



Textile Mills Limited

Half Yearly Report
Condensed Interim Financial Information
For the Half Year Ended December 31, 2022

Company Information

BOARD OF DIRECTORS	<p>Mohomed Bashir Zain Bashir Mohammed Zaki Bashir Ziad Bashir Dr. Amjad Waheed Ehsan A. Malik Zeeba Ansar</p>	<p>- Chairman - Vice Chairman/ Executive Director - Chief Executive Officer - Non Executive Director - Non Executive Director - Independent Director - Independent Director</p>
CHIEF FINANCIAL OFFICER	Abdul Aleem	
COMPANY SECRETARY	Salim Ghaffar	
AUDIT COMMITTEE	<p>Ehsan A. Malik Mohomed Bashir Dr. Amjad Waheed Salim Ghaffar</p>	<p>- Chairman & Member - Member - Member - Secretary</p>
HUMAN RESOURCE AND REMUNERATION COMMITTEE	<p>Ehsan A. Malik Mohomed Bashir Zain Bashir Salim Ghaffar</p>	<p>- Chairman & Member - Member - Member - Secretary</p>
BANKERS	<p>Allied Bank Limited Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Al Habib Limited Bank Alfalah Limited Bank of Khyber BankIslami Pakistan Limited Citi Bank Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Industrial and Commercial Bank of China JS Bank limited MCB Bank Limited MCB Islamic Bank Limited Meezan Bank Limited National Bank Of Pakistan Samba Bank Limited Silkbank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank limited The Bank Of Punjab United Bank Limited</p>	
AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants	
INTERNAL AUDITORS	Grant Thornton Anjum Rahman Chartered Accountants	
LEGAL ADVISORS	A.K. Brohi & Co Advocates	
REGISTERED OFFICE	Plot No.H-7 Landhi Industrial Area, Landhi, Karachi-75120	
SHARE REGISTRAR	<p>FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-E-Faisal, Karachi. Phone No. (+92-021) 34380101-5 Fax No. (+92-021) 34380106</p>	
MILLS	Landhi Industrial Area, Karachi-75120	
E-MAIL	finance@gulahmed.Com	
URL	www.gulahmed.com	

Directors' Review Report to the Shareholders

The Directors of your Company are pleased to present their review of the affairs of the Company for the half year ended December 31st, 2022.

Global Economy

The global economy has faced significant challenges. Very low growth and high inflation across countries and products. The world has been faced with energy and food shortages that have been pushing costs to some of the highest levels ever witnessed. Interest rates have been increased to curb inflation resulting in heightened financial vulnerabilities etc. Due to higher interest rates worldwide, the fiscal capacity has significantly decreased, and worries over debt sustainability have increased in several countries as global financial conditions have made it harder to manage the mounting debt loads that have accrued rapidly in recent years, mainly during the pandemic.

Largely due to the war in Ukraine, inflationary pressures had intensified, which have pushed up energy and food commodity prices. The higher price of energy has helped trigger increasing prices across a broad basket of goods and services specially in Europe and USA. These factors as well as rising finance cost had not only reduced the disposal income in the hand of final consumers but also forced the Retailers to reduce level of inventories by changing supply chain practices and cut down on non essential purchases.

Pakistan's Economy

In addition to the Global economic challenges, Pakistan's economy got further impacted by political uncertainties, delayed economic decision making, inconsistent policies, and indecision on implementation of economic measure under International Monetary Fund's (IMF) program led to a greater impact of Pakistan's economic situation. These factors have pushed lot of pressure and all key indicators are not in right direction.

Pakistan Manufacturing and Export Sector

Large-scale manufacturing (LSM) declined by 3.51 per cent year-on-year (YoY). According to an economist "Facing a balance of payments challenge, the authorities have taken a number of measures to slow down the economy. These included tightening of monetary policy as well as administrative measures to curtail imports. These measures coupled with challenges of floods, energy shortfalls and a slowing global economy have resulted in contraction of the LSM output".

Pakistan's exports have declined to \$14.26 billion by 5.73 per cent in the first half July-Dec. 22 as compared with \$15.13 billion in the corresponding months of the last fiscal year. At a time of increased focus on giving boost to Pakistan's exports to earn more foreign exchange, the performance of textile sector has remained unimpressive in international markets. Lower demand in world market and import restrictions in Pakistan are blamed for slack performance of textile industry, which has around 50% share in Pakistan's exports every year. The sector is also facing challenges including the shortage of cotton in the country, as it produced five million bales while the demand of the industry is around 14 million bales. To meet the demand of the industry, around 9 million bales of cotton are required, which also needs foreign exchange to import the input. Resultantly since October 2022, the textile exports have been at a nosedive. The exports declined 15 percent in Oct'22, then in Nov'22 by 18 percent and, Dec'22 by 16 percent. Textile exports decreased by 16.5% year-on-year to \$1.35 billion in December 2022.

During period under review, exports mainly declined in cotton yarn, yarn other than cotton yarn, and bedwear which is 37%, 20%, and 14% YoY, respectively. In December 2022 alone, the major decline is witnessed in yarn other than the cotton yarn segment which decreased by 31.15% MoM, to \$3.25mn, tents, canvas & tarpaulin by 27.09% MoM to \$10.32mn, and knitwear by 11.63% MoM to \$353.67mn. Similarly, the towels segment also depicted a decline of 11.29% MoM to \$82.19mn. On yearly basis, cotton yarn, yarn other than cotton yarn, art, silk & synthetic textile, tents, canvas & tarpaulin, and knitwear decreased by 49.92%, 37.44%, 26.06%, 26.04%, and 19.54% YoY respectively.

Operational and Financial Performance

Major challenges faced by the Company during the period under review included increase in borrowing cost both concessional (3% to 12%) and conventional, higher working capital requirement due to increase in raw material prices, reduced availability of concessionary financing, increase in minimum wages, higher cotton prices besides longer procurement time, reduced yarn demand due to reduction in export orders etc.

Despite all the challenges the export volume of the company had been higher than corresponding period of last year, however, volume of local sales of yarn reduced by the Company as a strategic measure and internal consumption was enhanced by reducing the external purchase of yarn. There had been lot of pressure on prices in view of sales contracts already entered into as well as the value of PKR being managed Vs US Dollar. These further impacted the bottom line which contracted by almost 38% when compared with previous quarter of the current year and 42% when compared with corresponding period of last year.

Key performance numbers are presented below:

	Units	Half Year ended December 31, 2022	Half Year ended December 31, 2021
Export sales	Rs. in millions	45,492	32,028
Local sales	Rs. in millions	5,516	14,897
Total net sales	Rs. in millions	51,008	46,925
Gross profit	Rs. in millions	6,520	7,852
Profit before tax	Rs. in millions	2,717	4,178
Profit after tax	Rs. in millions	1,627	3,356
Earnings per share (EPS)	Rupees	2.64	5.44
Debt to equity ratio	Times	64:36	64:36
Current ratio	Times	1.11	1.15
Break-up-value per share	Rupees	61.23	58.59

Gross Profit Margin	%	12.78	16.73
Profit before tax Margin	%	5.33	8.90
Profit after tax Margin	%	3.19	7.15

The company has been operating at a lower capacity in its export divisions since October 2022. The apparent reduction in local sales is on account of lower sale of yarn in market by reducing the corresponding purchases. The pressure on prices, higher cost of raw material, gas shortages forced the company to generate power from very costly fuels such as Diesel and HFO. The increase in cost and inflation, coupled with lower capacity utilization in exports reduced the gross margin by 3.79 %. Administrative and Selling costs were effectively monitored and has marginally gone up when compared with corresponding period of last year. The financial cost however increased by 57.39% (Rs. 671 million) both on account of enhanced rate as well as increased financing requirements. Both the reduced gross margin and additional finance cost has dented by bottom line and profit before tax reduced by 3.58%.

Fortunately, the management visualizing difficult times ahead, reviewed and finetuned the procurement and treasury policies to anticipated risks. If the same was not done, we would have faced more reduction in profit or even incurring loss during October to December 2022, either being unable to fulfill the orders on time or facing working capital crunch.

Future Outlook

According to IMF, the economic growth proved surprisingly resilient in the third quarter of last year, and global financial conditions have improved as inflation pressures started to abate. This, and a weakening of the US dollar from its November high, provided some relief from emerging and developing economies. Accordingly, IMF has slightly increased their 2022 and 2023 growth forecasts. Global growth is expected to slow from 3.4 percent in 2022, to 2.9 percent in 2023, then rebound to 3.1 percent in 2024. Nine out of ten advanced economies will see growth decelerate this year. US growth will slow to 1.4 percent in 2023, as federal interest rate heights work their way through the economy. Euro-area conditions are more challenging. Despite signs of resilience to the energy crisis, a mild winter, and generous fiscal support, with tightening monetary policy, and negative terms of trade shock, due to the increase in the price of supported energy, IMF expect growth to bottom out at 0.7 percent this year in the region. Emerging market and developing economies have already bottomed out as a group, with growth expected to rise modestly to 4 percent, and 4.2 percent, this year and next.

