose tools are stated at lower of moving average cost and net realisable value, less provision for impairment, if any. Stores-in-transit is stated at cost comprising invoice value plus other incremental charges incurred thereon.

Provision is made for obsolete and slow moving stores, spares and loose tools based on management's best estimate regarding their future usability and is recognised in the consolidated statement of profit or loss.

3.7 **Stock-in-trade**

Stock of raw materials and finished goods are valued at lower of weighted average cost and net realisable 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 realisable value. Stock in transit are stated at cost comprising invoice value and other incidental charges paid thereon up to reporting date.

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

3.8 **Impairment of non-financial assets**

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the consolidated statement of profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 **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. Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

3.9.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is 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 carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the consolidated statement of profit or loss when the assets are derecognised or impaired and when interest is recognised using the effective interest method.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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 FVTOCI are carried on the consolidated statement of financial position at fair value with gains or losses recognised in the consolidated statement of comprehensive income.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Financial assets at FVTPL are carried on the consolidated statement of financial position at fair value with gains or losses recognised in the consolidated statement of profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit or loss.

3.9.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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 the consolidated statement of profit or loss.

3.9.3 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 set-off the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.9.4 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group measures ECL of a financial instrument in a way that reflects (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

A default on a financial asset is considered when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there are no reasonable expectations of recovery. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in the consolidated statement of profit or loss.

3.10 Derivative

Derivative instruments are initially recognised at fair value and subsequent to initial measurement, each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the consolidated statement of profit or loss. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in trade and other payables in consolidated statement of financial position.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, with banks in current accounts, demand draft and running finance.

3.12 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.13 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 recognises 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 recognised 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 recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised 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 derecognised 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.

3.14 Staff retirement benefits

3.14.1 Defined contribution plan

The Holding Company and its subsidiary, Ideas (Private) Limited, operate a recognised 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 Companys' contribution is charged to consolidated statement of profit or loss.

3.14.2 Defined benefit plan

The Holding 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.

Remeasurement of the net defined benefit liability, which comprises of actuarial gains and losses are recognised immediately in consolidated statement of comprehensive income. The Parent Company determines the net interest expense on the net defined liability 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, taking into account any changes in the net defined benefit liability during the year as a result of 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 Parent Company recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

3.15 **Accumulated employee compensated absences**

The Holding 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 consolidated statement of profit or loss.

3.16 **Lease liabilities against right of use assets**

Lease liabilities are initially measured at the present value of the lease payments 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 consolidated statement of profit or loss.

3.17 **Unclaimed dividend**

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

3.18 **Provisions and contingencies**

Provisions are recognised 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. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.19 **Recognition of revenue from contracts with customers**

Revenue from contracts with customers is recognised 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 recognised 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.

- 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 contracts with customers on 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 sanforisation and mercerisation of fabric.

- Export rebate (if any) on export sales is recognised on an accrual basis at the time of export sale.

- Processing charges are recorded when processed goods are delivered to customers.

3.20 **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 recognised on time proportion basis taking into account the amount outstanding and rates applicable thereon.

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

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

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

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

- Markup from Term Finance Certificates (TFCs) are accounted for as income using the effective interest method.

- Exchange gain from currency realisation and derivative financial instruments are described in note 3.1 and 3.10 of these consolidated financial statements.

3.21 **Taxation**

3.21.1 Current tax

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.

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 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 contingent liabilities.

3.21.2 Deferred tax

Deferred tax is recognised using the liability method on all temporary differences arising at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, and tax credits, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.22 **Levies**

The tax charged under Income tax Ordinance, 2001 (ITO), which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levies in the consolidated statement of profit or loss as these levies fall under the scope of IFRIC 21 'Levies' or IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

3.22.1 Revenue tax

Revenue tax include levies as per IFRIC 21, minimum tax on imported goods and export sales under ITO. A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

3.22.2 Final tax

Final tax includes tax charged / withheld / paid on certain income streams under various provisions of ITO. Final tax is charged / computed under the ITO, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the ITO.

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 **Dividend and appropriation to reserves**

Final dividend distributions to the Group's shareholders are recognised 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 recognised in the period in which the dividends are declared by the Board of Directors (the Board). Appropriations of profit are reflected in the consolidated statement of changes in equity in the period in which such appropriations are approved.

3.25 **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, 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 38 to these consolidated financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	2025	2024
		------------- (Rupees in '000) ---------	
Operating fixed assets	4.1	53,256,386	53,708,896
Capital work in progress (CWIP)	4.2	2,122,881	633,051
Advance against purchase of land		5,000	-
		55,384,267	54,341,947

4.1 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 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 July 01, 2023		9,543,110	12,155,487	28,858,200	411,401	1,123,567	248,908	52,340,673
Movement during year ended June 30, 2024								
Additions / transfers 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)
Reclassification to CWIP		-	-	(18,832)	-	-	-	(18,832)
Disposals during the year								
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)
Depreciation charge for the year	4.1.1	-	(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 June 30, 2024		9,664,594	12,013,762	30,078,553	442,872	1,242,148	266,967	53,708,896
As at 01 July 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 June 30, 2024		9,664,594	12,013,762	30,078,553	442,872	1,242,148	266,967	53,708,896
Movement during year ended June 30, 2025								
Additions / transfers during the year		-	743,196	3,180,668	91,914	676,160	46,674	4,738,612
Adjustments during the year								
Cost		-	3,956	97,640	(154)	(71,154)	(30,178)	110
Depreciation		-	(1,964)	(15,901)	-	25,297	578	8,010
Net book value		-	1,992	81,739	(154)	(45,857)	(29,600)	8,120
Disposals during the year								
Cost		-	(52,873)	(335,998)	(207)	(3,371)	(2,914)	(395,363)
Depreciation		-	32,467	271,341	8	1,723	2,089	307,628
Net book value		-	(20,406)	(64,657)	(199)	(1,648)	(825)	(87,735)
Depreciation charge for the year	4.1.1	-	(1,446,346)	(3,274,532)	(57,706)	(280,662)	(55,322)	(5,114,568)
Foreign currency translation		-	1,089	(6,663)	2,896	(1,473)	7,212	3,061
Net book value as at June 30, 2025		9,664,594	11,293,287	29,995,108	479,623	1,588,668	235,106	53,256,386
As at June 30, 2025								
Cost		9,664,594	20,722,331	51,066,360	747,337	2,945,269	879,624	86,025,515
Accumulated depreciation		-	(9,433,276)	(21,064,478)	(283,877)	(1,355,378)	(668,798)	(32,805,807)
Foreign currency translation		-	4,232	(6,774)	16,163	(1,223)	24,280	36,678
Net book value as at June 30, 2025		9,664,594	11,293,287	29,995,108	479,623	1,588,668	235,106	53,256,386
		(%)						
Depreciation per annum		-	10 to 33	10 to 33	10 to 12	10 to 33	20	

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

	Note	2025	2024
		(Rupees in '000)	
Cost of goods manufactured	29.1	4,394,570	4,290,564
Selling and distribution cost	30	481,684	384,733
Administrative cost	31	238,314	292,037
		5,114,568	4,967,334

4.1.2 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)						
Buildings and structures on leasehold land							
Structural Costs	22,525	7,661	170	(7,491)	Bidding	Jamaal	Third party
Structural Costs	2,940	2,201	313	(1,889)	Bidding	Salaam	Third party
Structural Costs	3,487	581	413	(168)	Bidding	Shahid	Third party
Civil, Electric and Allied Works	17,084	5,106	725	(4,381)	Bidding	Salaam	Third party
Plant and machinery							
Waukesha Gas Engine	37,809	2,454	1,139	(1,315)	Bidding	Ams Enterprise Plot # D-126 .Bawany Challi .Site Town, Karachi	Third party
Passenger Lift	6,283	6,283	3,077	(3,206)	Bidding	Awan Lift Company (Pvt) Ltd 11th Floor, Rimpa Plaza, M.A. Jinnah Road, Karachi	Third party
Machine Paper Transfer Printing	2,883	1,129	1,000	(129)	Bidding	Badar Processing Industries D-256, 273, Site, Karachi Pakistan	Third party
Waukesha Gas Engine	43,177	2,852	3,000	148	Bidding	R.A Engineering & Services 2nd Floor ,plot no-18, sector-47,korangi creek industrial area, Karachi	Third party
Air Jet Looms Tsudakoma	191,708	49,019	14,294	(34,725)	Bidding	Valitex (Pvt) Ltd. A/36-A, Mangopir Road, Site Karachi, Karachi West Site Town	Third party
Items with written down value below Rs. 500,000	67,467	10,449	11,333	884	Bidding	Various	
As on 30 June 2025	395,363	87,735	35,463	(52,272)			
As on 30 June 2024	225,608	94,874	37,515	(57,359)			

4.1.3 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.
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 etc, are constructed on each of the above mentioned land.

	Note	2025	2024
		(Rupees in '000)	
4.2 Capital work in progress (CWIP)			
Plant and machinery		1,462,781	536,930
Buildings and structures on leasehold land		532,099	81,063
Others		128,001	15,058
	4.2.1	2,122,881	633,051

	Note	2025	2024
		(Rupees in '000)	
4.2.1 The movement in CWIP is as follows:			
Opening balance		633,051	2,409,507
Capital expenditure incurred during the year			
Plant and machinery	4.2.2	4,086,588	3,309,671
Buildings and structures on leasehold land		1,194,232	841,594
Others		948,412	559,475
		6,229,232	4,710,740
Transfers to operating fixed assets during the year			
Plant and machinery		(3,160,737)	(4,433,375)
Buildings and structures on leasehold land		(743,196)	(1,439,504)
Other		(835,469)	(633,149)
		(4,739,402)	(6,506,028)
Reclassification from operating fixed assets	4.1	-	18,832
Closing balance		2,122,881	633,051

4.2.2 This includes borrowing cost captalised during the construction period amounting to Rs. 123 million (June 30, 2024: Rs. 480 million). The effective rate of borrowing cost capitalised during the year was 15.98% (June 30, 2024: 18.60%) per annum.

4.3 The cost of fully depreciated operating fixed assets still in use:

	Note	2025	2024
		(Rupees in '000)	
Buildings and structures on leasehold land		168,880	168,880
Office equipment		156,389	133,618
Plant and machinery		506,814	506,814
Vehicles		2,919	2,919
		835,002	812,231

4.4 Plant and machinery, land and buildings are subject to first pari passu charge and a equitable mortgage amounting to Rs. 43,154 million as on June 30, 2025 (June 30, 2024: Rs. 38,574 million). These charges are against different financing facilities obtained from various banks as disclosed in note 18 of these consolidated financial statements.

5. RIGHT OF USE ASSETS

The carrying amounts of right of use assets recognised in respect of rented premises and movement there in during the year is as follows:

	Note	2025	2024
		(Rupees in '000)	
Opening balance		2,818,151	2,860,182
Assets recognised during the year		2,356,426	528,589
Adjustments during the year		66,796	135,921
Depreciation expense			
- Charged to cost of goods manufactured	29.1	(14,463)	(22,451)
- Charged to selling and distribution cost	30	(946,012)	(629,673)
- Charged to administrative cost	31	(33,253)	(54,126)
		(993,728)	(706,250)
Foreign currency translation		189	(291)
Net book value		4,247,834	2,818,151

6. INTANGIBLE ASSETS

	Note	Computer Software	Trade Marks	Goodwill	Total
		(Rupees in '000)			
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 July 01, 2023		57,005	140,887	-	197,892
Movement during the year ended June 30, 2024					
Additions - cost		28,535	-	-	28,535
Amortisation charge for the year	6.1	(26,940)	(11,574)	-	(38,514)
Foreign currency translation		(43)	(5,012)	-	(5,055)
Net book value as at June 30, 2024		58,557	124,301	-	182,858
At 01 July 2024					
Cost		172,514	162,768	15,405	350,687
Accumulated amortisation and write-off		(115,147)	(91,163)	(15,405)	(221,715)
Foreign currency translation		1,190	52,696	-	53,886
Net book value as at July 01, 2024		58,557	124,301	-	182,858
Movement during the year ended June 30, 2025					
Additions - cost		18,477	-	-	18,477
Amortisation charge for the year	6.1	(21,882)	(10,596)	-	(32,478)
Foreign currency translation		3	12,346	-	12,349
Net book value as at June 30, 2025		55,155	126,051	-	181,206
Gross carrying value					
Cost		190,991	162,768	15,405	369,164
Accumulated amortisation		(137,029)	(101,759)	(15,405)	(254,193)
Foreign currency translation		1,193	65,042	-	66,235
Net book value as at June 30, 2025		55,155	126,051	-	181,206
		(%)			
Amortisation rate per annum		**20 to 50**	**10 to 50**	**20**	

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

	Note	2025	2024
		(Rupees in '000)	
Cost of goods manufactured	29.1	3,241	1,793
Selling and distribution cost	30	2,082	1,727
Administrative cost	31	27,155	34,994
		32,478	38,514

6.2 The cost of fully amortised intangible assets still in use are as follows:

	2025	2024
Software	181,274	101,562

7. **LONG TERM INVESTMENT**

	Note	2025	2024
		(Rupees in '000)	
Investment in Term Finance Certificate (TFC) - at amortised cost	7.1	70,000	70,000

7.1 This represents Rs. 70 million (June 30, 2024: Rs. 70 million) invested in perpetual TFC issued by Habib Bank Limited, which carries profit at the rate of 3Month KIBOR + 1.6% receivable on quarterly basis.

8. **LONG TERM LOANS**

	Note	2025	2024
		(Rupees in '000)	
Considered good			
- Due from executives		134,508	87,256
- Due from non-executives		9,227	3,828
	8.2	143,735	91,084
Current portion			
- Due from executives		(113,894)	(69,871)
- Due from non-executives		(8,354)	(3,274)
	13	(122,248)	(73,145)
		21,487	17,939

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 guarantee by two employees. The loan tenor extends maximum upto 24 months.

Included in these are loans of Rs. 110.63 million (June 30, 2024: Rs. 48 million) to executives and Rs. 7.9 million (June 30, 2024 : Rs. 3 million) to non-executive which carry no mark-up. The loans amounting to Rs. 17.98 million (June 30, 2024: 39.2 million) to executives and Rs. 1.3 million to non-executives (June 30, 2024: Rs. 0.8 million) carry mark-up at rates ranging from 12.08% to 20.14% (2024: 6.5% to 22.9%) per annum.

8.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 129 million (June 30, 2024: Rs. 87.2 million).

9. **DEFERRED TAXATION - NET**

	Note	2025	2024
		(Rupees in '000)	
Deferred tax asset of direct and indirect subsidiaries	9.1	1,004,141	1,115,326

9.1 **Deferred tax asset of direct and indirect subsidiary companies**

The breakup of the balance is as follows:

	2025	2024
Deductible temporary differences in respect of:		
Accelerated tax depreciation allowance	158,481	364,490
Provisions	50,427	32,978
Excess of lease liabilities over carrying value of right of use assets	479,867	358,940
Minimum tax carried forward	315,366	358,918
	1,004,141	1,115,326

9.1.1 Deferred tax has been computed using effective rate of 39% consequent to levy of super tax at 10% on the taxable income.

10 **STORE, SPARES AND LOOSE TOOLS**

	Note	2025	2024
		(Rupees in '000)	
Stores and spares		2,953,496	2,866,890
Stores-in-transit		5,535	13,296
		2,959,031	2,880,186
Provision for slow moving / obsolete items	10.1	(102,710)	(152,825)
		2,856,321	2,727,361

10.1 **Movement in provision for slow moving / obsolete items**

	Note	2025	2024
Opening balance		152,825	302,702
Reversal of provision for the year - Cost of goods manufactured	29.1	(51,249)	(148,345)
Foreign currency translation		1,134	(1,532)
Closing balance		102,710	152,825

11 **STOCK-IN-TRADE**

	Note	2025	2024
Raw material			
- In hand	29.1	40,054,692	31,297,840
- In transit		682,520	1,495,563
Work-in-process	29.2	12,166,591	9,921,938
Finished goods	29	20,046,894	14,867,005
		72,950,697	57,582,346
Provision for slow moving - stock-in-trade / obsolete items	11.1	(49,204)	(223,440)
		72,901,493	57,358,906

11.1 **Movement in provision for slow moving**

	Note	2025	2024
		(Rupees in '000)	
Opening balance		223,440	236,395
Reversal of provision for the year	29.1	(174,464)	(12,028)
Foreign currency translation		228	(927)
Closing balance		49,204	223,440

11.2 The stock includes inventory held with third party amounting to Rs. 6,168 million (June 30, 2024: Rs. 8,126 million).

12 TRADE DEBTS

	Note	2025	2024
		(Rupees in '000)	
Secured			
Export debtors		4,912,822	4,378,812
Local debtors		1,279,820	1,216,345
	12.2	6,192,642	5,595,157
Unsecured			
Export debtors		3,231,152	5,743,154
Local debtors		12,267,506	9,610,205
		15,498,658	15,353,359
		21,691,300	20,948,516
Expected credit loss	12.1	(170,695)	(229,471)
		21,520,605	20,719,045

12.1 Movement in expected credit loss against doubtful trade debts

	Note	2025	2024
Opening balance		229,471	457,152
Reversal for the year	31	(58,900)	(226,929)
Foreign currency translation		124	(752)
Closing balance		170,695	229,471

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

12.3 This includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rs. 1,639 million (June 30, 2024: Rs. 4,598 million).

13 LOANS, ADVANCES AND OTHER RECEIVABLES

	Note	2025	2024
		(Rupees in '000)	
Loans and advances			
Advances to suppliers		3,535,776	1,656,835
Current portion of loans to employees	8	122,248	73,145
Others	13.1	451,726	1,134,981
		4,109,750	2,864,961
Other Receivables			
Letter of Credit and Bank Guarantee Margin	13.2	1,322,051	650,183
Deposits		49,183	28,082
Forward Contracts		-	332,315
Accrued markup on Term Deposit Receipts (TDRs)		24,299	-
Others	13.3 & 13.4	159,601	471,488
		1,555,134	1,482,068
		5,664,884	4,347,029

13.1 This include an interest bearing unsecured loan amounting to Rs. 438 million (June 30, 2024: Nil) to a business associate with a interest rate of 10% per annum, and repayable within the next 12 months. During the year, the Group has recorded an ECL provision amounting to Rs. 38.79 million (June 30, 2025: Nil) on above loan.

13.2 These include Term Deposit Receipts (TDRs) of Soneri Bank Limited amounting to Rs. 979 million. (June 30, 2024: Rs. 550 million) placed against bank guarantee margin. The guarantee margin carries mark up at the rate of 10% to 11% (June 30, 2024: 14.35% to 19.75%) per annum.

13.3 This includes balance receivable from Hub Liquid Terminal (Private) Limited, a related party amounting to Rs. 9.13 million (June 30, 2024: Nil).

13.4 Sky Home Corp has factoring agreement with CIT group Inc. and by virtue of this agreement the Company assigns all of its trade receivables to factoring agent. At the year end, the balance outstanding with the factoring agent amounts to Rs. 113 million (2024: Rs. 32 million).

All its assigned receivables for which the credit limit is approved by the factoring agent, either on credit limit basis or order to order basis, are without recourse.

However, receivables which are either not assigned or credit limit is not approved and; receivables from related parties are not covered under the factoring agreement and the; credit risk lies with the company itself.

14 RECEIVABLES FROM GOVERNMENT

	Note	2025	2024
		(Rupees in '000)	
Sales tax refund		1,440,638	766,289
Income tax refund		2,417,771	428,713
Duty drawback and rebate		1,871,167	2,298,967
		5,729,576	3,493,969

15 CASH AND BANK BALANCES

	Note	2025	2024
Cash in hand			
- Local currency		93,291	186,919
- Foreign currency		5,376	1,270
		98,667	188,189
Balances with banks in current accounts			
- Local currency		216,594	424,685
- Foreign currency		244,196	468,894
	15.1 & 15.2	460,790	893,579
		559,457	1,081,768

15.1 This includes an amount of Rs. 17.93 million (June 30, 2024: Rs. 205.26 million) held by Shariah compliant banks.

15.2 This includes balances held with related parties (associated banks due to common directorships) amounting to Rs. 72.66 million (June 30, 2024: Rs. 5.70 million).

16 SHARE CAPITAL

16.1 Authorized capital

2025	2024		2025	2024
-------------(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

16.2 Issued, subscribed and paid-up capital

2025	2024		2025	2024
-------------(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 (note 17.1)	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

16.2.1 As at June 30, 2025, Gul Ahmed Holdings (Private) Limited, the ultimate holding company of the Group, held 413,383,760 (June 30, 2024: 413,383,760) ordinary shares of Rs. 10 each, constituting 55.86% (June 30, 2024: 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 (June 30, 2024: 99,476,824) ordinary shares of Rs. 10 each.

16.2.2 As per the Honourable Sindh High Court's order, the Group has held 3,471,541 (June 30, 2024: 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.

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

17 RESERVES

	Note	2025	2024
		------------ (Rupees in '000) -----------	
Capital reserves			
Amalgamation reserve	17.1	8,252,059	8,252,059
Statutory reserve	17.2	24,093	20,845
Against long term investments, capacity expansion and BMR	17.3	23,000,000	23,000,000
Foreign currency translation reserve	17.4	(321,067)	(302,206)
		30,955,085	30,970,698
Revenue reserve			
Unappropriated profit		13,484,518	8,956,407
		44,439,603	39,927,105

17.1 This represents reserves created under the Scheme of Arrangement dated May 05, 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 October 29, 2021.

17.2 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.

17.3 The Board of the Holding Company, in its meeting held on September 25, 2023, approved the creation of a reserve, for the purpose of long term investments, Business Modernisation and capacity expansion, 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.