Similarly, the Asian Development Bank (ADB) has reduced regional growth forecast from 4.9% to 4.3% during 2023. Whereas growth forecast for South Asia has been reduced from 6.5% to 6.3% mainly on account of slowdown in Bangladesh and flooding in Pakistan.

On domestic front, Pakistan, as per the World Bank is expected to grow at the rate of 2% in 2023 followed by 3.2% growth in 2024. With depleting foreign reserves and tough conditions attached to the IMF program, Pakistan is expected to face multiple challenges in days to come. Inflation, Import Appetite, Energy availability, political stability and consistency in economic policies will remain integral areas for Pakistan going forward.

Uncertain global economic and financial conditions will have implications for Pakistan's economy. Slowdown in export orders and workers' remittances could partly offset the improvements from import decline. According to World Bank Senior Economist, Pakistan's trade numbers show an overall decline in the first half of the current fiscal year, and its export recovery is dependent on the pace of global economic recovery and reduction in uncertainty.

To cope with challenges, and too seek the blessings of IMF the authorities has already increased the sales tax rate and energy prices besides changes in Custom and Tax Tariff.

Irrespective of these challenges, your management is self-assured to navigate the company to success through working conscientiously by identifying opportunities and capitalizing on the same and identifying challenges and mitigating the same. With advanced infrastructure and high operational excellence in place, your management is confident to continue to enhance shareholder value in years to come.

Acknowledgement

We acknowledge and appreciate the efforts and valuable support of all stakeholders.

For and on behalf of the Board

February 25, 2023

Karachi

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gul Ahmed Textile Mills Limited

Report on Review of Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Gul Ahmed Textile Mills Limited** ("the Company") as at 31 December 2022 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after-referred to as "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The unconsolidated financial statements of the Company for the six months ended 31 December 2021 and for the year ended 30 June 2022 were reviewed and audited by another auditor who expressed an unmodified conclusion and unmodified opinion on those statements on 24 February 2022 and 05 October 2022.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months ended 31 December 2022 have not been reviewed and we do not express a conclusion thereon.

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

Date: 28-Feb-2023

Karachi

UDIN:RR202210106QKSnxuPsq

**KPMG Taseer Hadi & Co.
Chartered Accountants**

Gul Ahmed Textile Mills Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at 31 December 2022

		(Unaudited) 31 December 2022	(Audited) 30 June 2022
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	49,155,262	45,841,908
Intangible assets	5	51,718	51,720
Long term investments	6	3,591,206	3,591,206
Long term loans		96,501	127,260
Long term deposits		538,531	474,709
Total non-current assets		53,433,218	50,086,803
Current Assets			
Stores and spares		1,222,542	1,148,642
Stock-in-trade		38,556,405	34,898,642
Trade debts		21,472,435	22,098,618
Loans, advances and other receivables		5,167,957	1,246,942
Short term prepayments		24,327	55,992
Receivable from government		4,271,832	3,351,546
Cash and bank balances		158,069	1,790,621
Total current assets		70,873,567	64,591,003
TOTAL ASSETS		124,306,785	114,677,806
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorised share capital 750,000,000 (30 June 2022: 750,000,000) ordinary shares of Rs.10 each		7,500,000	7,500,000
Issued, subscribed and paid-up share capital 616,716,215 ordinary shares of Rs. 10 each (30 June 2022: 616,716,215 ordinary shares of Rs. 10 each)		6,167,162	6,167,162
Reserves		31,593,409	29,966,137
		37,760,571	36,133,299
Non-Current Liabilities			
Long term financing - Secured	7	21,213,857	20,550,890
Provision for Gas Infrastructure Development Cess		450,882	885,219
Deferred taxation		542,417	542,417
Deferred income - government grant		118,554	135,122
Defined benefit plan - Staff Gratuity		243,687	210,777
Total non-current liabilities		22,569,397	22,324,425
Current Liabilities			
Trade and other payables		23,442,210	16,678,512
Accrued mark-up		974,371	614,522
Short term borrowings		36,295,837	35,362,069
Current maturity of long term financing - Secured	7	3,067,209	3,301,695
Current maturity of deferred income - government grant		36,696	54,551
Unclaimed dividend		9,984	10,413
Unpaid dividend		23,505	23,505
Taxation - net		127,006	174,815
Total current liabilities		63,976,818	56,220,082
Contingencies and commitments	8	-	-
TOTAL EQUITY AND LIABILITIES		124,306,785	114,677,806

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the six months ended 31 December 2022

		(Unaudited)			
		Six Months Ended		Three Months Ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
Note		----- (Rupees in '000) -----			
Sales - net	10	51,008,263	46,925,896	23,511,192	26,417,262
Cost of sales		44,488,024	39,073,274	20,712,593	22,002,319
Gross profit		6,520,239	7,852,622	2,798,599	4,414,943
Distribution expenses		975,947	989,414	471,344	520,408
Administrative expenses		1,631,936	1,044,231	874,169	520,103
Other operating expenses		187,769	562,010	743,699	221,240
		2,795,652	2,595,655	1,419,882	1,261,751
		3,724,587	5,256,967	1,378,717	3,153,192
Other income		832,254	90,726	591,056	103,337
Operating profit		4,556,841	5,347,693	1,969,773	3,256,529
Finance cost		1,839,990	1,169,048	1,141,277	689,454
Profit before taxation		2,716,851	4,178,645	828,496	2,567,075
Taxation					
- Current		616,665	712,690	291,261	391,871
- Prior		472,914	-	472,914	-
- Deferred		-	109,945	-	34,945
		1,089,579	822,635	764,175	426,816
Profit after taxation		1,627,272	3,356,010	64,321	2,140,259
Earnings per share - basic and diluted					
		----- (Rupees) -----			
		2.64	5.44	0.10	3.47

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months ended 31 December 2022

	(Unaudited)			
	Six Months Ended		Three Months Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees in '000) -----			
Profit after taxation	1,627,272	3,356,010	64,321	2,140,259
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,627,272	3,356,010	64,321	2,140,259

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Changes in Equity

For the six months ended 31 December 2022

	Issued, subscribed and paid-up share capital	Reserves				Total Equity
		Capital reserve - share premium	Capital reserve - amalgamation reserve	Unappropriated profit	Total reserves	
(Rupees in '000)						
Balance as at 30 June 2021 (Unaudited-Restated)	5,311,573	692,424	8,252,059	13,007,190	21,951,673	27,263,246
Transactions with owners						
Issuance of bonus shares	855,589	(692,424)	-	(163,165)	(855,589)	-
Total comprehensive income for the period						
Profit after taxation	-	-	-	3,356,010	3,356,010	3,356,010
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,356,010	3,356,010	3,356,010
Balance as at 31 December 2021 (Unaudited)	<u>6,167,162</u>	<u>-</u>	<u>8,252,059</u>	<u>16,200,035</u>	<u>24,452,094</u>	<u>30,619,256</u>
Balance as at 30 June 2022 (Audited)	6,167,162	-	8,252,059	21,714,078	29,966,137	36,133,299
Total comprehensive income for the period						
Profit after taxation	-	-	-	1,627,272	1,627,272	1,627,272
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,627,272	1,627,272	1,627,272
Balance as at 31 December 2022 (Unaudited)	<u>6,167,162</u>	<u>-</u>	<u>8,252,059</u>	<u>23,341,350</u>	<u>31,593,409</u>	<u>37,760,571</u>

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)
For the six months ended 31 December 2022

		(Unaudited)		
		Six Months Ended		
		31 December	31 December	
Note		2022	2021	
		(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		2,716,851	4,178,645	
Adjustments for:				
	Depreciation on property, plant and equipment	4.1	1,604,258	1,396,686
	Amortisation on intangible assets	5	12,840	13,587
	Provision for gratuity		69,374	41,747
	Finance cost		1,839,990	1,169,048
	Provision for slow moving / obsolete stores and spares		40,351	10,915
	Amortisation of Government Grant		(34,423)	(64,950)
	(Gain) / loss on disposal of property, plant and equipment - net		(3,305)	150,039
	Impairment loss on trade debts		36,088	30,847
			3,565,173	2,747,919
Changes in working capital:				
	Stores and spares		(114,251)	(15,339)
	Stock-in-trade		(3,657,763)	(2,906,826)
	Trade debts		590,095	(2,223,847)
	Loans, advances and other receivables		(3,921,015)	2,127,092
	Short term prepayments		31,665	(21,070)
	Receivable from government		(1,393,200)	155,440
	Long term loans		30,759	(37,773)
	Long term deposits		(63,822)	(26,988)
	Trade and other payables		6,141,750	2,283,565
	Net decrease in working capital		(2,355,782)	(665,746)
	Gratuity paid		(36,464)	(29,459)
	Finance cost paid		(1,258,107)	(975,933)
	Tax paid		(664,475)	(498,316)
			(1,959,046)	(1,503,708)
Net cash generated from operating activities		1,967,196	4,757,110	
CASH FLOWS FROM INVESTING ACTIVITIES				
	Additions in property, plant and equipment		(4,943,976)	(4,710,608)
	Additions in intangible assets	5	(12,838)	(123)
	Proceeds from sale of property, plant and equipment		29,669	118,752
	Net cash used in investing activities		(4,927,145)	(4,591,979)
CASH FLOWS FROM FINANCING ACTIVITIES				
	Long term financing obtained	7	1,991,260	2,344,372
	Long term financing repaid	7	(1,597,202)	(1,220,762)
	Dividend paid		(429)	(16,274)
	Net cash generated from financing activities		393,629	1,107,336
Net (decrease) / increase in cash and cash equivalents			(2,566,320)	1,272,467
Cash and cash equivalents at the beginning of the period			(33,571,448)	(28,851,672)
Cash and cash equivalents at the end of the period		9	(36,137,768)	(27,579,205)

The annexed notes from 1 to 17 form an integral part of these unconsolidated condensed interim financial statements.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Notes to the Unconsolidated Condensed Interim Financial Statements

For the six months ended 31 December 2022

1 LEGAL STATUS AND ITS OPERATIONS

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

The Company's registered office is situated at Plot No. H-7, Landhi Industrial Area, Landhi, Karachi.

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

The Company has the following subsidiaries:

Details of Subsidiaries

Name	Date of Incorporation	Country of Incorporation	%of Holding
Gul Ahmed International Limited FZC	December 11, 2002	UAE	100%
GTM (Europe) Limited - Indirect subsidiary	April 17, 2003	UK	100%
GTM USA Corp. - Indirect subsidiary	March 19, 2012	USA	100%
Sky Home Corp. - Indirect Subsidiary	February 28, 2017	USA	100%
Vantona Home Limited - Indirect Subsidiary	April 22, 2013	UK	100%
JCCO 406 Limited - Indirect Subsidiary	September 29, 2017	UK	100%
Ideas (Pvt) Limited	December 27, 2004 (Became subsidiary on Jan 01, 2021)	Pakistan	100%

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

- 1.2 Details of leasehold lands 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

- 1.3 Geographical locations and addresses of all factory buildings on rented premises are as follows;

Address

- Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, 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
- Servey # 613, Deh Jorejee, Bin Qasim town, Karachi
- Servey # 614, Deh Jorejee, Bin Qasim town, Karachi

2 BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The comparative statement of financial position, presented in these unconsolidated condensed interim financial statements as at 31 December 2022 has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2022, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the unaudited unconsolidated condensed interim financial statements of the Company for the six months ended 31 December 2021.

2.3 These unconsolidated condensed interim financial statements of the Company do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.4 These condensed interim financial statements are presented in Pakistani rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the audited unconsolidated financial statements for the year ended 30 June 2022.

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

(a) New standards, amendments and interpretations to published approved accounting and reporting standards which are effective for the accounting periods beginning on or after July 01, 2022

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on July 1, 2022; however, these are either irrelevant or do not have any significant impact on these unconsolidated condensed interim financial statements.

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's unconsolidated financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

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

3.3 USE OF JUDGEMENTS AND ESTIMATES:

The preparation of these unconsolidated condensed interim financial statements requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to annual audited unconsolidated financial statements as at and for the year ended 30 June 2022.

4	PROPERTY, PLANT AND EQUIPMENT	Note	(Unaudited) 31 December 2022	(Audited) 30 June 2022
			(Rupees in '000)	
	Operating fixed assets	4.1	42,179,207	36,609,500
	Capital work in progress (CWIP)	4.4	6,976,055	9,232,408
			<u>49,155,262</u>	<u>45,841,908</u>
4.1	Operating Fixed Asset			
	Opening book value		36,609,500	32,328,904
	Additions during the period / year	4.2	7,200,329	7,592,168
	Disposals during the period / year	4.3	(26,364)	(364,098)
	Depreciation charged during the period / year		(1,604,258)	(2,947,474)
	Closing book value		<u>42,179,207</u>	<u>36,609,500</u>
4.2	Additions during the period / year			
	Buildings and structures on leasehold land		1,203,567	2,398,447
	Plant and machinery		5,751,303	4,674,893
	Furniture and fixtures		14,506	146,844
	Office equipment		166,258	243,172
	Vehicles		64,695	128,812
			<u>7,200,329</u>	<u>7,592,168</u>
4.2.1	Additions to building and structure on leasehold land, plant and machinery include transfers from capital work-in-progress amounting to Rs.861 million, Rs. 5,385 million (31 December 2021: Rs. 2,398 million, Rs. 4,674 million and 518 million) respectively.			
4.3	Disposals during the period / year	Note	(Unaudited) 31 December 2022	(Audited) 30 June 2022
			(Rupees in '000)	
	Buildings and structures on leasehold land		508	-
	Plant and machinery		16,029	346,808
	Vehicles		3,111	-
	Furniture and fixtures		5,299	-
	Office equipment		1,417	17,290
			<u>26,364</u>	<u>364,098</u>
4.4	Capital work in progress (CWIP)			
	Opening book value		9,232,408	6,022,449
	Additions during the period / year	4.5	3,989,712	10,802,126
	Transfers during the period / year		(6,246,065)	(7,592,167)
	Closing book value		<u>6,976,055</u>	<u>9,232,408</u>
4.5	Additions during the period / year			
	Machinery and store items		3,560,597	7,182,193
	Building		429,115	3,101,106
	Others		-	518,827
			<u>3,989,712</u>	<u>10,802,126</u>

	(Unaudited) 31 December 2022	(Audited) 30 June 2022
(Rupees in '000)		
5 INTANGIBLE ASSETS		
Opening book value	51,720	78,213
Additions during the period / year	12,838	122
Amortisation charged during the period / year	(12,840)	(26,615)
Closing book value	<u>51,718</u>	<u>51,720</u>
6 LONG TERM INVESTMENTS		
Investment in subsidiary companies at cost		
- Gul Ahmed International Limited	58,450	58,450
- Ideas (Pvt) Limited	3,462,756	3,462,756
	<u>3,521,206</u>	<u>3,521,206</u>
Investment in Term Finance Certificate - at amortised cost	70,000	70,000
	<u>3,591,206</u>	<u>3,591,206</u>
7 LONG TERM FINANCING - SECURED		
Opening balance	23,852,585	21,072,350
Long term finance obtained during the period / year	1,991,260	6,111,900
Fair value differential - Government grant	-	(55,447)
Unwinding of interest	34,423	116,193
Repayments made during the period / year	(1,597,202)	(3,392,411)
	<u>24,281,066</u>	<u>23,852,585</u>
Current portion long term financing	(3,067,209)	(3,301,695)
	<u>21,213,857</u>	<u>20,550,890</u>
8 CONTINGENCIES AND COMMITMENTS		

Contingencies

The status of contingencies, as reported in the annual unconsolidated financial statements for the year ended 30 June 2022 remained unchanged during the current period except increase in amount of provisions required and following a new case;

- a) The Federal Government, through finance Act, 2022, imposed Super Tax on high earning persons by way of inserting section 4-C, in the Income Tax Ordinance, 2001. The Company along with other petitioners, has challenged the imposition in the Honourable Sindh High Court through Constitutional Petition. The Honourable Court has passed an interim order allowing the petitioners to file the Income Tax Returns without payment of the Super Tax and has restrained tax authorities, from taking any coercive action against the Company. The Company has provided required security of Rs. 354.6 million (30 June 2022 : NIL) to Nazir of High Court Sindh. As a matter of prudence, Company has fully made the provision amount of super tax.

Guarantees

- (a) Guarantees of Rs. 2,183 million (30 June 2022: Rs. 1,983 million) has been issued by banks on behalf of the company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by Associated company amounting to Rs. 1,104 million (30 June 2022: Rs. 1,102 million).
- (b) Post dated cheques of Rs. 4,286 million (30 June 2022: Rs. 5,068 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. 6,204 million (30 June 2022: Rs. 8,947 million), including bills discounted from Associated company amounting to Rs. 1,071 million (30 June 2022: Rs. 4,852 million).

- (d) Corporate guarantee of Rs. 189 million (30 June 2022: Rs. 170 million) Rs. 908 million (30 June 2022: 825 million) and Rs. 204 million (30 June 2022: 185 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corporation USA respectively.