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

18 LONG TERM FINANCING

	Note	2025	2024
		------------ (Rupees in '000) -----------	
Secured			
From Banking Companies	18.1	16,662,456	10,983,212
From Non-Banking Financial Institutions	18.2	2,826,322	3,562,997
Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant	18.3	2,781,877	3,279,314
		22,270,655	17,825,523
Current portion shown under current liabilities	25	(3,878,180)	(3,233,936)
	18.10	18,392,475	14,591,587

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit per annum rate	2025	2024
						(Rupees in '000)	
18.1 Banking Companies - Secured							
Islamic							
Holding company							
Dubai Islamic Bank Under LTL scheme	18.5, 18.8 & 18.9	24 and 36 quarterly	May 06, 2032	173,079	Three months KIBOR ask rate + 0.3% payable quarterly	4,700,000	-
Faysal Bank Limited Under ILTFF scheme - - Diminishing Musharaka	18.5, 18.7 & 18.9	32 quarterly	November 01, 2030	28,128	2.75% - 3.9% p.a. payable quarterly	485,178	645,711
Meezan Bank Limited Under LTL and ILTFF scheme - - Diminishing Musharaka	18.6, 18.8 & 18.9	32 quarterly	September 13, 2032	91,054	3.5% - 5.5% p.a. payable quarterly	2,174,863	2,529,595
Subsidiary company							
Meezan Bank Limited Under Diminishing Musharaka	18.11	12 monthly (after 1 year grace period)	December 31, 2026	125,000	One month KIBOR ask rate + 0.05% payable monthly	1,500,000	-
Bank Al-Falah Limited Under Diminishing Musharaka	18.11	4 quarterly	April 30, 2027	375,000	Three months KIBOR ask rate + 0.25% payable quarterly	1,500,000	-
Conventional							
Askari Bank Limited Under LTFF scheme	18.5, 18.8 & 18.12	20 and 32 quarterly	August 12, 2027	25,163	2.75% - 3.5% p.a. payable quarterly	453,209	553,368
Bank Al-Habib Limited Under LTFF scheme	18.7	16 half yearly	October 22, 2027	13,519	2.75% p.a. payable half yearly	81,109	108,147
Bank Al-Falah Limited Under LTFF and LTL scheme	18.4 & 18.8	16 half yearly	December 26, 2032	58,964	3% - 5.5% p.a. payable half yearly	550,482	668,409
The Bank of Khyber Under LTL scheme	18.4	32 quarterly	August 17, 2032	15,625	5.5% - 8.5% p.a. payable quarterly	437,500	500,000
The Bank of Punjab Under LTFF scheme	18.4 & 18.8	28 quarterly	December 02, 2030	71,429	3% p.a. payable quarterly	682,394	967,990
Habib Bank Limited Under LTL and LTFF scheme	18.6 & 18.7	32, 36 and 39	August 09, 2032 quarterly	50,655	2.80% - 3.25% p.a. payable half yearly and quarterly	966,207	1,163,250
MCB Bank Limited Under LTL scheme	18.6 & 18.8	32 quarterly	February 23, 2031	9,596	4.00% p.a. payable half yearly and quarterly	201,637	240,179
National Bank of Pakistan Under LTFF scheme	18.4, 18.5, 18.6 & 18.8	20 and 32 quarterly	May 26, 2030	85,313	2.75% - 2.80% p.a. payable half yearly and quarterly	1,358,119	1,674,467
Soneri Bank Limited Under LTFF scheme	18.4 & 18.8	16 half yearly and 32 quarterly	April 14, 2032	40,395	3.50% - 5.0% p.a. payable half yearly and quarterly	743,684	876,346
United Bank Limited Under LTFF scheme	18.5 & 18.8	16 half yearly	March 21, 2032	64,452	2.75% - 6.25% p.a. payable half yearly and quarterly	754,021	912,670
Samba Bank Limited Under LTFF scheme	18.4, 18.8 & 18.12	10 and 16 half yearly	December 27, 2028	35,501	3% p.a. payable half yearly	74,053	143,080
						16,662,456	10,983,212

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up /profit per annum rate	2025	2024
						(Rupees in '000)	
18.2 Non-Banking Financial Institutions - Secured							
Pair Investment Company Limited	18.4 ,18.6 & 18.8	12 and 16 half yearly	October 15, 2029	65,392	3.0%- 3.5% p.a. payable half yearly Under LTFF scheme	311,699	419,341
Pak Kuwait Investment Pvt. Limited Under LTFF scheme	18.4 ,18.5 & 18.8	32 quarterly	September 25, 2032	62,189	3.0%- 8.5% p.a. payable quarterly	960,562	1,211,540
Pak China Investment Pvt. Limited Under LTFF scheme	18.4 ,18.5 & 18.8	32 quarterly	November 22, 2031	44,763	3.35% - 5.35% p.a. payable quarterly	1,079,118	1,261,065
Pak Brunei Investment Company Limited Under LTFF scheme	18.4 ,18.5 & 18.8	16 half yearly	July 28, 2027	36,524	2.5% p.a. payable quarterly	159,472	232,684
Pak Oman Investment Company Limited Under LTFF scheme	18.5 & 18.8	32 quarterly	September 13, 2027	30,724	2.75% p.a. payable quarterly	315,471	438,367
						2,826,322	3,562,997
18.3 Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant							
Habib Bank Limited	18.5 & 18.8	16 half yearly	September 23, 2030	59,375	2.25 % p.a. payable half yearly	637,854	750,163
MCB Bank Limited	18.6 & 18.8	32 quarterly	February 23, 2031	13,841	3.00% p.a. payable quarterly	296,868	349,236
MCB Islamic Bank Limited	18.6 & 18.8	32 quarterly	January 19, 2031	9,375	2.50% p.a. payable quarterly	201,416	236,889
Bank of Punjab	18.4 ,18.5 & 18.8	32 quarterly	December 02, 2030	31,250	2.0 % p.a. payable quarterly	727,587	863,939
Pak Kuwait Investment (Private) Limited	18.4 ,18.5 & 18.8	32 quarterly	September 25, 2032	9,464	2.5% p.a. payable quarterly	187,579	223,491
Pak China Investment (Private) Limited	18.4 ,18.5 & 18.8	32 quarterly	November 22, 2031	17,738	2.50% p.a. payable quarterly	386,414	453,453
Saudi Pak Industrial And Agricultural Investment Company Limited	18.4 ,18.5 & 18.8	32 quarterly	April 27, 2031	15,357	2.50% p.a. payable quarterly	344,159	402,143
						2,781,877	3,279,314

18.4 These loans are secured by first pari passu charge over present and future operating fixed assets of the Holding Company.

18.5 These loans are secured by charge over specified machinery.

18.6 These loans are secured by first pari passu charge over present and future operating fixed assets of the Holding Company and equitable mortgage over land and building.

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

18.8 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.

18.9 These loans are obtained under Shariah compliant arrangements.

18.10 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 Group.

18.11 Loans are secured by first equitable mortgage charge over the subsidiary company's property.

18.12 These represent financing obtained from related parties (associated banks due to common directorships) of the Group.

19 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

	Note	2025	2024
		(Rupees in '000)	
Opening balance		3,738,012	3,601,520
Additions during the year		2,356,426	528,589
Interest expense	34	747,487	507,171
Adjustment during the year		113,726	145,823
Payments during the year		(1,477,737)	(1,044,823)
Foreign currency translation		177	(268)
Closing balance		5,478,091	3,738,012
Current portion shown under current liabilities	25	1,094,691	548,173
Non-current portion		4,383,400	3,189,839
Closing balance		5,478,091	3,738,012

19.1 Maturity profile of minimum lease payments

	2025		
	Minimum lease payments	Interest	Present value of minimum lease payments
	(Rupees in '000)		
Less than one year	1,826,863	(732,172)	1,094,691
Between one and five years	4,791,033	(581,176)	4,209,857
More than five years	1,207,514	(1,033,971)	173,543
	7,825,410	(2,347,319)	5,478,091

	2024		
	Minimum lease payments	Interest	Present value of minimum lease payments
	(Rupees in '000)		
Less than one year	1,004,616	(456,443)	548,173
Between one and five years	3,852,324	(1,222,390)	2,629,934
More than five years	944,132	(384,227)	559,905
	5,801,072	(2,063,060)	3,738,012

20 DEFERRED INCOME - GOVERNMENT GRANT

	Note	2025	2024
		(Rupees in '000)	
Opening balance		102,906	134,994
Amortised during the year	33	(28,251)	(32,088)
		74,655	102,906
Current portion shown under current liabilities	25	(24,035)	(28,251)
Closing balance		50,620	74,655

20.1 This represent government grant recognised 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, Modernisation 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.

21 DEFINED BENEFIT PLAN - STAFF GRATUITY

	Note	2025	2024
		(Rupees in '000)	
21.1 Reconciliation of the present value of defined benefit obligation and movement in net defined benefit liability			
Opening balance		528,898	337,549
Charge	21.2	268,770	236,932
Remeasurement (gain) / loss	21.3	(76,940)	41,421
Benefits paid		(245,621)	(83,420)
Benefits due but not paid		-	(3,406)
Foreign currency translation		160	(178)
Closing balance		475,267	528,898
21.2 Charge for the year recognised in consolidated statement of profit or loss			
Current service cost		205,666	191,611
Mark-up cost		59,077	46,588
		264,743	238,199
Charge / (reversal) in respect of obligation of the subsidiary company		4,027	(1,267)
		268,770	236,932
21.3 Remeasurement loss / (gain) charged in consolidated statement of other comprehensive income			
Actuarial (gain) / losses from changes in financial assumptions		(1,683)	20,441
Experience adjustments		(75,257)	20,980
		(76,940)	41,421

21.4 **Significant actuarial assumptions used**

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

	2025	2024
Discount rate used for year end obligation	11.75%	14.75%
Rate used for markup cost	14.75%	16.25%
Expected increase in salary	10.00%	20.00%
Mortality rates	SLIC 2001-2005	SLIC 2001-2005
	Set back 1 Year	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 June 30, 2024 was 14.75% per annum. However, in the current investment environment, where there is an downward trend in the interest rate structure, the discount rate has been decreased to 11.75% per annum, in line with the specifications of the IAS-19.

Correspondingly, due to decrease in inflationary expectations, the rate of increase in eligible salary has been decreased to 10.75% from 13.75% per annum.

21.5 **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 has been 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.

21.6 **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 June 30, 2025. 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.

21.7 **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:

	2025	2024
	------------- (Rupees in '000)	-----------
Discount Rate + 100 bps	6,502	7,098
Discount Rate - 100 bps	(6,754)	(7,366)
Salary increase + 100 bps	(6,503)	(7,185)
Salary increase - 100 bps	6,371	7,044

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

21.8 **Maturity profile**

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

	2025	2024
FY 2025	N/A	321,496
FY 2026	278,916	258,322
FY 2027	215,999	178,930
FY 2028	146,144	123,968
FY 2029	98,818	86,754
FY 2030	67,340	61,650
FY 2031	47,396	45,036
FY 2032	32,144	31,222
FY 2033	23,215	23,818
FY 2034	16,462	17,535
FY 2035	11,642	50,061
FY 2036 onwards	30,986	N/A

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

21.9 **Estimated expenses to be charged to consolidated statement of profit or loss in financial year 2026:**

Current service cost	191,624
Mark up on defined benefit obligation	38,390
	230,014

22 TRADE AND OTHER PAYABLES

	Note	2025	2024
		(Rupees in '000)	
Creditors		16,511,384	14,773,722
Accrued expenses		7,812,355	6,809,442
Gas infrastructure development cess payable	22.1	3,686,367	3,686,367
Payable to bank under bill discounting arrangement		2,111,194	7,149,819
Advance from customers		691,091	831,454
Workers' profit participation fund	22.2	331,048	391,652
Workers' welfare fund	22.3	143,045	129,235
Taxes withheld		164,939	151,588
Payable to employees' provident fund trust		47,732	69,600
Liability under forward cover		64,902	-
Due to related parties	22.4	53,086	95,157
Others	22.5 & 22.6	226,119	233,839
		31,843,262	34,321,875

22.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015 (refer note 27.4).