Commitments

- (a) The Company is committed for capital expenditure as at 31 December 2022 of Rs. 1,511 million (30 June 2022: Rs. 3,697 million).
- (b) The forward covers outstanding as at 31 December 2022 Rs. 5,048 million (30 June 2022: Rs. 5,804 million).

			(Unaudited) 31 December 2022	(Unaudited) 31 December 2021
		Note	(Rupees in '000)	
9	CASH AND CASH EQUIVALENTS			
	Cash and cash equivalents comprises of:			
	Cash and bank balances		158,069	651,445
	Short term borrowings		(36,295,837)	(28,230,650)
			<u>(36,137,768)</u>	<u>(27,579,205)</u>
			(Unaudited) 31 December 2022	(Unaudited) 31 December 2021
			(Rupees in '000)	
10	SALES - NET			
	Export sales			
	Direct		34,146,085	25,396,905
	Indirect		14,574,074	8,486,230
			<u>48,720,159</u>	<u>33,883,135</u>
	Duty drawback		243,920	162,719
	Trade and other discount		(363,918)	(366,534)
	Commission		(990,844)	(418,026)
	Sales tax		<u>(2,117,600)</u>	<u>(1,233,042)</u>
			<u>45,491,717</u>	<u>32,028,252</u>
	Local sales	10.1	6,645,003	18,720,824
	Brokerage		(159,867)	(196,487)
	Sales tax		<u>(968,590)</u>	<u>(3,626,693)</u>
			<u>5,516,546</u>	<u>14,897,644</u>
			<u>51,008,263</u>	<u>46,925,896</u>

10.1 Local sales includes revenue from services of Rs. 303.9 million (31 December 2021: Rs. 191.9 million).

10.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 12 of the financial statement.

11 TAXATION

Provision for current taxation has been made on the basis of final taxation and super tax levy imposed under the Income Tax Ordinance, 2001.

12 SEGMENT INFORMATION

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

- a) Spinning: Production of different qualities of yarn using both natural and artificial fibres.
- b) Weaving: Weaving is a method of fabric production in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric.
- c) Home Textile: Production of different types and qualities falling under the definition of home textile.
- d) Others: Processing of garments, yarn dyeing and dyed yarn fabric etc.

Transactions among the business segments are recorded at cost.

12.1 Segment Profitability (Unaudited)

	Spinning		Weaving		Home Textile		Others		Elimination Of Inter Segment Transactions		Total	
	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021
	----- (Rupees in ' 000) -----											
Sales	19,218,108	20,568,298	2,814,250	2,701,421	35,089,940	27,754,683	6,178,286	5,081,249	(12,292,321)	(9,179,755)	51,008,263	46,925,896
Cost of sales	16,800,494	14,387,019	2,465,416	2,203,700	31,576,229	26,905,817	5,938,206	4,756,493	(12,292,321)	(9,179,755)	44,488,024	39,073,274
Gross profit	2,417,613	6,181,279	348,834	497,721	3,513,711	848,866	240,080	324,756	-	-	6,520,239	7,852,622
Distribution cost and Administrative cost	276,009	174,154	96,695	62,048	1,654,468	1,168,169	580,711	629,274	-	-	2,607,883	2,033,645
Profit before tax and before charging following	2,141,604	6,007,125	252,139	435,673	1,859,243	(319,303)	(340,631)	(304,518)	-	-	3,912,356	5,818,977
Finance Cost											1,839,990	1,169,048
Other operating cost											187,769	562,010
Other income											(832,254)	(90,726)
											1,195,505	1,640,332
Profit before taxation											2,716,851	4,178,645
Taxation											1,089,579	822,635
Profit after taxation											1,627,272	3,356,010
Depreciation and Amortisation Expense	555,204	541,110	245,183	230,054	400,801	269,372	415,910	369,737	-	-	1,617,098	1,410,273

12.2 Segment assets and liabilities

	Spinning		Weaving		Home Textile		Others		Unallocated		Total	
	Unaudited Dec-2022	Audited June-2022	Unaudited Dec-2022	Audited June-2022	Unaudited Dec-2022	Audited June-2022	Unaudited Dec-2022	Audited June-2022	Unaudited Dec-2022	Audited June-2022	Unaudited Dec-2022	Audited June-2022
----- (Rupees in '000) -----												
Assets	38,810,168	26,009,098	6,256,838	6,241,596	37,904,372	35,668,479	36,831,735	42,093,880	4,532,053	4,629,748	124,335,166	114,642,801
Liabilities	15,080,694	12,568,624	4,580,258	4,929,829	13,447,922	12,377,613	15,974,357	15,673,236	37,462,984	32,960,200	86,546,215	78,509,502
Segment Capital & Intangible Expenditure	2,085,821	1,205,318	105,765	216,624	733,278	756,863	1,533,487	1,513,726	498,463	1,018,200	4,956,814	4,710,731

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

12.4 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 14,361 million (31 Dec-2021: Rs. 7,167 million).

12.5 Information by geographical area

	Revenue		Non-current assets	
	For the six months ended (Unaudited)		(Unaudited)	(Audited)
	Dec-22	Dec-21	Dec-22	Jun-22
-----Rupees in '000-----				
Pakistan	18,132,887	22,347,319	53,374,766	50,028,353
Germany	12,716,474	6,656,572	-	-
United States of America	5,994,390	5,516,239	-	-
Netherlands	2,988,981	1,344,662	-	-
France	2,386,432	1,874,331	-	-
Italy	2,344,970	1,085,977	-	-
United Kingdom	1,707,800	2,512,595	-	-
Sweden	881,245	855,264	-	-
Spain	675,276	455,541	-	-
China	517,950	262,748	-	-
United Arab Emirates	248,564	181,139	58,450	58,450
Other Countries	3,684,003	4,651,837	-	-
	52,278,973	47,744,224	53,433,216	50,086,803

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The 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 carried out transaction with various related parties.

Name of the Related Party	Relationship and percentage of shareholding	Transactions during the period	(Unaudited)	
			December 2022	December 2021
			----- (Rupees in '000) -----	
Gul Ahmed Holdings (Private) Limited	Parent Company	Bonus shares issued	-	57,414
GTM (Europe) Limited - UK	Subsidiary Company	Sale of goods	667,480	492,173
Ideas (Pvt) Limited	Subsidiary Company	Sale of goods	959,035	1,458,563
GTM USA Corporation - USA	Subsidiary Company	Sale of goods	214,853	135,495
Sky Home Corporation - USA	Subsidiary Company	Sale of goods	93,990	40,086
GTM (Europe) Limited - UK	Subsidiary Company	Sales through subsidiaries acting as agents	1,839,794	1,216,911
Vantona Home Limited	Subsidiary Company	Sales through subsidiaries acting as agents	159,031	30,707
Sky Home Corporation - USA	Subsidiary Company	Commission paid	95,142	102,336
Ideas (Pvt) Limited	Subsidiary Company	Sharing of common expense	498,995	323,146
Ideas (Pvt) Limited	Subsidiary Company	Payment on behalf of	63,257	-
Ideas (Pvt) Limited	Subsidiary Company	Sale of fixed assets	13,718	-
Swisstex Chemicals (Private) Limited	Associated company	Purchase of goods	69,716	21,641
Win Star (Pvt) Limited	Associated company	Purchase of goods	-	1,859
Arwen Tech. (Private) Limited	Associated company	Services obtained	-	611
Win Star (Pvt) Limited	Associated company	Services obtained	13,533	-
Haji Ali Mohammad Foundation	Associated company	Rent paid	480	480
The Pakistan Business Council	Associated company	Fees paid	2,530	2,000
Board of Directors	Associated company	Meeting Fees	2,600	-
Habib Metropolitan Bank	Associated company	Bills discounted	4,412,090	7,987,649
Habib Metropolitan Bank	Associated company	Markup and other bank charges	67,735	103,221
Employee Provident Fund Trust	Employee Retirement Fund	Company's contribution to provident fund	143,391	129,847
Swisstex Chemicals (Private) Limited	Associated company	Dividend paid	-	17,516

Name of the Related Party	Relationship and percentage of shareholding	Nature of outstanding balances	(Unaudited)		(Audited)	
			31 December 2022	30 June 2022	31 December 2021	30 June 2021
			----- (Rupees in '000) -----			
Sky Home Corporation - USA	Subsidiary Company	Trade and other payables	47,614	19,080	-	-
GTM (Europe) Limited - UK	Subsidiary Company	Trade and other payables	-	3,927	-	-
Ideas (Pvt) limited	Subsidiary Company	Trade debts	6,165,862	5,780,856	-	-
GTM (Europe) Limited - UK	Subsidiary Company	Trade debts	1,804,535	232,966	-	-
Vantona Home Limited	Subsidiary Company	Trade debts	200,927	48,617	-	-
Sky Home Corporation - USA	Subsidiary Company	Trade debts	8,507	200	-	-
GTM USA Corporation - USA	Subsidiary Company	Trade debts	208,301	140,004	-	-
Habib Metropolitan Bank	Associated company	Deposit with banks	33,870	21,160	-	-
Habib Metropolitan Bank	Associated company	Short term borrowings	2,960,332	2,488,000	-	-
Habib Metropolitan Bank	Associated company	Bank guarantee	1,103,637	1,103,637	-	-
Swisstex Chemicals (Private) Limited	Associated company	Trade and other payables	36,821	17,084	-	-
Win Star (Private) Limited	Associated company	Trade and other payables	2,859	3,151	-	-
Swisstex Chemicals (Private) Limited	Associated company	Trade debts	-	4,298	-	-
The Pakistan Business Council	Associated company	Prepaid fee	1,250	-	-	-
Habib Metropolitan Bank	Associated company	Accrued mark-up	69,850	7,530	-	-
Key management Personnel	Associate	Loan provided	163,802	189,579	-	-
Employee Provident Fund Trust	Employee Retirement Fund	Payable to employee's provident fund	191,931	27,120	-	-

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the six months ended 31 December 2022 amounting to Rs. 888.6 million (31 December 2021: Rs. 715.9 million) on account of remuneration.

14 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended 30 June 2022.

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

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

- Level 1 Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs are unobservable inputs for the asset or liability inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial assets and liabilities of the Company are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

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

As at year end the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land, lease-hold land and capital work in progress which are stated at cost. Long term investments represent the investment in unquoted shares of subsidiary companies carried at cost and investment in Term Finance Certificates carried at amortized cost. The Company does not expect that unobservable inputs may have significant effect on fair values.

15 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material. The following major reclassification have been made during the period:

Description	Reclassified from	Reclassified to	30 June 2022 Balance (Rupees in '000)
Stock in transit	Loans, advances and other receivables	Stock-in-trade	1,536,816
Stores in transit	Loans, advances and other receivables	Stores and spares	77,368
Advance to supplier	Trade and other payables	Loans, advances and other receivables	35,005

These reclassifications do not have any material impact on these unconsolidated condensed interim financial statements, therefore, corresponding figures have not been restated.

16 GENERAL

- 16.1 Allocations for the workers' profit participation fund, workers' welfare fund and provision for taxation including deferred tax are provisional and final liability will be determined on the basis of annual results.

17 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised and approved for issue on _____ by the Board of Directors of the Company.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer



Textile Mills Limited

Consolidated Accounts
Consolidated Condensed Interim Financial Information
For the Half Year Ended December 31, 2022

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Financial Position
As at December 31, 2022

		Unaudited 31-Dec 2022	Audited 30-Jun 2022
	Note	Rupees in '000	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	53,706,403	50,250,946
Right of use Assets	5	2,606,660	2,957,461
Intangible assets	6	178,919	190,838
Long Term investment	7	70,000	70,000
Long term loans and advances		96,501	127,260
Long term deposits		841,904	909,698
Deferred taxation		624,096	-
Total non-current assets		58,124,483	54,506,203
CURRENT ASSETS			
Stores and spares		1,439,942	1,339,070
Stock-in-trade		48,980,174	43,107,392
Trade debts		15,622,196	16,699,700
Loans, advances and other receivables		5,440,475	1,971,705
Short term prepayments		117,261	235,755
Receivable from Government		4,271,832	3,351,546
Cash and bank balances	8	689,236	2,405,709
Total current assets		76,561,116	69,110,877
TOTAL ASSETS		134,685,599	123,617,080
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
750,000,000 ordinary shares of Rs.10 each		7,500,000	7,500,000
Issued, subscribed and paid-up capital		6,167,162	6,167,162
616,716,230 ordinary shares of Rs. 10 each			
Reserves		33,947,394	31,868,582
Equity attributable to the owners of the Holding Company		40,114,556	38,035,744
Non-controlling interest		-	-
Total equity		40,114,556	38,035,744
NON-CURRENT LIABILITIES			
Long term financing - Secured	9	21,213,857	20,550,890
Loan from director		-	-
Lease liability against right of use assets	10	2,700,477	3,050,093
Provision for Gas Infrastructure Development Cess		450,882	885,219
Long term deposits		42,025	57,511
Deferred liabilities			
Deferred taxation		542,417	63,763
Deferred government grant		118,554	135,122
Staff gratuity		244,179	211,068
		905,150	409,953
CURRENT LIABILITIES			
Trade and other payables		26,835,021	20,144,157
Accrued mark-up/profit		974,371	614,522
Short term borrowings	8	37,257,804	35,483,721
Current maturity of long term financing	9	3,067,209	3,301,695
Current maturity of lease liability against right-of-use asset	10	601,244	602,780
Current maturity of deferred income - government grant		36,696	54,551
Current maturity of Government Infrastructure Development Cess		-	-
Unclaimed dividend		9,984	10,413
Unpaid dividend		23,505	23,505
Dividend payable		-	-
Provision for taxation		452,818	392,326
Total current liabilities		69,258,652	60,627,670
CONTINGENCIES AND COMMITMENTS		11	
		134,685,599	123,617,080

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Profit or Loss
For the Six Months Ended December 31, 2022

	Note	Un-Audited			
		Six Months Ended		Quarter Ended	
		July to December 2022	July to December 2021	October to December 2022	October to December 2021
		-----Rupees in '000-----			
Sales - net	12	62,113,549	56,764,536	30,410,540	32,118,279
Cost of sales		50,659,571	44,784,441	24,563,910	25,180,144
Gross profit		11,453,978	11,980,095	5,846,630	6,938,135
Distribution cost		3,864,649	3,515,771	2,142,261	1,826,023
Administrative cost		2,489,749	1,976,471	1,311,115	1,183,127
Other operating cost		212,279	603,928	98,879	401,039
		6,566,677	6,096,170	3,552,255	3,410,189
		4,887,301	5,883,925	2,294,375	3,527,946
Other income		1,078,215	220,749	859,913	125,473
Operating profit		5,965,516	6,104,674	3,154,288	3,653,419
Finance cost		2,656,173	1,384,490	1,584,891	715,673
Profit before taxation		3,309,343	4,720,184	1,569,397	2,937,746
Taxation		1,130,701	989,342	738,617	564,346
Profit after taxation		2,178,642	3,730,842	830,780	2,373,400
Attributable to:					
Equity holders of Parent Company		2,178,642	3,730,842	830,780	2,378,285
Non-controlling interest holders		-	-	-	(4,885)
		2,178,642	3,730,842	830,780	2,373,400
Earning per share - basic and diluted (Rs.)		3.53	6.05	1.35	3.85

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Comprehensive Income
For the Six Months Ended December 31, 2022

	Un-Audited	
	Six Months Ended	
	December 2022	December 2021
	-----Rupees in '000-----	
Profit after taxation	2,178,642	3,730,842
Other comprehensive income for the period		
Items that will be reclassified to profit and loss account subsequently	-	-
Exchange difference on translation of foreign subsidiaries	99,830	266,722
Total comprehensive income	<u>2,278,472</u>	<u>3,997,564</u>
Attributable to:		
Equity holders of Parent Company	2,278,472	3,997,564
Non-controlling interest holders	-	-
	<u>2,278,472</u>	<u>3,997,564</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Changes in Equity
For the Six Months Ended December 31, 2022

For the Six Months Ended December 31, 2022										
	Share capital	Reserves						Total equity attributable to the owners of Holding Company	Non-Controlling Interest	Total
		Capital reserve		Revenue reserve						
		Share Premium	Reserve on merger	General Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit			
-----Rupees '000-----										
Balance as at June 30, 2021 (Audited)	5,311,573	692,424	8,252,059	-	226,642	19,827	13,845,028	23,035,980	-	28,347,553
Transaction with owners										
Issuance of bonus shares	855,589	(692,424)					(163,165)	(855,589)	-	-
Total comprehensive income										
Profit after taxation for the quarter ended December 31, 2021				-	-	-	3,730,842	3,730,842		3,730,842
Other comprehensive income	-	-		-	60,810	-	-	60,810		60,810
Transferred to statutory reserve								-		-
	-	-		-	60,810	-	3,730,842	3,791,652	-	3,791,652
Balance as at December 31, 2021 (Un-Audited)	6,167,162	-	8,252,059	-	287,452	19,827	17,412,705	25,972,043	-	32,139,205
Total comprehensive income for the six months ended June 30, 2022										
Profit after taxation	-						6,114,195	6,114,195	-	6,114,195
Other comprehensive income	-				(226,062)		8,406	(217,656)		(217,656)
Transferred to statutory reserve	-					1,018	(1,018)	-		-
	-	-	-	-	(226,062)	1,018	6,121,583	5,896,539	-	5,896,539
Balance as at June 30, 2022	6,167,162	-	8,252,059	-	61,390	20,845	23,534,288	31,868,582	-	38,035,744
Total comprehensive income for the half year ended December 31, 2022 (un-audited)										
Profit after taxation	-	-	-	-	-	-	2,178,642	2,178,642	-	2,178,642
Other comprehensive Income	-	-	-	-	(99,830)	-	-	(99,830)	-	(99,830)
	-	-	-	-	(99,830)	-	2,178,642	2,078,812		2,078,812
Balance as at December 31, 2022 (un-audited)	6,167,162	-	8,252,059	-	(38,440)	20,845	25,712,930	33,947,394	-	40,114,556