22.2 Workers' profit participation fund

	Note	2025	2024
		(Rupees in '000)	
Movement of balance during the year:			
Opening balance		391,652	342,711
Allocation	32	331,048	361,927
Markup		22,867	8,908
		745,567	713,546
Payments		(414,519)	(321,894)
Closing balance		331,048	391,652

22.3 Workers' welfare fund

	Note	2025	2024
Movement of balance during the year:			
Opening balance		129,235	122,667
Allocation	32	143,045	129,236
		272,280	251,903
Payments		(129,235)	(122,668)
Closing balance		143,045	129,235

22.4 Due to related parties

	2025	2024
Win Star (Private) Limited	26,022	19,211
Swisstex Chemicals (Private) Limited	398	49,508
Grand Industries (Private) Limited	4,617	4,389
TPL Properties Limited	22,049	22,049
	53,086	95,157

22.5 This includes withheld taxes payable of Rs. 65.217 million (2024: Rs. 95,186 million) and Rs 54.266 million (2024: Rs. 39.286 million) in respect of unutilised gift cards.

22.6 This includes amount of Rs. 84.055 million on account of credits errorneously made by payment gateway.

23 ACCRUED MARK-UP / PROFIT

	Note	2025	2024
		(Rupees in '000)	
Long term financing		192,314	192,003
Short term borrowings		694,476	1,211,748
	23.1 & 23.2	886,790	1,403,751

23.1 This includes accrued markup / profit of Rs. 132.8 million and Rs. 161.0 million (June 30, 2024: Rs. 81.1 million and Rs. 358.7 million) accrued in long term financing and short term borrowings respectively under Shariah Compliant arrangements.

23.2 This includes accrued markup pertaining to related parties (associated banks due to common directorships) amounting to Rs. 4 million and Rs. 82 million in respect of long term financing and short term borrowings respectively (June 30, 2024: Rs. 5 million and Rs. 257 million).

24 SHORT TERM BORROWINGS

	Note	2025	2024
		(Rupees in '000)	
Local currency			
Running finance		5,593,672	5,286,695
Export refinance scheme		22,161,400	20,761,400
Other short term finances		4,204,545	3,868,906
		31,959,617	29,917,001
Foreign currency			
Export facilitation scheme		8,819,749	9,542,784
Foreign currency export finance		13,884,170	2,785,867
Foreign currency import finance		783,043	-
Running finance		635,478	248,676
		24,122,440	12,577,327
	24.1 to 24.5	56,082,057	42,494,328

24.1 This includes Istisna Financing (Shariah Compliant) amounting to Rs. 14,844 million (June 30, 2024: Rs. 9,949 million) in local currency. This also includes Running Musharika (Shariah Compliant) amounting to Rs. 1,750 million (June 30, 2024: Nil).

24.2 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. 16,753 million (June 30, 2024: Rs. 4,734 million).

24.3 This includes revolving short term borrowing amounting to Rs. 203 million @ 9.5% (June 30, 2024: Rs. 73 million @ 9.5%) obtained by Sky Home Corp from Habib American Bank. 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. Revolving loans against factored receivables of Sky Home Corporation use for payment of import bills, purchases and to meet other operating expenses. Payment of principal and interest on realisation of receivables.

24.4 Local currency borrowings markup ranges from 8% to 12.5% (June 30, 2024: 18% to 25%) per annum payable quarterly, whereas, foreign currency borrowings markup range from 2.5% to 5% (June 30, 2024: 2.5% to 6%) per annum.

24.5 These include balances pertaining to related parties (associated banks due to common directorships) amounting to Rs. 8,796 million (June 30, 2024: Rs. 14,579 million).

25 **CURRENT PORTION OF NON-CURRENT LIABILITIES**

	Note	2025	2024
		(Rupees in '000)	
Current portion of:			
Long term financing - secured	18	3,878,180	3,233,936
Lease liability against right of use asset	19	1,094,691	548,173
Deferred income - government grant	20	24,035	28,251
		4,996,906	3,810,360

	Note	2025	2024
26 **UNPAID DIVIDEND**	26.1	23,505	23,505

26.1 This represents amount 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 (June 30, 2024: Rs. 18 million and Rs. 0.8 million) of Gul Ahmed Holdings (Private) Limited and an associated company 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 i duly registered in its name and appearing in the books at a cost of Rs. 83.86 million (June 30, 2024: 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 March 30, 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 (June 30, 2024: 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 finalisation 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 Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated June 30, 2016 made amendments in SRO 1125(I)/2011 dated December 31, 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 November 10, 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 (June 30, 2024: Rs. 431.88 million) in these consolidated financial statements.

27.4 The Holding Company's review petition challenging the decision of High Court against the GIDC Act, 2015 had been dismissed by the 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 December 15, 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 the 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 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. 3.69 billion (June 30, 2024: Rs. 3.69 billion) in these consolidated financial statements (refer note 22.1).

27.5 The Holding Company has filed appeal before Commissioner Appeals Inland Revenue against the Order-In-Original vide No. 04/176 of 2023 dated August 24, 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.

27.6 For the tax year 2016, FBR issued income tax amended order under section 122(1) of the ITO, 2001 on August 21, 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 September 17, 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.

27.7 The Federal Government, through the Finance Act, 2019, amended Section 65B of the ITO, 2001, reducing the rate of tax credit from 10% to 5% on investments made in the extension, expansion, balancing, modernization, and replacement (BMR) of plant and machinery for Tax year 2019. Further, the availability of such tax credit was curtailed to June 30, 2019, whereas under the un-amended law, it was available up to June 30, 2021.

The Holding Company, along with other petitioners, challenged the aforesaid amendment before the Honourable Sindh High Court through constitutional petitions filed for Tax years 2019, 2020, and 2021. The Honourable Court granted interim relief, allowing the petitioners to file their income tax returns in accordance with the un-amended provisions of Section 65B. Consequently, the Holding Company claimed tax credit at the rate of 10% in its income tax returns for the above-mentioned tax years.

On February 07, 2023, the Honourable Sindh High Court decided the matter, holding that tax credit under Section 65B at the rate of 10% was allowable, subject to the condition that the letter of credit for import of plant and machinery was established on or before June 30, 2019 and the installation was completed on or before June 30, 2021.

The (FBR) preferred an appeal before the Honourable Supreme Court, contending that the applicable rate of tax credit should be restricted to 5% instead of 10%. Vide judgment dated September 18, 2024, the Honourable Supreme Court upheld the allowance of 10% tax credit only in respect of plant and machinery imported and installed up to June 30, 2019, while disallowing the tax credit for Tax Year 2020. Since the Holding Company had derecognised the investment tax credit in previous years, now as a result of the aforementioned judgement of the Supreme Court, the Holding Company has recorded adjustment of Rs. 470.177 million, for the said judgement in these consolidated financial statements (refer note 36).

27.8 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 October 03, 2023 allowing the petitioners not to pay Super Tax in excess of the rate prescribed in the amendment under challenge and has restrained tax authorities, from taking any coercive action against the Holding Company. On March 15, 2024, the Honourable Islamabad High Court decided the case in favour of the Holding Company. The FBR 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 is Rs. 946 million (June 30, 2024: Rs. 421 million).

The Supreme court, vide Order dated March 23, 2025 directed that all the petitioners and appeal pending at different High court of the Country regarding Super Tax should be transferred to the Supreme Court of Pakistan. Accordingly, the above mentioned case has also been, transferred to the Supreme Court of Pakistan.

27.9 The Holding Company along with several other petitioners had filed a Constitution Petition on January 16, 2020 against Karachi Water & Sewerage Board (KWSB) and others in the Honourable Sindh High Court against notification dated October 30, 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. 337.89 (June 30, 2024: Rs. 211.72 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.

27.10 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 May 28, 2011. Furthermore, the Holding Company has also filed petition against Sindh Infrastructure Cess levied through the Sindh Finance Act, 1994. During the year ended June 30, 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 October 14, 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. 2,107 million as a security was given (June 30, 2024: Rs. 1,477 million).

27.11 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 August 31, 2015 regarding increase in the gas tariff, on November 16, 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. As a matter of prudence, the Holding Company has maintained a full provision of the said notification amounting to Rs. 159.9 million (June 30, 2024: Rs. 159.9 million) in the consolidated financial statements.

OGRA issued further notifications on December 30, 2016, September 17, 2018, October 23, 2020 enhancing the rates. The Holding Company, along with others, has filed petition in the Honourable Sindh High Court against the said notifications.

For notification dated December 30, 2016, Honourable Sindh High Court granted interim relief and instructed Sui Southern Gas Company (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. During the year, the Divisional Bench of Honorable Sindh High Court has decided the case in favour of the Holding Company vide judgment dated February 03, 2025. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court returns the cheques of Rs. 250.67 million which was deposited with Nazir, which have been received back by the Holding Company. SSGC has filed the appeal in Supreme Court against the judgment.

For notification dated October 23, 2020, on February 18, 2024, the Honourable Sindh High Court decided the case against the Holding Company. 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 March 28 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.

On February 15, 2023, OGRA issued another notification revising the gas tariff with retrospective effect from January 01, 2023. The Holding Company, along with several other companies, has filed a suit in the Honourable Sindh High Court challenging the increase in the gas tariff with retrospective effect. The Honourable Sindh High Court has restrained SSGC from taking any coercive action against the Holding Company. As a matter of prudence, the Holding Company has maintained a full provision of the said notification amounting to Rs. 174.4 million (June 30, 2024: Rs. 174.4 million) in the consolidated financial statements.

On November 08, 2023, OGRA issued notification and increased the gas rate retrospectively from November 01, 2023. The Holding Company along with others filed petition in the Honourable Sindh High Court against the notification challenging the increase of gas tariff and its retrospective application from November 01, 2023. While 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 bills post favourable decision.

While awaiting the decision for above case, on February 15, 2024, SSGC issued another notification to further increase the gas tariff with retrospective application from February 1, 2024, where the Holding Company again challenged its retrospective charge from February 01, 2024. Subsequently, the Honourable Sindh High Court decided the case of retrospective application under above notification in favour of the Holding Company, which has been challenged by SSGC in the Supreme Court of Pakistan and is currently, pending for hearing.

27.12 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 August 31, 2015 for charging of captive power tariff instead of Industry tariff rate to the Holding Company, as the Holding Company is producing electricity entirely for its own consumption, on November 16, 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. SSGC has filed the appeal in Supreme Court against the judgement. As a matter of prudence, the Holding Company has maintained a full provision of the said notification amounting to Rs. 237.6 million (June 30, 2024: Rs. 237.6 million) in the consolidated financial statements.

The Holding Company along with several other companies has filed a suit in the Honourable Sindh High Court challenging the notifications dated December 30, 2016, September 17, 2018 and October 23, 2020 for charging of captive power tariff instead of Industry tariff rate to the Holding Company, as 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 SSGC from taking any coercive action against the Holding Company.

During the year, for OGRA Notification dated on December 30, 2016, the Divisional Bench of Honorable Sindh High Court has decided the case in favour of the Holding Company vide judgment dated February 03, 2025. SSGC has filed the appeal in Supreme Court against the judgment. Simultaneously, the Divisional Bench of Sindh High Court vide Judgment dated March 10, 2025, ordered that the Nazir of Sindh High Court returns the cheques of Rs. 388.57 million which was deposited with Nazir, which have been received back by the Holding Company. SSGC has filed the appeal in Supreme Court against the judgment.

OGRA issued another notification dated October 04, 2018 revising the tariff effective September 27, 2018, and subsequent to this notification, the Holding Company paid the bills accordingly at the specified rates.