The annexed notes from 1 to 19 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Consolidated Statement of Cash Flows
For the Six Months Ended December 31, 2022

	Note	December 2022	December 2021
		-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,309,343	4,720,183
Adjustments for:			
Depreciation on property, plant and equipment		1,830,243	1,626,584
Depreciation on right-of-use assets		350,803	376,775
Amortisation		24,756	18,533
Provision for gratuity		69,646	0
Finance cost		2,478,219	1,177,906
Interest on lease liability against right-of-use asset		179,769	206,584
Provision for slow moving/obsolete stores spares and loose tools and stock in trade		41,642	11,579
Liabilities no longer payable written back		(18,852)	-
Expected credit losses against doubtful trade debts		36,088	30,847
Government grant		(34,423)	(9,845)
Gain on disposal of property, plant and equipment		-	-
Loss on disposal of property, plant and equipment		(3,305)	150,039
Finance cost on provision for Government Infrastructure Development Cess (GIDC)		-	-
		4,954,586	3,589,002
Cash flows from operating activities before adjustments of working capital		8,263,929	8,309,185
Changes in working capital:			
Increase/(decrease) in current assets			
Stores and spares		(142,514)	(27,448)
Stock-in-trade		(5,872,782)	(4,068,863)
Trade debts		1,041,416	(1,539,312)
Loans, advances and other receivables		(3,468,770)	2,344,448
Short term prepayments		118,494	(24,604)
Receivable from Government		(1,393,200)	185,640
		(9,717,356)	(3,130,139)
Increase in current liabilities			
Trade and other payables		6,087,767	2,006,753
		(3,629,589)	(1,123,386)
Cash generated from operations before following:		4,634,340	7,185,799
Adjustment for:			
Gratuity paid		(36,535)	11,881
Finance cost paid		(1,896,335)	(1,015,437)
Finance cost on leased liability		-	-
Income tax paid		(742,736)	(935,507)
Net change in long term loans		30,759	(37,773)
Net change in long term deposits - Asset		67,794	(37,511)
		(2,577,053)	(2,014,347)
Net Cash generated from Operating activities		2,057,287	5,171,452
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(5,312,064)	(4,887,171)
Addition to intangible assets		(12,838)	(1,030)
Proceeds from sale of property, plant and equipment		29,669	-
Merger effects		-	213,176
Long term investments encashed during the year		-	(158)
Net cash used in investing activities		(5,295,233)	(4,675,183)
Balance carried forward		(3,237,946)	496,269

Gul Ahmed Textile Mills Limited
Consolidated Statement of Cash Flows
For the Six Months Ended December 31, 2022

	Note	December 2022	December 2021
		-----Rupees in '000-----	
Balance brought forward		(3,237,946)	496,269
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		1,991,260	1,179,752
Long term financing repaid		(1,597,202)	-
Payments against lease liability against right of use asset		(530,923)	(465,774)
Long term deposits		(15,486)	-
Dividend paid		(429)	(16,274)
Net cash generated from financing activities		(152,780)	697,704
Exchange difference on translation of foreign subsidiaries		(99,830)	60,810
Net decrease in cash and cash equivalents		(3,490,556)	1,254,783
Cash and cash equivalents - at the beginning of the period		(33,078,012)	(28,182,234)
Cash and cash equivalents - at the end of the period	8	<u>(36,568,568)</u>	<u>(26,927,451)</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Notes to the Condensed Interim Consolidated
Financial Statements (Un-audited)
For the Six Months Ended December 31, 2022

1 LEGAL STATUS AND ITS OPERATIONS

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

- Gul Ahmed Textile Mills Limited
- Gul Ahmed International Limited (FZC) - UAE
- GTM (Europe) Limited - UK
- GTM USA Corp. - USA
- Sky Home Corp.- USA
- Vantona Home Limited
- JCCO 406 Limited
- Ideas (Pvt) limited

Gul Ahmed Textile Mills Limited (The Holding Company) was incorporated on 1st April 1953 in Pakistan as a private limited company, converted into public limited company on 7th January 1955 and was listed on Karachi and Lahore Stock Exchanges in 1970 and 1971 respectively. The Holding Company is a composite textile mill and is engaged in the manufacture and sale of textile products.

The Holding Company's registered office is situated at Plot No. H-7, Landhi Industrial Area, Landhi, Karachi.

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

The Group is a subsidiary of Gul Ahmed Holdings (Private) Limited and owns 55.86% shares of the Group.

1.2 Basis of consolidation

The financial information include the financial information of the Group.

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

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

The assets and liabilities of the subsidiary company have been consolidated on a line-by-line basis and the carrying value of investment held by the Company is eliminated against the subsidiary's share capital. All intra-group balances and transactions are eliminated.

Details of Subsidiaries

<u>Name</u>	<u>Date of Incorporation</u>	<u>Country of Incorporation</u>	<u>% of Holding</u>
Gul Ahmed International Limited FZC	December 11, 2002	U.A.E	100%
GTM (Europe) Limited - Indirect subsidiary	April 17, 2003	U.K	100%
GTM USA - Indirect subsidiary	December 19, 2012	U.S.A	100%
Sky Home- Indirect Subsidiary	February 28, 2017	U.S.A	100%
Vantona Home Limited-Indirect Subsidiary	April 22, 2013	U.K	100%
JCCO 406 Limited-Indirect Subsidiary	September 29, 2017	U.K	100%
Ideas (Pvt) limited	December 27,2004 (Became subsidiary on Jan 01, 2021)	Pakistan	100%

All subsidiaries are engaged in distribution/trading of textile related products while ideas also carries out. production of finished goods .

1.3 Addresses of all lands owned by the Group are as follows;

<u>Area</u>	<u>Address</u>
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 Acre	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi

1.4 Geographical locations and addresses of all factory building on rented premises are as follows;

Address
Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.
Plot# HT/8,KDA Scheme 3, Landhi Industrial area, Karachi.
Plot W2/1-14,Western industrial zone, Port Qasim, Karachi
295 5th ave, suit 702, NewYork - NY - 10016
Grane Road Mill, Grane Road, Haslingden, BB4 5ES

2 BASIS OF PREPARATION

The condensed interim consolidated financial information comprise the consolidated statement of Financial Position of Gul Ahmed Textile Mills Limited, its direct subsidiary Worldwide Developers (Pvt.) Limited and its wholly owned subsidiary company Gul Ahmed International Limited (FZC), GTM (Europe) Limited which is the wholly owned subsidiary of Gul Ahmed International Limited (FZC), GTM USA Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, Sky Home Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, Vantona Home Limited which is the wholly owned subsidiary of GTM (Europe) Limited and JCCO 406 Limited which is the wholly owned subsidiary of GTM (Europe) Limited as at December 31, 2021 and the related consolidated statement of profit or loss, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.

These condensed interim consolidated financial statements of the Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements comprise of the condensed interim consolidated statement of financial position as at December 31, 2022 and the condensed interim un-consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the period ended December 31, 2022.

The comparatives statement of Financial Position, presented in these condensed interim consolidated financial statements, as at December 31, 2022 has been extracted from the audited financial statements of the Group for the year ended June 30, 2022 whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the six months ended December 31, 2021 have been extracted from the condensed interim consolidated financial statements of the Group for the six months ended December 31, 2021.

These condensed interim consolidated financial statements do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

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

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended December 31, 2022

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on July 1, 2022; however, these do not have any significant impact on these consolidated condensed interim financial statements.

(b) Standards, Interpretations and Amendments not yet effective

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on January 1, 2021 and are not likely to have a material impact on the consolidated condensed interim financial statements.

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim consolidated financial statements requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2022.

The Group's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2022.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) 31-Dec 2022	(Audited) 30-Jun 2022
		Rupees in '000	
Operating fixed assets	4.1	46,506,657	40,823,078
Capital work in progress (CWIP)	4.4	7,199,746	9,427,868
		<u>53,706,403</u>	<u>50,250,946</u>
4.1 Operating Fixed Asset			
Opening book value		40,823,078	36,324,058
Additions during the period / year	4.2	7,526,469	8,254,948
Disposals during the period / year	4.3	26,364	372,014
Depreciation charged during the period / year		1,830,243	3,397,212
Foreign currency retranslation difference		13,718	13,299
Closing book value		<u>46,506,658</u>	<u>40,823,078</u>
4.2 Additions during the period			
Buildings and structures on leasehold land		1,425,301	2,787,589
Plant and machinery		5,756,584	4,677,606
Furniture and fixtures		48,456	224,428
Office equipment		216,298	435,898
Vehicles		79,830	129,426
		<u>7,526,469</u>	<u>8,254,948</u>
4.2.1 Additions to building and structure on leasehold land, plant and machinery include transfers from capital work-in-progress amounting to Rs.861 million, Rs. 5,385 million (Dec-2021: Rs. 72 million, Rs. 2,091 million) respectively.			
		(Unaudited) 31-Dec 2022	(Audited) 30-Jun 2022
		Rupees in '000	
4.3 Disposals - operating fixed assets (at net book value)			
Leasehold land		508	
Plant and machinery		16,029	346,808
Furniture and fixtures		3,111	
Office equipment		5,299	
Vehicles		1,417	25,206
		<u>26,364</u>	<u>372,014</u>
4.4 Capital work in progress (CWIP)			
Opening book value		9,427,868	6,166,218
Additions during the period / year	4.5	4,257,742	11,458,545
Transfers during the period / year		(6,485,864)	(8,196,895)
Closing book value		<u>7,199,746</u>	<u>9,427,868</u>
4.5 Additions - capital work in progress (at cost)			
Machinery		3,560,597	7,182,194
Building		632,462	3,534,057
Others		64,683	742,294
		<u>4,257,742</u>	<u>11,458,545</u>
5 RIGHT OF USE ASSETS			
Recognition as at July 01,2022		2,957,461	3,302,289
Additions		-	853,394
Derecognition / Adjustment		-	(458,535)
Depreciation expense		(351,412)	(741,376)
Foreign currency retranslation difference		611	1,689
Net book value as at September 30, 2022		<u>2,606,660</u>	<u>2,957,461</u>
Gross carrying amount as at December 30, 2022			
Cost		3,946,984	3,946,984
Accumulated Depreciation		(1,343,424)	(991,184)
Foreign currency retranslation difference		3,100	1,661
		<u>2,606,660</u>	<u>2,957,461</u>

6 INTANGIBLE ASSETS

	(Unaudited) 31-Dec 2022	(Audited) 30-Jun 2022
	Rupees in '000	
Opening book value	190,838	210,497
Additions during the period / year	12,838	13,602
Amortisation charged during the period / year	(30,988)	(39,249)
Foreign currency retranslation difference	6,231	5,988
Closing book value	<u>178,919</u>	<u>190,838</u>

7 LONG TERM INVESTMENT

	(Unaudited) 31-Dec 2022	(Audited) 30-Jun 2022
	Rupees in '000	
Investment in Term Finance Certificate	<u>70,000</u>	<u>70,000</u>

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of:

Cash and bank balances	689,236	2,405,709
Short term borrowings	<u>(37,257,804)</u>	<u>(35,483,721)</u>
	<u>(36,568,568)</u>	<u>(33,078,012)</u>

9 LONG TERM FINANCING - SECURED

Opening balance	23,852,585	21,072,350
Add: Long term finance obtained during the period / year	1,991,260	6,111,900
Add: Financing for payment of salaries and wages under SBP Re-finance scheme	-	(60,746)
Less: Fair value differential - Government grant	34,423	(3,392,411)
Add: Unwinding of interest	<u>(1,597,202)</u>	<u>(3,392,411)</u>
Less: Repaid during the period / year	<u>24,281,066</u>	<u>23,852,585</u>
Less: Current portion shown under current liabilities	(3,067,209)	(3,301,695)
Less: Current portion under SBP re-finance scheme	<u>-</u>	<u>(157,743)</u>
	<u>21,213,857</u>	<u>20,550,890</u>

10 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Present value of lease payments as at July 01, 2022	3,652,873	3,847,444
Less: Prepayments as at July 01, 2022	-	-
	<u>3,652,873</u>	<u>3,847,444</u>
Additions	1,816	853,394
Accretion of interest	177,955	399,540
Derecognition / Adjustment	-	(535,478)
Payments	<u>(530,923)</u>	<u>(911,249)</u>
As at December 31, 2022	<u>3,301,721</u>	<u>3,652,873</u>
Less: Current portion shown under current liabilities	<u>601,244</u>	<u>602,780</u>
	<u>2,700,477</u>	<u>3,050,093</u>

10.1 Lease liabilities are payable as follows

Less than one year
Between one and 5 years
More than five years

Minimum Lease payments	Interest	Present value of minimum lease payments
Rupees in '000		
1,023,007	606,636	416,371
2,857,940	1,007,262	1,850,678
1,353,128	318,456	1,034,672
<u>5,234,075</u>	<u>1,932,354</u>	<u>3,301,721</u>

11 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2022 remained unchanged during the current period except increase in amount of provisions required and following a new case;

- a) The Federal Government, through finance Act, 2022, imposed Super Tax on high earning persons by way of inserting section 4-C, in the Income Tax Ordinance, 2001. The Company along with other petitioners, has challenged the imposition in the Honourable Sindh High Court through Constitutional Petition. The Honourable Court has passed an interim order allowing the petitioners to file the Income Tax Returns without payment of the Super Tax and has restrained tax authorities, from taking any coercive action against the Company. The Company has provided required security of Rs. 354.6 million (June 2022 : NIL) to Nazir of High Court Sindh, As a matter of prudence, Company has fully made the provision amount of super tax.

Guarantees

- (a) Guarantees of Rs. 2,183 million (June-2022: Rs. 1,983 million) has been issued by banks on behalf of the company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by Associated company amounting to Rs. 1,104 million (June-2022: Rs. 1,102 million).
- (b) Post dated cheques of Rs. 4,286 million (June-2022: Rs. 5,068 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. 6,204 million (June-2022: Rs. 8,947 million), including bills discounted from Associated company amounting to Rs. Rs. 1,071
- (d) Corporate guarantee of Rs. 189 million (June-2022: Rs. 170 million) Rs. 908 million (June-2022: 825 million) and Rs. 264 million (June-2022: 185 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC- UAE and

Commitments

- (a) The Company is committed for capital expenditure as at December 31, 2022 of Rs. 1,511 million (June-2022: Rs. 3,697 million).
- (b) The forward covers outstanding as at 31 December 2022 Rs. 5,048 million (30 June 2022: Rs. 5,804 million).

12 SALES-NET

	(Unaudited) 31-Dec 2022	(Unaudited) 31-Dec 2022
	Rupees in '000	
Export sales		
Direct	34,978,560	25,346,245
Indirect	14,574,074	7,253,188
	49,552,634	32,599,433
Duty drawback	243,920	162,719
Trade and other discount	(352,678)	(366,534)
Commission	(999,642)	(316,635)
Sales tax	(2,117,600)	-
	46,326,634	32,078,983
Local sales	16,915,371	29,500,082
Brokerage	(159,867)	(202,784)
Sales tax	(968,590)	(4,611,745)
	15,786,914	24,685,553
	62,113,549	56,764,536

12.1 Local sales includes revenue from services of Rs. 303.9 million (31 December 2021: Rs. 191.9 million).

12.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 14 of the financial statement.

13 TAXATION

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

14 SEGMENT INFORMATION

The Group's Operations have been divided in four segments based on the nature of process and internal reporting. Following are the four reportable business segments:

- a) **Spinning :** Production of different qualities of yarn using both natural and artificial fibers.
b) **Weaving :** Weaving is a method of fabric production in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric.
c) **Retail and Distribution:** On the retail front, Ideas by Gul Ahmed offers fabrics and made-ups, ranging from home accessories to clothing.
d) **Processing, Home Textile and Apparel:** Processing of greize fabric into various types of finished fabrics for sale as well as to manufacture and sale of made-up and home textile products.
e) **Subsidiary Companies.:** All subsidiaries are engaged in distribution/trading of textile related products except for worldwide Developers (Pvt) Limited which was incorporated to carry on real estate business and currently it has rented out certain portion of its property to the Company for warehousing purpose.

Transactions among the business segments are recorded at cost.