27.13 The Holding Company along with other Companies, have challenged the vires of the Off the Grid (Captive Power Plants) Levy Ordinance, 2025 promulgated on January 30, 2025 and the notifications dated March 07, 2025 issued by the Ministry of Energy in purported exercise of the powers conferred by section 3(1) of the Impugned Ordinance, which imposes a levy, to be notified by Ministry of Energy, on the consumption of natural gas or RLNG by captive power plants over and above the sale price of such natural gas or RLNG. The above case is still pending before the Honourable Islamabad High Court. The Holding Company, along with others, filed petition in the Honourable Sindh High Court against the notification challenging with its retrospective implication from February 01, 2025. The Honourable Sindh High Court has passed the interim orders for not charging the relevant amount for the month of February 2025. The Bank Guarantee of Rs. 138.59 million (June 30, 2024 Rs. Nil) as a security was given, while awaiting the decision for above case.

27.14 Guarantees and others

(a) Guarantees of Rs. 5,464 million (June 30, 2024: Rs. 2,542 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. 2,980 million (June 30, 2024: Rs. 1,154 million).

(b) Post dated cheques of Rs. 30,298 million (June 30, 2024: Rs. 25,580 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. 11,220 million (June 30, 2024: Rs. 13,451 million), including bills discounted from related parties amounting to Rs. 3,643 million (June 30, 2024: Rs. 4,470 million).

(d) Corporate guarantee of Rs. 264 million (June 30, 2024: Rs. 237 million), Rs. 1,129 million (June 30, 2024: 1,106 million) and Rs. 256 million (June 30, 2024: Rs. 251 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited, Gul Ahmed International FZC and Sky Home Corp. respectively.

27.15 Commitments

	Note	2025	2024
		(Rupees in '000)	
Capital expenditure for plant and machineries		3,892,512	761,382
Other than capital expenditure	27.15.1	22,897,749	15,429,528
Forward foreign exchange contracts	27.15.2	9,183,718	21,344,805

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

27.15.2 This includes forward foreign exchange contracts amounting to USD 30 million (2024: USD 33 million), equivalent to Rs. 8,646 million (June 30, 2024: Rs. 9,543 million) obtained under pre-shipment exports. The Group is obligated to provide export documents against such amount. The above liability has been appropriately recorded under Export Facilitation Scheme and is disclosed in note 24 of these consolidated financial statements.

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. 2.0 million (June 30, 2024: Rs. 1.8 million).

28 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	2025	2024
		(Rupees in '000)	
Export sales			
Direct		111,903,310	104,134,670
Indirect		43,991,771	35,374,474
		155,895,081	139,509,144
Export rebate		-	567,346
Trade and other discount		(1,190,366)	(856,537)
Commission		(1,769,346)	(2,277,994)
Sales tax		(6,712,615)	(3,343,155)
		146,222,754	133,598,804
Local sales	28.1	47,196,733	45,760,881
Brokerage		(435,757)	(407,153)
Sales tax		(7,442,298)	(6,472,804)
		39,318,678	38,880,924
		185,541,432	172,479,728

28.1 Local sales include revenue from in-house manufacturing services on behalf of third party of Rs. 1,178 million (2024: Rs. 772 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 is from shariah permissible business.

29 COST OF SALES

	Note	2025	2024
		(Rupees in '000)	
Opening stock of finished goods		14,867,005	14,774,304
Cost of goods manufactured	29.1	149,072,268	134,595,936
Purchase of finished goods		9,571,527	9,232,274
		173,510,800	158,602,514
Closing stock of finished goods	11	(20,046,894)	(14,867,005)
		153,463,906	143,735,509

29.1 Cost of goods manufactured

	Note	2025	2024
Raw materials consumed	29.2	100,360,089	91,207,219
Other material and conversion cost		11,691,729	10,914,792
Stores and spares consumed		143,443	384,074
Salaries, wages and benefits	31.1	18,022,557	16,426,653
Fuel, power and water		13,571,818	12,048,844
Insurance		279,643	226,843
Repair and maintenance		2,062,373	2,305,168
Depreciation and amortisation	4.1.1 & 6.1	4,397,811	4,292,357
Depreciation on right of use assets	5	14,463	22,451
Reversal of provision for slow moving - stores and spares	10.1	(51,249)	(148,345)
Reversal of provision for slow moving - stock-in-trade	11.1	(174,464)	(12,028)
Other manufacturing expenses		998,708	599,852
		151,316,921	138,267,880
Work-in-process (WIP)			
Opening stock - WIP		9,921,938	6,249,994
Closing stock - WIP	11	(12,166,591)	(9,921,938)
		(2,244,653)	(3,671,944)
		149,072,268	134,595,936

29.2 Raw materials consumed

	Note	2025	2024
Opening stock - raw material		31,297,840	26,502,764
Purchases during the year		109,116,941	96,002,295
Closing stock - raw material	11	(40,054,692)	(31,297,840)
		100,360,089	91,207,219

30 SELLING AND DISTRIBUTION COST

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	31.1	3,374,873	2,709,337
Freight and shipment expenses		2,394,813	1,731,190
Advertisement and publicity		1,506,772	1,439,929
Rent and ancillary charges	30.2	692,133	720,972
Depreciation and amortisation	4.1.1 & 6.1	483,766	386,460
Depreciation on right of use assets	5	946,012	629,673
Utilities		707,074	689,375
Communication		329,215	330,581
Export development surcharge		282,183	316,177
Royalty, markdown allowance and damage chargeback	30.1 & 30.3	41,830	1,652
Other expenses		562,636	1,045,437
		11,321,307	10,000,783

30.1 Royalty charges being 6% of the net sales of Sky Home Corp pertains to Joint Trademark Holdings LLC, a Delaware Limited Liability Company, having registered office at 1450 Broadway, 3rd Floor, New York, NY10018 and Portico Brands, LLC, a Delaware Limited Liability Company, with a registered place of business at 156 Fifth Avenue, 10th Floor,New York, New York 10010.

30.2 These represent variable rents, rents of short term leases and other ancillary charges related to leased premises.

30.3 This includes markdown allowance, which is a rebate from manufacturer to retailer to cover losses from clearance or promotional pricing. Further, it includes a damage chargeback, which is a fee a retailer or vendor pays to a marketplace, for damaged goods that cannot be resold.

31 ADMINISTRATIVE COST

	Note	2025	2024
		(Rupees in '000)	
Salaries, wages and benefits	31.1	2,755,410	2,682,505
Rent and ancillary charges	31.2	192,179	275,299
Repairs and maintenance		37,800	262,748
Vehicle up keep and maintenance		942,173	600,314
Utilities		13,127	34,609
Traveling and conveyance		766,240	507,196
Printing and stationery		99,212	107,530
Communication		256,884	303,732
Legal and consultancy fees		183,065	231,164
Fees and subscription		260,391	94,693
Depreciation and amortisation	4.1.1 & 6.1	265,469	327,031
Depreciation on right of use assets	5	33,253	54,126
Auditors' remuneration	31.3	26,095	28,636
Donations	31.4 & 31.5	119,047	62,095
Insurance		241,149	188,708
Expected credit loss on trade debts	12.1	(58,900)	(226,929)
Expected credit loss on other receivables	13.1	38,792	-
Other expenses		664,102	413,506
		6,835,488	5,946,963

31.1 **Salaries, wages and benefits**

	Cost of sales		Distribution costs		Administrative costs		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	(Rupees in '000)							
Salaries, wages and benefits	17,272,819	15,771,973	3,337,169	2,635,010	2,699,431	2,617,473	23,309,420	21,024,456
Retirement benefits								
Gratuity (note 21.2)	268,770	236,932	-	-	-	-	268,770	236,932
Provident fund	374,708	321,501	37,665	74,310	55,854	64,932	468,227	460,743
	643,478	558,433	37,665	74,310	55,854	64,932	736,997	697,675
Staff compensated absences	106,260	96,247	39	17	125	100	106,424	96,364
	18,022,557	16,426,653	3,374,873	2,709,337	2,755,410	2,682,505	24,152,840	21,818,495

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 **Auditors' remuneration**

	2025	2024
	(Rupees in '000)	
Holding Company		
Audit fee	10,800	10,800
Fee for review of condensed interim financial statements	2,160	2,160
Fee for audit of consolidated financial statements	1,560	1,560
Review fee of statement of compliance with code of corporate governance	200	480
Other certification fee	400	2,200
Out of pocket expenses	2,458	5,441
	17,578	22,641
Local Subsidiary	1,288	1,080
Foreign Subsidiaries - Audit fee (multiple audit firms)	7,229	4,915
	26,095	28,636

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**	**2025**	2024
			(Rupees in '000)	
Habib University Foundation	Common Directorship	Mr. Mohomed Bashir	4,002	8,785
Landhi Association of Trade & Industry	Patron in Chief	Mr. Ziad Bashir	400	250

31.5 During the year, the Group made donations amounting to Rs. 100 million to Indus Hospital and Health Network (2024: Rs. 43 million to Saylani Welfare International Trust).

32 OTHER EXPENSE

	Note	**2025**	2024
		(Rupees in '000)	
Workers' profit participation fund (WPPF)	22.2	331,048	361,927
Workers' welfare fund (WWF)	22.3	143,045	129,236
Loss on sale of operating fixed assets	4.1.2	52,272	57,358
Loss on reassessment of right of use asset and corresponding lease liability		46,930	9,902
Others		652	13,769
		573,947	572,192

33 OTHER INCOME

	Note	**2025**	2024
Income from non-financial assets and others			
Scrap sales		3,004	-
Government grant	20	28,251	32,088
Unclaimed liabilities written back		13,794	3,910
Others		55,488	136,477
		100,537	172,475
Income from financial assets			
Mark-up income on TFC	33.1	11,819	16,481
Dividend income		-	1,462
Other markup income	33.2	154,514	103,193
Exchange gain from currency realisation		798,332	1,219,444
Exchange gain from derivative financial instruments	33.3	105,037	642,378
		1,069,702	1,982,958
		1,170,239	2,155,433

33.1 This includes profit earned on Shariah Compliant investment on TFCs.

33.2 This includes markup income earned on interest bearing loan to employees (note 8.1) and TDRs (note 13.2).

33.3 This includes unrealised exchange gain earned on conventional derivative instruments during the year amounting to Rs. 64.9 million. (2024: Rs. 332.31 million).

34 FINANCE COSTS

	Note	**2025**	2024
		(Rupees in '000)	
Markup / profit on:			
- Short term borrowings		4,789,985	4,956,070
- Long term financing		710,319	1,013,013
- Workers' profit participation fund	22.2	22,867	8,908
Bank and other charges		1,689,998	1,179,020
Interest expense on lease liabilities against right of use assets	19	747,487	507,171
	34.1	7,960,656	7,664,182

34.1 Finance cost includes Rs. 790 million and Rs. 1,646 million (2024: Rs. 241.8 million and Rs. 1,183 million) in long term financing and short term borrowing respectively under Shariah Compliant mode of financing.

	Note	**2025**	2024
		(Rupees in '000)	
35 LEVIES	35.1	1,692,863	2,235,322

35.1 This represents minimum tax paid (2024: Final tax) under sections 154 and 113 of ITO, representing levy in terms of requirements of IFRIC 21/ IAS 37.

36 TAXATION

	2025	2024
	(Rupees in '000)	
Current tax	787,381	275,114
Prior tax	(489,991)	(22,160)
	297,390	252,954
Deferred tax income	111,695	(624,707)
	409,085	(371,753)

36.1 The Holding company being majority of the Group is subject to Minimum Tax Regime under section 113 and section 154 of the ITO, (2024: Final tax under section 154) for local and export sales. Accordingly, the relationship between tax expense and accounting profit has not been presented in these consolidated financial statements.

36.2 The aggregate of minimum tax and income tax, amounting to Rs. 2,480 million (2024: Rs. 2,510 million) represents tax liability of the Group calculated under the relevant provisions of the ITO.

36.3 For the Holding Company as per the guidelines issued by Institute of Chartered Accountants of Pakistan 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 Holding Company, based on the projections of taxable income, is expected to be taxed under Minimum Tax u/s 113 of the ITO for the foreseeable future. Hence the Holding Company has not recorded any deferred tax liability as at June 30, 2025 and June 30, 2024.

37 EARNINGS PER SHARE - basic and diluted

	Note	2025	2024
Profit after taxation (Rupees in '000)		4,454,419	4,851,963
Weighted average outstanding shares (Number)		740,059,458	740,059,458
Earnings per share - basic and diluted (Rupees)	37.1	6.02	6.56

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) Home textile: Production of different types and qualities falling under the definition of home textile.
c) Retail: Sale of textile goods and other products through retail and online channels.
d) 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

	Apparel		Home Textile		Retail		All other segments		Elimination Of Inter Segment Transactions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in '000)											
Sales to external customers	43,295,304	37,465,896	82,124,370	76,806,077	26,640,757	28,969,205	33,481,001	29,238,550	-	-	185,541,432	172,479,728
Intersegmental sales	8,958,108	20,812,656	28,776,029	22,742,914	70,335	41,483	11,718,160	12,598,692	(49,522,632)	(56,195,745)	-	-
Cost of sales	(46,608,768)	(51,475,905)	(100,263,322)	(92,334,755)	(15,357,487)	(18,650,571)	(41,439,135)	(37,470,023)	50,204,806	56,195,745	(153,463,906)	(143,735,509)
Gross profit	5,644,644	6,802,647	10,637,077	7,214,236	11,353,605	10,360,117	3,760,026	4,367,219	682,174	-	32,077,526	28,744,219
Selling, distribution and administrative cost	(530,964)	(451,016)	(5,556,306)	(4,657,633)	(8,776,371)	(7,788,896)	(3,347,773)	(3,050,201)	54,618	-	(18,156,795)	(15,947,746)
Profit before tax and before charging following	5,113,680	6,351,631	5,080,771	2,556,603	2,577,234	2,571,221	412,253	1,317,018			13,920,731	12,796,473
Finance costs											(7,960,656)	(7,664,182)
Other expense											(573,947)	(572,192)
Other income											1,170,239	2,155,433
											(7,364,364)	(6,080,941)
Profit before levies and taxation											6,556,367	6,715,532
Levies and taxation											(2,101,948)	(1,863,569)
Profit for the year											4,454,419	4,851,963
Depreciation and amortisation expense	1,275,326	1,365,083	1,088,354	1,031,594	1,537,948	508,811	2,239,146	2,806,609	-	-	6,140,774	5,712,098

38.2 Segment assets and liabilities

	Spinning		Home Textile		Retail		All other segments		Elimination Of Inter Segment Transactions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees in '000)											
Assets	32,572,319	32,289,234	72,271,204	57,379,745	22,077,579	17,568,817	28,845,531	28,028,755	15,071,779	13,673,330	170,838,412	148,939,881
Liabilities	(11,488,190)	(12,971,968)	(22,373,512)	(22,355,651)	(16,778,161)	(12,487,740)	(16,557,189)	(16,810,685)	(51,801,163)	(36,986,138)	(118,998,215)	(101,612,182)
Segment capital and intangible expenditure	477,342	324,127	1,809,578	1,355,898	761,561	230,793	1,165,291	562,279	2,033,937	2,266,178	6,247,709	4,739,275

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. 41,963 million (2024: Rs. 34,250 million).

39 INFORMATION BY GEOGRAPHICAL AREA

	Revenue		Non-current assets	
	2025	2024	2025	2024
	(Rupees in '000)			
Pakistan	77,033,592	71,319,396	61,236,422	58,870,793
Germany	32,265,194	30,637,887	-	-
United States	14,693,413	14,807,071	-	596
United Kingdom	20,468,011	11,820,996	165,005	131,513
Italy	8,872,670	9,268,684	-	-
France	7,571,900	7,146,621	-	-
Denmark	6,020,894	5,228,578	-	-
Poland	5,469,602	5,058,486	-	-
Netherlands	7,021,034	4,802,197	-	-
Spain	3,009,965	2,944,500	-	-
Sweden	3,654,145	2,125,559	-	-
Other Countries	2,856,481	10,294,091	19,990	61,786
	188,936,901	175,454,066	61,421,417	59,064,688

40 CASH AND CASH EQUIVALENTS

	Note	2025	2024
		(Rupees in '000)	
Cash and bank balances	15	559,457	1,081,768
Running finance	24	(6,229,150)	(5,535,371)
		(5,669,693)	(4,453,603)

40.1 CHANGES ARISING FROM FINANCING ACTIVITIES

	Note	2024	Financing cash inflows, net	Financing cash outflows	Non-cash changes	2025
		(Rupees in '000)				
Long-term finance and deferred government grant	18 & 20	17,928,429	7,700,000	(3,283,119)	-	22,345,310
Short term borrowings - net	24	36,958,957	12,893,950	-	-	49,852,907

	Note	2023	Financing cash inflows, net	Financing cash outflows	Non-cash changes	2024
		(Rupees in '000)				
Long-term finance and deferred government grant	18 & 20	23,348,187	358,000	(5,777,758)	-	17,928,429
Short term borrowings - net	24	28,459,269	8,499,688	-	-	36,958,957

41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			
	Chief Executive	Director	Executives	Total
	(Rupees in '000)			
Managerial remuneration	16,000	12,000	2,263,177	2,291,177
Performance bonus	1,333	1,000	142,053	144,386
House rent allowance	6,400	4,800	598,722	609,922
Other allowances	1,600	1,200	408,045	410,845
Contribution to provident fund	1,333	1,000	154,788	157,121
	26,666	20,000	3,566,785	3,613,451
Persons	1	1	776	778

	2024			
	Chief Executive	Director	Executives	Total
	(Rupees in '000)			
Managerial remuneration	16,000	12,000	2,263,177	2,291,177
Performance bonus	1,333	1,000	142,053	144,386
House rent allowance	6,400	4,800	598,722	609,922
Other allowances	1,600	1,200	408,045	410,845
Contribution to provident fund	1,333	1,000	154,788	157,121
	26,666	20,000	3,566,785	3,613,451
Persons	1	1	776	778

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. 8.6 million (2024: Four Non Executive Directors and Chairman amounting to Rs. 7.7 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	2025	2024
		------------- (Rupees in '000) ----------	
Associated companies			
Grand Industries (Private) Limited	Rent expense	600	2,648
Swisstex Chemicals (Private) Limited	Purchase of goods	106,868	196,859
	Services rendered	-	15,000
Win Star (Private) Limited	Purchase of goods	31,893	31,169
Arwen Tech. (Private) Limited	Services rendered	197,927	182,171
Haji Ali Mohammad Foundation	Rent paid	960	960
The Pakistan Business Council	Fees paid	2,500	2,500
Habib Metropolitan Bank	Bills discounted	17,804,583	23,026,343
	Finance costs	203,159	254,419
Askari Bank Limited	Bills discounted	4,554,017	2,361,162
	Finance costs	269,052	434,005
Samba Bank Limited	Bills discounted	420,155	169,874
	Finance costs	58,251	81,167
Standard Chartered (Pakistan) Limited	Bills discounted	3,915,018	1,696,905
	Finance costs	432,123	468,738
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Holding Company's contribution to provident fund	440,465	392,046
International Cotton Association	Fees paid	693	643
Pakistan Textile Council	Membership fees	2,500	1,250
Landhi Association of Trade and Industry	Fees paid	60	60
International Textile Manufacturers Federation	Fees paid	2,172	2,222
Ideas - Employees Provident Fund Trust	Subsidiary Company's Contribution to Provident fund	74,676 8	68,698

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 8 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	-
Hub Liquid Terminal (Private) Limited	Pakistan	Subsidiary of Parent company	-
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	0.07%
Mohammed Zaki Bashir	-	Director	0.34%
Zain Bashir	-	Director	0.34%
Ziad Bashir	-	Director	0.00%
Ehsan A. Malik	-	Director	0.00%
Zeeba Ansar	-	Director	0.00%
Kamran Y. Mirza	-	Director	0.00%

43 CAPACITY AND PRODUCTION

	Unit	2025 Capacity	2025 Production	2025 Working	2024 Capacity	2024 Production	2024 Working
		----	----	---- (in '000) ----	----	----	----
Spinning	Kgs. (20 Counts converted)	98,277	92,433	3 shifts	98,277	93,227	3 shifts
Weaving	Sq. meters (50 Picks converted)	239,649	219,048	3 shifts	234,987	213,103	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

	2025	2024
As at	17,113	18,466
Average during the year	17,377	18,242

45 PROVIDENT FUND RELATED DISCLOSURES

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

46 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the Group as at June 30, 2025 are as follows;

	Note	2025 interest/mark-up/profit bearing: Maturity up to one year	Maturity after one year	Sub total	2025 Non interest/mark-up/profit bearing: Maturity up to one year	Maturity after one year	Sub total	Total
		----	----	----	(Rupees in '000)	----	----	----
Financial assets								
At amortized cost								
Long term investment	7	-	70,000	70,000	-	-	-	70,000
Long term loans	8	13,980	11,198	25,178	108,268	10,289	118,557	143,735
Other receivables	13	1,019,464	-	1,019,464	535,670	-	535,670	1,555,134
Long term deposits		-	-	-	-	512,483	512,483	512,483
Trade debts	12	-	-	-	21,520,605	-	21,520,605	21,520,605
Cash and bank balances	15	-	-	-	559,457	-	559,457	559,457
At Fair Value Through Profit or Loss								
Short term investment		-	-	-	-	-	-	-
Forward contracts	13	-	-	-	-	-	-	-
		1,033,444	81,198	1,114,642	22,724,000	522,772	23,246,772	24,361,414
Financial liabilities								
At amortised cost								
Long term financing	18	3,878,180	18,392,475	22,270,655	-	-	-	22,270,655
Lease Liability	19	1,094,691	4,383,400	5,478,091	-	-	-	5,478,091
Trade and other payables (other than fair value of forward contracts)	22	-	-	-	26,761,870	-	26,761,870	26,761,870
Accrued mark-up / profit	23	-	-	-	886,790	-	886,790	886,790
Short term borrowings	24	56,082,057		56,082,057		-	-	56,082,057
Unclaimed dividend		-	-	-	9,365	-	9,365	9,365
Unpaid dividend		-	-	-	23,505		23,505	23,505
At Fair Value Through Profit or Loss								
Fair value of forward contracts	22	-	-	-	64,902	-	64,902	64,902
		61,054,928	22,775,875	83,830,803	27,746,432	-	27,746,432	111,577,235

	Note	2024 interest/mark-up/profit bearing: Maturity up to one year	Maturity after one year	Sub total	2024 Non interest/mark-up/profit bearing: Maturity up to one year	Maturity after one year	Sub total	Total
		----	----	----	(Rupees in '000)	----	----	----
Financial assets								
At amortized cost								
Long term investment	7	-	70,000	70,000	-	-	-	70,000
Long term loans	8	23,434	16,125	70,000	49,711	1,814	51,525	91,084
Other receivables	13	621,652	-	39,559	528,101	-	528,101	1,149,753
Long term deposits		-	-	621,652	-	518,467	518,467	518,467
Trade debts	12	-		-	20,719,045	-	20,719,045	20,719,045
Cash and bank balances	15	-	-	-	1,081,768	-	1,081,768	1,081,768
				-				
At Fair Value Through Profit or Loss								
Short term investment		-	-	-	1,243	-	1,243	1,243
Forward contracts	13	-	-	-	332,315	-	332,315	332,315
		645,086	86,125	731,211	22,712,183	520,281	23,232,464	23,963,675
Financial liabilities								
At amortised cost								
Long term financing	18	3,233,936	14,591,587	17,825,523	-	-	-	17,825,523
Lease Liability	19	548,173	3,189,839	3,738,012	-	-	-	3,738,012
Trade and other payables (other than fair value of forward contracts)	22	-	-	-	29,131,579	-	29,131,579	29,131,579
Accrued mark-up / profit	23	-	-	-	1,403,751	-	1,403,751	1,403,751
Short term borrowings	24	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
At Fair Value Through Profit or Loss								
Fair value of forward contracts	22	-	-	-	-	-	-	-
		46,276,437	17,781,426	64,057,863	30,568,675	-	30,568,675	94,626,538

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 minimise 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:

	2025	2024
	(Equivalent USD 000s)	
Trade debts	29,127	36,371
Cash and bank balances	893	1,685
Short term borrowings	(86,429)	(45,112)
Trade and other payables	(1,757)	(623)
Net exposure	(58,166)	(7,679)

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

	2025	2024
	------------- (Rupees in '000) ------------	
Foreign currency commitments and guarantees outstanding at year end are as follows:		
USD	128,191	100,058
EURO	500	500
AED	14,600	14,600
GBP	250	250

The following significant exchange rates were applied during the year:

	2025	2024
Rupee per USD		
Average rate (Selling / Buying)	279.6 / 279.1	283.4 / 283.0
Reporting date rate (Selling / Buying)	283.9 / 283.5	278.6 / 278.1
Rupee per EURO		
Average rate (Selling / Buying)	304.1 / 303.7	306.7 / 306.2
Reporting date rate (Selling / Buying)	333.1 / 332.6	297.8 / 297.4
Rupee per GBP		
Average rate (Selling / Buying)	361.7 / 361.1	356.5 / 357.2
Reporting date rate (Selling / Buying)	389.7 / 389.1	356.9 / 356.4
Rupee per AED		
Average rate (Selling / Buying)	76.1 / 76.0	75.8 / 75.7
Reporting date rate (Selling / Buying)	77.3 / 77.2	77.2 / 77.1

Foreign currency sensitivity analysis

A five percent strengthening / weakening of the PKR against the USD at June 30, 2025 would have increased / decreased the equity and profit / loss after tax by Rs. 814 million (2024: Rs. 334 million). This analysis assumes that all other variables, in particular markups, remain constant. The analysis is performed on the same basis for June 30, 2024.

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

b) **Interest / mark-up rate risk**

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the interest rates. The Group has long term finance and short term borrowings at fixed and variable rates.

The Group is mainly exposed to interest rate risk on 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 rates.

Financial assets include balances of Rs. 1,115 million (June 30, 2024: Rs. 731 million) which are subject to interest rate risk. Financial liabilities include balances of Rs. 83,835 million (June 30, 2024: Rs. 64,058 million) which are subject to interest 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 June 30, 2025, if markups on interest bearing financial instruments would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 827 million (2024: Rs. 603 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

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. As at June 30, 2025, the Group is not exposed to other price risk.

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, depositsand other receivables and cash at bank. The maximum exposure to credit risk at the reporting date is as follows:

	Note	2025	2024
		(Rupees in '000)	
Long term investment		70,000	70,000
Other receivables		1,555,134	1,149,753
Long term loans		143,735	91,084
Long term deposits		512,483	518,467
Trade debts	12	21,520,605	20,719,045
Bank balances	15	460,790	893,579
		24,262,747	23,441,928

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 receivables include bank guarantee margin Letter of Credit and miscellaneous receivables which are 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 has 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:

	2025		2024	
	Gross Carrying amount	Impairment Loss Allowance	Gross Carrying amount	Impairment Loss Allowance
	(Rupees in '000)		(Rupees in '000)	
Secured	6,192,642	-	5,595,157	-
Unsecured				
Current	10,188,308	4	11,909,590	17
1-30 Days	4,320,028	406	2,207,805	3,101
31-60 Days	628,499	5,909	700,840	9,973
61-90 Days	41,001	248	376,504	57,760
More than 90 Days	310,929	164,128	158,620	158,620
	21,681,407	170,695	20,948,516	229,471

Management believes that the unimpaired balances that are past due are still collectable in full, based on historical payment behavior and review of financial strength of respective customers. Further, certain trade debtors, which have been derecognised as a result of bills discounting, 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	2025	2024
		(Rupees in '000)	
Long term investment			
AAA	7	70,000	70,000
Bank balances			
AAA		158,027	106,780
AA+		61,844	5,700
AA		14,197	765
AA-		2,492	75,711
A+		1,893	180,351
A1		221,937	464,170
BBB-		400	60,102
		460,790	893,579
		530,790	963,579

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

Concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Group exposure to a single customer exceeding 10% of the total exposure amounts to Rs. 2,436 million (2024: Rs. 2,790 million).

Credit risk of the Group arises principally from long term investments, long term loans and other receivables, trade debts, long term deposits and bank balances.

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 46.

The Group manages liquidity risk by maintaining sufficient cash in hand and at banks and ensuring the fund availability through adequate credit facilities. At June 30, 2025, the Group has Rs. 71,760 million (June 30, 2024: Rs. 45,368 million) available borrowing limit from financial institutions. Unutilised borrowing facilities of Rs. 16,753 million (June 30, 2024: Rs. 4,734 million) and also has Rs. 558 million (June 30, 2024: Rs. 1,082 million) being cash in hand and balances at banks. Based on the above, management believes the liquidity risk is insignificant.

	Note	Less than one year	More than one year	Total carrying amount
		(Rupees in '000)		
As at June 30, 2025				
Long term financing	18	3,878,180	18,392,475	22,270,655
Lease liability against right of use assets	19	1,826,863	5,998,547	7,825,410
Trade and other payables	22	26,826,772	-	26,826,772
Accrued mark-up / profit	23	886,790	-	886,790
Short term borrowings	24	56,082,057	-	56,082,057
Unclaimed dividend		9,365	-	9,365
Unpaid dividend	26	23,505	-	23,505
		89,533,532	24,391,022	113,924,555
Total as at June 30, 2024		81,508,809	19,388,043	100,896,852

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 June 30, 2025 and June 30, 2024 were as follows:

	Note	2025	2024
		(Rupees in '000)	
Total borrowings		78,352,712	60,319,851
Cash and bank		(559,457)	(1,081,768)
Net debt		77,793,255	59,238,083
Total equity		51,840,197	47,327,699
Total equity and debt		129,633,452	106,565,782
		(%)	
Gearing ratio		60	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 minimise 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 minimising the use of unobservable inputs. Fair values are categorised 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 categorised 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 recognised 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 operating fixed assets and right of use asset is carried at cost less accumulated depreciation and impairment if any, except there is no free-hold land and lease-hold land which are stated 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.

49 GENERAL

49.1 Events occurring after reporting date

On September 29, 2025, Board of Directors, approved the closure of the Group's Export Apparel operations as part of its strategic review of operations. The closure will be implemented in the forthcoming financial year, with financial and operational impacts to be recognised in the consolidated financial statements of the ensuing year.

49.2 Corresponding figures

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these consolidated financial statements during the current year.

50 DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue by the Board of Directors of the Group in their meeting held on September 29, 2025.

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

A MARK OF

REVOLUTION

Our drive for innovation and technology adoption redefines processes, ensuring agility and excellence across our operations.

Other Information

SHAREHOLDER INFORMATION

Annual General Meeting

The Annual General Meeting of the shareholders' will be held on October 25, 2025 at 03:30 p.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 20, 2025 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 Share 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, 2025 the Company has 7,010 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 2025 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 alongwith 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 2024-25		
	Price in Rupees	
Period	High	Low
1st Quarter	20.90	17.95
2nd Quarter	27.98	18.99
3rd Quarter	27.75	23.00
4th Quarter	28.19	19.50

Announcement of Financial Results

The tentative dates of the announcement of financial results and payment of cash dividend (if any) for the year 2025-26 are as follows:

Period	Financial Results	Dividend Payment (if any)
1st Quarter	Oct 28, 2025	---
2nd Quarter	Feb 23, 2026	---
3rd Quarter	April 23, 2026	---
Annual Accounts	Sep 29, 2026	Nov 7, 2026

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 Share 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 73rd 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 25, 2025 at 3:30 p.m. to transact the following businesses:

Ordinary Business:

1. To receive, consider and approve the Audited Financial Statements for the year ended June 30, 2025 together with the Directors' and Auditors' Reports thereon

   Web Link:
   https://gulahmed.com/investor-relations/financial-information/

   QR Code

2. To appoint External Auditors of the Company for the ensuing year, and to fix their remuneration. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/S Yousuf Adil Chartered Accountants as external auditors for the year ending June 30, 2026.

Special Business:

3. 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. 39 during the year ended June 30, 2025 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, 2026, 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."

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

As required under Section 223(6) of the Companies Act, 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the provided link and/or QR enabled code.

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

Salim Ghaffar
Company Secretary

Karachi
September 29, 2025

اطلاع سالانہ اجلاس عام

بذریعہ ہٰذا مطلع کیا جاتا ہے کہ گل احمد ٹیکسٹائل ملز لمیٹڈ کا 73واں سالانہ اجلاسِ عام ہفتہ 25 اکتوبر 2025ء سہ پہر 3:30 پر موسیٰ ڈی ڈیسائی آئی کیپ آڈیٹوریم، انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، G-31/8، چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن، کراچی میں منعقد ہوگا اور ساتھ ہی ساتھ ویڈیو لنک سہولت کے ذریعے بھی منعقد کیا جائے گا تاکہ درج ذیل اُمور انجام دیے جاسکیں:

عمومی امور:

1 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے، ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ وصول کرنا، غور کرنا اور منظور کرنا۔

2 کمپنی کے آئندہ سال کے لیےبیرونی آڈیٹرز کا تقرّر اور ان کی معاوضہ کا تعیّن کرنا۔ بورڈ آف ڈائریکٹرز نے کمپنی کی آڈٹ کمیٹی کی سفارش پر یوسف عادل چارٹرڈ اکاؤنٹنٹس کو 30 جون 2026ء کو ختم ہونے والے مالی سال کے لیےبیرونی آڈیٹرز کے طور پر دوبارہ تقرّر کرنے کی تجویز دی ہے۔

خصوصی امور:

3 درج ذیل قراردادوں پر غور کرنا اور اگر مناسب سمجھا جائے تو خصوصی قرارداد کے طور پر منظور کرنا:

"یہ قرارداد منظور کی جاتی ہے کہ

الف 30جون 2025ء کو ختم ہونے والے سال کے دوران متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے لین دین جو نوٹ نمبر 39 میں ظاہر کیے گئے ہیں کی بذریعہ ہٰذا توثیق اور منظوری دی جاتی ہے،

ب کمپنی کے بورڈ آف ڈائریکٹرز کو اختیار دیا جاتا ہے کہ وہ 30 جون 2026ء کو ختم ہونے والے سال تک متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے تمام لین دین کو منظور کرے،

ج کمپنی کے بورڈ آف ڈائریکٹرز کے ذریعے کیے گئے یہ لین دین، شیئر ہولڈرز کی جانب سے منظور شدہ تصوّر ہوں گے اور آئندہ سالانہ اجلاسِ عام میں شیئر ہولڈرز کے سامنے ان کی باضابطہ توثیق / منظوری کے لیےپیش کیے جائیں گے۔"

4 چیئرمین کی اجازت سے کوئی دیگر کاروبار جو سالانہ اجلاسِ عام میں انجام دیا جا سکتا ہو۔ کمپنیز ایکٹ 2017ء کی دفعہ 223(6) کے تحت، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اَپ لوڈ کر دیے گئے ہیں، جنھیں درج ذیل لنک یا QR کوڈ کے ذریعے ڈاؤن لوڈ کیا جا سکتا ہے

https://gulahmed.com/investor-relations/financial-information/

مزید برآں، کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت خصوصی قراردادوں سے متعلق بیان، اس نوٹس کے ساتھ اراکین کو بھیجا جا رہا ہے۔

بحکم بورڈ

سلیم عبدالغفار
کمپنی سیکریٹری

بمقام کراچی:
مؤرخہ 29 ستمبر 2025

1. **Book Closure**
The Share Transfer Books of the Company will remain closed from October 17, 2025 to October 25, 2025 (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 16, 2025 will be in time for the purpose of attending Annual General Meeting.

2. **Participation in the AGM in-person or through video conferencing**
Shareholders interested in attending the AGM virtually are hereby advised to get themselves registered with the Company by providing the following information via email at salim.ghaffar@gulahmed.com

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

Online meeting link and login credentials shall be shared with members who have submitted request via email containing all the required particulars by the close of business on Thursday, October 23, 2025. The login facility shall remain open from 3:00 p.m. till the start of the Meeting on October 25, 2025.

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 the absence 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 2025, 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 2025 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2025, 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. E-Voting

In accordance with the Companies (Postal Ballot) Regulation, 2018, as amended, the right to vote through electronic voting facility will be provided by the Company in respect of the Special Business. Details of e-voting facility will be shared through e-mail with those shareholders of the Company who have their valid CNIC numbers, Cell Numbers and e-mail addresses available in the register of Members of the Company within due course. A shareholder may alternatively opt for voting through postal ballot which is being published with this notice and is also available on Company's website.

10. 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.

11. 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@famcosrs.com.pk at the latest by October 17, 2025. The copy of declaration form can be downloaded from Shares Registrar website: https://famcosrs.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 73rd AGM of Gul Ahmed Textile Mills Limited ("the "Company") that is scheduled to be held on October 25, 2025.

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.	JCCO 406 Limited – UK	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
9.	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 AliMohammed 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
23.	Gul Ahmed Ecofab (Private) Limited	Wholly owned ultimate subsidiary	Equity Investment
24.	Gul Ahmed Ecotex (Private) Limited	Wholly owned ultimate subsidiary	Equity Investment
25..	Gul Ahmed Circular Fabrics (Private) Limited	Wholly owned ultimate subsidiary	Equity Investment
26.	International Textile Manufactures Federation	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, 2025 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, 2026. 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, 2025

	Board		Audit Committee		Human Resource & Remuneration Committee	
Name of Directors	**Required**	**Attended**	**Required**	**Attended**	**Required**	**Attended**
Mohomed Bashir	4	4	4	4	2	2
Zain Bashir	4	4	--	--	2	2
Mohammed Zaki Bashir	4	4	--	--	--	--
Ziad Bashir	4	4	--	--	--	--
Ehsan A. Malik	4	3	4	3	--	--
Zeeba Ansar	4	4	--	--	2	2
Kamran Y. Mirza	4	4	4	4	--	--

CATEGORIES OF SHAREHOLDING

As at June 30, 2025

S No.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage (%)
1	Individuals	6,887	117,555,624	15.8
2	Investment Companies & Mutual Funds	72	455,710,688	61.58
3	Insurance Companies	5	10,031,559	1.36
4	Joint Stock Companies	29	101,339,500	13.69
5	Modaraba Companies	1	90	0.00
6	Financial Institutions	5	54,451,721	7.36
7	Charitable Institutions	7	642,985	0.09
8	Government Departments	4	327,291	0.04
		7,010	**740,059,458**	**100.00**

PATTERN OF SHAREHOLDING

As at June 30, 2025

No. of Shareholders	From	To	Total Shares
1,452	1	100	45,905
1,341	101	500	404,324
1,023	501	1,000	820,431
1,856	1,001	5,000	4,707,530
517	5,001	10,000	3,936,629
195	10,001	15,000	2,457,238
121	15,001	20,000	2,179,354
82	20,001	25,000	1,892,779
67	25,001	30,000	1,872,757
40	30,001	35,000	1,304,119
39	35,001	40,000	1,479,938
26	40,001	45,000	1,118,072
20	45,001	50,000	986,671
11	50,001	55,000	584,660
15	55,001	60,000	885,600
15	60,001	65,000	944,963
6	65,001	70,000	406,067
11	70,001	75,000	798,703
11	75,001	80,000	861,612
5	80,001	85,000	416,978
5	85,001	90,000	439,287
4	90,001	95,000	373,031
19	95,001	100,000	1,882,380
4	100,001	105,000	415,153
3	105,001	110,000	324,105
1	110,001	115,000	112,287
2	115,001	120,000	240,000
1	120,001	125,000	123,989
1	125,001	130,000	127,076
2	130,001	135,000	268,226
4	140,001	145,000	570,891
5	145,001	150,000	746,749
1	150,001	155,000	150,920
1	155,001	160,000	155,560
4	160,001	165,000	651,593
2	165,001	170,000	340,000
5	170,001	175,000	863,600
3	175,001	180,000	538,192
5	180,001	185,000	918,426
3	185,001	190,000	561,406
1	190,001	195,000	191,263
5	195,001	200,000	996,323

No. of Shareholders	From	To	Total Shares
3	200,001	205,000	610,414
2	210,001	215,000	424,236
1	225,001	230,000	225,522
2	230,001	235,000	469,350
1	235,001	240,000	240,000
1	240,001	245,000	243,999
1	245,001	250,000	250,000
3	255,001	260,000	773,551
1	265,001	270,000	265,410
1	270,001	275,000	272,000
1	275,001	280,000	278,834
1	280,001	285,000	284,000
1	285,001	290,000	288,000
1	290,001	295,000	290,670
3	295,001	300,000	898,189
1	300,001	305,000	304,096
2	310,001	315,000	623,229
1	345,001	350,000	346,500
1	395,001	400,000	400,000
1	450,001	455,000	454,940
1	475,001	480,000	477,685
1	480,001	485,000	481,610
5	495,001	500,000	2,498,700
1	500,001	505,000	500,523
1	525,001	530,000	528,000
1	570,001	575,000	575,000
1	640,001	645,000	643,839
1	645,001	650,000	650,000
1	675,001	680,000	680,000
1	690,001	695,000	692,880
1	705,001	710,000	707,000
1	735,001	740,000	738,500
1	740,001	745,000	745,000
1	745,001	750,000	750,000
1	770,001	775,000	775,000
1	785,001	790,000	786,051
1	825,001	830,000	826,546
1	960,001	965,000	960,510
1	1,205,001	1,210,000	1,209,254
1	1,265,001	1,270,000	1,268,876
1	1,430,001	1,435,000	1,433,579
1	1,470,001	1,475,000	1,471,686
1	1,700,001	1,705,000	1,701,249
1	1,845,001	1,850,000	1,845,912

No. of Shareholders	From	To	Total Shares
1	1,940,001	1,945,000	1,944,775
1	1,995,001	2,000,000	2,000,000
1	2,395,001	2,400,000	2,400,000
1	2,840,001	2,845,000	2,842,144
1	3,105,001	3,110,000	3,108,181
1	3,470,001	3,475,000	3,471,541
1	4,890,001	4,895,000	4,892,481
1	6,115,001	6,120,000	6,115,957
1	8,305,001	8,310,000	8,305,507
1	9,330,001	9,335,000	9,331,314
1	10,835,001	10,840,000	10,839,856
1	11,045,001	11,050,000	11,050,000
1	16,070,001	16,075,000	16,074,505
2	20,750,001	20,755,000	41,502,460
1	22,115,001	22,120,000	22,117,519
1	52,515,001	52,520,000	52,516,536
1	58,175,001	58,180,000	58,177,795
1	413,380,001	413,385,000	413,383,760
7,010			**740,059,458**

PATTERN OF SHAREHOLDING

For the year ended June 30, 2025

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	1,390
IDBP (ICP Unit)	1	2,175
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	11,050,000
CDC - Trustee Pakistan Capital Market Fund	1	185,000
CDC - Trustee Alhamra Islamic Stock Fund	1	1,944,775
CDC -Trustee Alhamra Islamic Asset Allocation Fund	1	225,522
CDC - Trustee NBP Stock Fund	1	6,115,957
CDC - Trustee NBP Balanced Fund	1	141,632
CDC - Trustee MCB Pakistan Asset Allocation Fund	1	500,523
CDC - Trustee Alfalah GHP Stock Fund	1	298,189
CDC - Trustee Nit-Equity Market Opportunity Fund	1	259,200
CDC - Trustee Al Habib Stock Fund	1	650,000
CDC - Trustee NBP Sarmaya Izafa Fund	1	134,086
CDC - Trustee Golden Arrow Stock Fund	1	257,551
CDC - Trustee Alfalah Consumer Index Exchange Traded Fund	1	29,891
CDC - Trustee Alfalah GHP Dedicated Equity Fund	1	123,989
Banks, NBFI, DFI And Investment Companies	51	6,178,329
Insurance Companies	5	10,031,559
Joint Stock Companies	26	4,969,681
Modaraba Companies	1	90
Financial Institutions	5	54,451,721
Charitable Institutions	7	642,985
Government Departments	4	327,291

Categories of Shareholders	Number	Shares held
Directors		
Mohomed Bashir (Chairman)	1	4,892,505
Zain Bashir (Vice Chairman)	1	20,751,230
Mohammed Zaki Bashir (Chief Executive)	1	20,751,230
Ziad Bashir	1	8,305,507
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

The following trading were carried out by the Director during the year under review:

DIRECTORS		
Ziad Bashir	8,297,148	Shares acquired as gift from family members
Zain Bashir	4,148,574	Shares given as gift to family member.
Mohammed Zaki Bashir	4,148,574	Shares given as gift to family member.

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 73rd Annual General Meeting of the Company to be held on October 25, 2025 or at any adjournment thereof.

1) Witness
Name ______________
Address ______________
CNIC No. ______________

Signed by me this __________ day of ________ 2025

Signed ______________

Affix Revenue
Stamp Rs.5.00

2) Witness
Name ______________
Address ______________
CNIC No. ______________

Folio No./CDC Account 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 سالانہ اجلاس عام منعقد 25-10-2025 بروز ہفتہ شام 03:30 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:
نام: ______________
پتہ: ______________
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________

میں نے 2025 کے __________ کے __________ ویں دن دستخط کیے۔

دستخط : ______________

پانچ روپے مالیت کی ریونیو
اسٹامپ چسپاں کریں

۲) گواہ:
نام: ______________
پتہ: ______________
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ______________

فولیو نمبر/ CDC اکاؤنٹ 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۔

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	Computerized 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	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
SPLY	Same Period Last Year
SWOT	Strength, Weakness, Opportunity, Threat
USD	United States Dollar
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund
YoY	Year on Year