14.1 Segment profitability

	Spinning		Weaving		Home Textile		Others		Ideas (Private) Limited		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		JCCO 406 Ltd.		Vantona Home Ltd.		GTM USA Corp.		SKY Home Corporation		Elimination Of Inter Segment Transactions		Total	
	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021
	Rupees '000																									
Sales	19,218,108	20,568,298	2,614,250	2,701,421	35,089,940	27,754,683	6,178,286	5,074,952	11,918,902	13,771,262	236,586	303,482	2,849,362	1,934,061	-	-	234,965	163,822	244,361	-	278,100	726,272	(16,949,312)	(16,233,717)	62,113,549	56,764,536
Cost of sales	16,800,494	14,387,019	2,465,416	2,203,700	31,576,229	26,905,817	5,938,206	4,750,314	7,477,875	9,994,336	199,286	259,602	2,575,923	1,760,791	-	-	197,696	113,954	238,918	-	246,849	564,532	(17,057,321)	(16,155,624)	59,659,571	44,784,441
Gross profit	2,417,613	6,181,279	348,834	497,721	3,513,711	848,866	240,080	324,638	4,441,027	3,776,926	37,300	43,880	273,439	173,270	-	-	37,269	49,868	5,444	-	31,251	161,740	106,009	(78,093)	11,453,978	11,980,095
Distribution costs and administrative costs	276,009	174,154	96,695	62,048	1,654,468	1,168,169	580,711	629,274	3,373,016	3,193,492	21,149	21,926	154,994	102,366	-	-	48,351	34,034	1,918	106	147,086	112,760	-	(6,087)	6,354,398	5,492,242
Profit/(loss) before tax and before charging the following	2,141,604	6,007,125	252,139	435,673	1,859,243	(319,303)	(340,631)	(304,636)	1,068,011	583,434	16,150	21,954	118,445	70,904	-	-	(11,082)	15,834	3,526	(106)	(115,835)	48,980	108,009	(72,006)	5,099,580	6,487,853
Other operating costs																									212,279	603,928
Other income																									(1,078,215)	(220,749)
Finance costs																									2,656,173	1,384,490
Profit before taxation																									1,790,237	1,767,669
Taxation																									3,309,343	4,720,194
Profit after taxation																									1,130,701	989,342
																									2,178,642	3,730,842

	Spinning		Weaving		Home Textile		Others		Ideas (Private) Limited		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		JCCO 406 Ltd.		Vantona Home Ltd.		GTM USA Corp.		SKY Home Corporation		Elimination Of Inter Segment Transactions		Total	
	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021	Dec-2022	Dec-2021
	Rupees '000																									
Depreciation and Amortisation	555,204	541,110	245,183	230,054	400,801	269,372	415,910	369,737	574,844	604,498	4,488	2,866	3,972	1,221	-	-	4,834	3,591	-	-	1,174	731	-	-	2,206,410	1,653,443
Expense																										

14.2 Segment assets and liabilities

	Spinning		Weaving		Home Textile		Others		Ideas (Private) Limited		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		JCCO 406 Ltd.		Vantona Home Ltd.		GTM USA Corp.		SKY Home Corporation		Unallocated		Total Group	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022	Dec-2022	June-2022
	Rupees '000																									
Assets	38,810,168	26,009,098	6,256,838	6,241,596	37,904,372	35,668,479	36,803,355	42,093,880	18,699,790	16,666,132	603,896	998,359	1,942,764	2,241,379	89,448	87,284	443,240	476,403	202,981	301,340	359,221	719,396	4,532,053	4,629,748	146,648,126	136,133,094
Elimination of intragroup balances																									(11,962,527)	(12,516,017)
																									134,685,599	123,617,077
Liabilities	15,080,694	12,568,624	4,580,258	4,929,829	13,447,922	12,377,613	15,974,357	15,673,236	13,788,232	12,064,843	15,072	121,310	1,515,579	1,936,006	-	-	482,486	566,760	174,361	276,803	490,416	845,201	37,462,984	32,960,200	103,012,362	94,320,425
Elimination of intragroup balances																									(8,441,320)	(8,739,095)
																									94,571,042	85,581,330
Segment Capital Expenditure	2,085,821	1,205,318	105,765	216,624	733,278	756,863	1,533,487	1,513,726	350,527	727,951	-	-	17,561	-	-	-	-	-	-	-	-	-	498,463	1,018,200	5,324,902	5,438,682

14.3 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.

14.4 Based on judgement made by management, Processing, Home Textile and Apparel segments have been aggregated into single operating segment as the segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regularity environment.

14.5 Information about maior customer

Revenue from maior customer whose revenue exceeds 10% of gross sales is Rs. 14,361 million (31 Dec-2021: Rs. 7,167 million).

14.6 Information by geographical area

	Revenue		Non-current assets	
	For the Six Months Ended (Unaudited)		(Unaudited)	Audited
	December - 2022	December - 2021	December - 2022	June - 2022
	-----Rupees in '000-----			
Pakistan	28,516,783	31,938,742	57,974,968	53,963,301
Germany	12,716,474	6,656,572	-	-
United States of America	6,094,258	6,303,631	3,394	3,961
Netherlands	2,988,981	1,344,662	-	-
France	2,386,432	-	-	-
Italy	2,344,970	1,085,977	-	146,379
United Kingdom	2,284,097	2,715,433	129,423	-
Sweden	881,245	855,264	-	-
Spain	675,276	455,541	-	392,562
China	517,950	262,748	-	-
United Arab Emirates	293,789	498,254	16,697	-
Other Countries	3,684,003	4,647,712	-	-
	63,384,259	56,764,536	58,124,483	54,506,203

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the Related Party	Relationship and percentage shareholding	Transactions during the period	(Unaudited)	
			December 2022	December 2021
			----- (Rupees in '000) -----	
Swisstex Chemicals (Private) Limited	Associated company	Purchase of goods	69,716	21,641
Win Star (Pvt) Limited	Associated company	Purchase of goods	-	1,859
Arwen Tech. (Private) Limited	Associated company	Services obtained	-	611
Win Star (Pvt) Limited	Associated company	Services obtained	13,533	-
Haji Ali Mohammad Foundation	Associated company	Rent paid	480	480
The Pakistan Business Council	Associated company	Fees paid	2,530	2,000
Board of Directors	Associated company	Meeting Fees	2,600	-
Habib Metropolitan Bank	Associated company	Markup and other bank charges	67,735	103,221
Employee Provident Fund Trust	Employee Retirement Fund	Company's contribution to provident fund	143,391	129,847

Name of the Related Party	Relationship and percentage shareholding	Transactions during the period	(Unaudited)		(Audited)
			December 2022	June '22	
			----- (Rupees in '000) -----		
Habib Metropolitan Bank	Associated company	Deposit with banks	33,870	21,160	
Habib Metropolitan Bank	Associated company	Short term borrowings	2,960,332	2,488,000	
Habib Metropolitan Bank	Associated company	Bank guarantee	1,103,637	1,103,637	
Win Star (Private) Limited	Associated company	Trade and other payables	2,859	3,151	
Swisstex Chemicals (Private) Limited	Associated company	Trade debts	-	4,298	
The Pakistan Business Council	Associated company	Prepaid fee	1,250	-	
Habib Metropolitan Bank	Associated company	Accrued mark-up	69,850	7,530	
Key management Personnel	Associate	Loan provided	163,802	189,579	
Employee Provident Fund Trust	Employee Retirement Fund	Payable to employee's provident fund	191,931	27,120	

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the period ending September 30, 2022 amounting to Rs. 411.5 million (2021: Rs.467.4 million) on account of remuneration.

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

- Level 1 Quoted prices in active markets for identical assets or liabilities that can be assessed at measurement.
- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs are unobservable inputs for the asset or liability inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Financial assets and liabilities of the Holding Company are either short term in nature or are repriced periodically therefore; their carrying amounts approximate their fair values.

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

As at year end the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land, lease-hold land and capital work in progress which are stated at cost. Long term investments in subsidiaries represent the investment in unquoted shares of companies carried at cost. The Holding Company does not expect that unobservable inputs may have significant effect on fair values.

17 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material. The following major reclassification have been made during the period:

Description	Reclassified from	Reclassified to	30 June 2022 Balance (Rupees in 000)
Stock in transit	Loans, advances and other receivables	Stock-in-trade	1,536,816
Stores in transit	Loans, advances and other receivables	Stores and spares	77,368
Advance to supplier	Trade and other payables	Loans, advances and other receivables	35,005

These reclassifications do not have any material impact on these unconsolidated condensed interim financial statements, therefore, corresponding figures have not been restated.

18 DATE OF AUTHORISATION

These financial statements were authorised for issue on _____ by the Board of Directors of the Group.

19 GENERAL

- 19.1 Allocations for the workers' profit participation fund, workers' welfare fund and taxation are provisional and final liability including liability for deferred taxation will be determined on the basis of annual results.
- 19.2 Figures have been rounded off to the nearest thousand rupees.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer