GulAhmed

CULTIVATING RESILIENCE

ANNUAL REPORT 2023

FOSTERING COLLABORATION

Our theme for this year's annual report is about resilience, determination, and the spirit of never giving up when faced with difficulty. It's about taking risks, pushing boundaries, and refusing to be defeated by testing times. Gul Ahmed embraces this spirit by striving for greatness and success even when the odds seem stacked against it.

The visual language of extreme sports celebrates our dedication to overcoming challenges in the pursuit of excellence.

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COMPANY INFORMATION

Board of Directors	Mohomed Bashir	- Chairman
	Zain Bashir	- Vice Chairman/ Executive Director
	Mohammed Zaki Bashir	- Chief Executive Officer
	Ziad Bashir	- Non Executive Director
	Ehsan A. Malik	- Non Executive Director
	Zeeba Ansar	- Independent Director
	Kamran Y. Mirza	- Independent Director
Chief Financial Officer	Abdul Aleem	
Company Secretary	Salim Ghaffar	
Audit Committee	Kamran Y. Mirza	- Chairman & Member
	Mohomed Bashir	- Member
	Ehsan A. Malik	- Member
	Salim Ghaffar	- Secretary
Human Resource and Remuneration Committee	Zeeba Ansar	- Chairman & Member
	Mohomed Bashir	- Member
	Zain Bashir	- Member
	Salim Ghaffar	- Secretary
Bankers	Allied Bank Limited Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Al Habib Limited Bank Alfalah Limited Bank of Khyber BankIslami Pakistan Limited 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	
Auditors	KPMG Taseer Hadi & Co. Chartered Accountants	
Internal Auditors	Grant Thornton Anjum Rahman Chartered Accountants	
Legal Advisors	A.K. Brohi & Co Advocates	
Registered Office	Plot No.H-7,Landhi Industrial Area, Landhi, Karachi-75120	
Share Registrar	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-E-Faisal, Karachi. Phone No. (+92-021) 34380101-5 Fax No. (+92-021) 34380106	
Mills	Plot No.H-7, Landhi Industrial Area, Karachi-75120	
E-Mail	finance@gulahmed.com	
URL	www.gulahmed.com	

EMBRACING CHALLENGES

We thrive on continuous growth at Gul Ahmed, skillfully navigating through obstacles and turning them into opportunities for success.

VISION

Enriching Lives by Inspiring Change.

MISSION

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

VALUES

Integrity

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

Respect

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

Passion

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

Quality

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

Teamwork

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

OUR PLEDGE

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

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

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

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

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

OBJECTIVES & STRATEGIES

Objectives

We are committed to delivering sustainable excellence in business performance by focusing on the following:

1. Be the textile industry leader of the country.
2. Maintain and make Gul Ahmed's position stronger as the number one local brand in fabrics, apparel, and home textiles.
3. Manufacture premium products to meet customer requirements.
4. Be the trendsetter.
5. Be innovative in fashion.
6. Create new opportunities for business growth and diversification.
7. Maintain operational, technological, and managerial excellence.
8. Be an environmentally friendly and socially responsible company.
9. Benefit our shareholders.

This sequence emphasizes the strategic progression from industry leadership to innovation and diversification, all while maintaining excellence, responsibility, and shareholder value.

Strategies

1. Creating shareholder's value by securing the highest growth rates in terms of sales and earnings per share.
2. Diversification of products is the core strategy. The Company focuses on fulfilling requirements of different customers in line with the latest fashion trends.
3. Adding new product range both for international and domestic customers.
4. Multi-brand strategy to cater to different categories of customers both in terms of purchasing power and local customs.
5. Strong quality management system to ensure that products not only meet the customers' requirements but are also safe for use by both, adults and children.
6. Improving HR policies and practices enabling hiring and retaining competent individuals on competitive remuneration, thus ensuring willingness to work and quality output.
7. Nurturing creative talent and skills in our employees which allows them to visualize and create new fashion trends.
8. Prioritizing the female workforce in certain areas to benefit from their acumen and dedication.
9. Leading through innovation both by technology acquisition and phased-out balancing.
10. Adding facilities essential to our business and eliminating capacity imbalance, thus improving smooth supply and reducing production cost.
11. Invest in state-of-the-art machinery to ensure quality.
12. Reduce commercial borrowings.
13. Not to invest in projects with more than 5 years payback, except those relating to ESG.

Tactics

1. We are committed to making significant investments in cutting-edge machinery and the latest technology to guarantee top-notch quality, increased productivity, reduced wastage, and enhanced cost efficiency.
2. Our strategy includes outsourcing certain operations to enhance our overall production efficiency and economic performance.
3. We continuously strive to improve our systems and processes, whether through replacement or optimization, to maximize output while minimizing costs, particularly in terms of utility consumption.
4. We are dedicated to the implementation and periodic upgrading of our Enterprise Resource Planning Software, which serves to seamlessly integrate all company operations, reduce our reliance on manual controls and reporting, and uphold the security and integrity of our data.
5. Ensuring the safety of our workforce is paramount. We focus on providing comprehensive training and awareness regarding safety measures for both daily tasks and emergency situations, fostering a secure work environment and accident prevention.
6. Our marketing approach emphasizes the consistent use of promotions and discounts to maintain our status as the preferred choice for customers across various segments.
7. We are committed to preserving and cultivating an environmentally friendly workplace, incorporating sustainable practices into our operations.
8. Our efforts are centered on achieving maximum waste recycling, minimizing energy and water consumption, and reducing carbon emissions to contribute positively to our environment and community.

STATEMENT OF BUSINESS CONDUCT AND ETHICS CODE

Our interactions with business partners, colleagues, shareholders, and the public are grounded in principles of good corporate conduct. The following business conduct and ethics code serves as the cornerstone of our business values:

Ethical Decision Making

In making ethical decisions, it is important to exercise good judgment and steer clear of any actions that may even remotely appear improper. Whenever uncertain about whether an action aligns with the Code's guidelines, consider:

1. Is it consistent with the Code?
2. Is it ethical?
3. Is it legal?
4. Would I be comfortable if this were made public?

If the answer is "No" to any of these questions, refrain from taking the action. In cases of uncertainty, seek guidance from:

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

Compliance with Laws, Policies and Procedures

1. Directors and employees must avoid any actions that are known or believed to be in violation of any law, regulation, or corporate policy.
2. Directors and employees must refrain from recommending or making any expenditures of funds known or believed to be in violation of any law, regulation, or corporate policy.

Integrity and Respect for others

1. Conduct activities with the utmost integrity, truthfulness, objectivity, and honor.
2. Do not misuse your position for unfair, deceptive, or misleading practices. Avoid offering, promising, or providing anything to customers or suppliers in exchange for an inappropriate advantage, either personally or for the Company.
3. Avoid situations in which an actual or apparent conflict of interest exists when representing the Company to third parties.

Confidentiality

1. Do not use or disclose the Company's trade secrets, proprietary information, or any other confidential information acquired during your duties.
2. Exercise caution and discretion when handling classified or confidential-restricted access information. Share such information only with Company employees who have a legitimate "need to know." Outside parties may access this information only under binding confidentiality agreements and when they have a "need to know."
3. Treat sensitive information entrusted to the Company by others with the utmost care to prevent potential liability.
4. Comply with all laws, regulations, and contractual commitments concerning the intellectual property rights of third parties, including patents, copyrights, trade secrets, and other proprietary information.
5. Seek permission from copyright owners to use copyrighted materials such as articles, charts, maps, films, and music.

Avoiding Conflict of Interest

1. Directors and employees should consistently act in the best interests of the Company, making business decisions free from conflicts of interest and maintaining impartiality.
2. Directors, employees, and their close relatives must never:
   i. Compete against the Company.
   ii. Use their position or influence to secure improper benefits.
   iii. Use Company information, assets, or resources for personal gain or unauthorized benefits.
   iv. Exploit inside information.
3. Giving or receiving gifts (including cash), to or from parties involved in business with the Company constitutes a conflict of interest and should be avoided. Therefore, we must not:
   i. Receive compensation or honoraria in exchange for services rendered on behalf of the Company.
   ii. Offer or receive gifts or entertainment from individuals or entities engaged in or seeking to do business with the Company or its affiliates. Typically, small-scale tokens of appreciation, such as company souvenirs, magazines, or meals (e.g., lunch or dinner) related to business duties, are permissible and do not constitute a conflict of interest. Consult the Legal Department to gain a thorough understanding of the guidelines in this regard.
4. Insider Trading
   i. Purchasing or selling Company securities while in possession of "material non-public information" is illegal.
   ii. Engaging in insider trading can result in disciplinary actions, including significant civil and criminal penalties.

Company Records and Internal Controls

1. Maintain accurate and honest Company books and records, both by accountants handling transaction records and by those contributing to business records.
2. The Company must maintain accounting records and issue financial statements as required by local laws to ensure transparency in its financial performance.
3. Reliable internal controls are essential for asset security, proper accounting, and financial reporting. All employees must understand and follow the relevant internal controls. Report any concerns about controls' effectiveness to managers or supervisors.
4. Internal and external audits are crucial for compliance with established policies, procedures, and controls. Audits also identify potential weaknesses for prompt correction. Full cooperation with internal and external auditors is required.
5. Engaging in schemes to defraud others, involving money, property, or honest services, violates Company policy and carries severe penalties.

Dealing with Various Stakeholders

Every Company unit or section must follow policies and procedures consistent with the Code when interacting with different stakeholders.

1. Customers

i. Treat customers fairly and honestly.
ii. Provide high-quality services and products.
iii. Operate effective complaint processes to address challenges to standards.
iv. Offer a range of products and services meeting customer requirements.
v. Maintain the confidentiality of customer information as required by law or with customer consent.

2. Employees

i. The Company maintains a conducive working environment, providing appropriate training, transparent career growth opportunities, and competitive remuneration packages, including benefits in compliance with employment-related laws and regulations of Pakistan and relevant countries.
ii. All necessary values and standards mandated by our business practices are effectively communicated to every employee.
iii. Emphasize a clean, healthy, and safe work environment, stressing the responsibility of all employees to take reasonable precautions to prevent harm to themselves, colleagues, and the public.
iv. Facilities are provided to accommodate the needs of special employees.

v. The Company adheres to anti-discrimination laws in employment practices, ensuring equal employment opportunities and fair treatment for applicants and employees regardless of:
   a. Race
   b. Religion
   c. Color
   d. National origin
   e. Age
   f. Sex
   g. Disability
   h. Personal or political preference

3. Suppliers of Goods and Services

i. Encourage collaboration with suppliers that uphold values and standards akin to those of the Company.

ii. Collaborate with suppliers/vendors while adhering to laws and policies to enhance performance in all aspects.

iii. Agree on payment terms when placing orders for goods and services and make payments accordingly.

iv. Prohibit any engagement in unfair, deceptive, or misleading practices, including accepting or requesting favors or benefits from suppliers as an advantage to secure a bid or contract.

4. Communities

i. Contribute to the social and economic well-being of communities associated with the Company's places of business.

ii. Promote employee participation in projects and initiatives aimed at the welfare of these communities.

iii. Plan and execute business operations with a focus on minimizing adverse environmental impact.

5. Competitors

i. Conduct business activities in alignment with the Code, engaging in vigorous yet honest competition.

ii. Refrain from disclosing confidential information except as required by law.

iii. Ensure that the Company competes fairly and complies with all applicable competition laws across its operating locations. These laws are often intricate and vary from country to country. Violations can result in severe penalties. Therefore, directors and employees should seek legal counsel.

6. Governments and Regulators

i. Comply with all pertinent laws, rules, and regulations governing the Company's operations.

ii. Foster a constructive and transparent relationship with regulators to cultivate mutual trust, respect, and understanding.

KEY PERFORMANCE INDICATORS

Financial Performance Indicators

Objective: Increase shareholder's wealth

Export Sales - Direct
2023
Rs. 72,941 million
30%
2022
Rs. 56,299 million

Export Sales - Indirect
2023
Rs. 34,035 million
-19%
2022
Rs. 41,818 million

Local Sales
2023
Rs. 14,473 million
27%
2022
Rs. 11,357 million

Gross Profit
2023
Rs. 16,679 million
-4%
2022
Rs. 17,368 million

Profit Before Tax
2023
Rs. 5,949 million
-43%
2022
Rs. 10,468 million

EBITDA
2023
Rs. 14,963 million
-7%
2022
Rs. 16,112 million

Earnings Per Share
2023
Rs. 5.39 per share
-55%
2022
Rs. 11.97 per share

Return On Equity
2023
Rs. 10.46%
-63%
2022
Rs. 27.96%

***Short Term Borrowings**
2023
Rs. 29,871
-11%
2022
Rs. 33,572

*Net-off day end un-transferred bank balanace

Relevance: These KPIs will remain relevant in the future.

NON-FINANCIAL PERFORMANCE INDICATORS

I. Internal Efficiency and Effectiveness

Objective: Promote Company's image by working ethically.

Compliance with Local Laws

Gul Ahmed is committed to complying with all applicable laws and regulations, and the company maintains a positive working relationship with regulators and government authorities. This commitment to regulatory compliance and cooperation with authorities ensures that the company operates within the legal framework and contributes to its reputation as a responsible and law-abiding corporate entity.

Compliance with policies and procedures

Gul Ahmed has implemented policies and procedures to ensure the effective operation of its business. Additionally, the company has a robust system in place to monitor the effectiveness of these policies and procedures. This commitment to structured governance and oversight helps Gul Ahmed maintain efficiency, transparency, and accountability in its operations.

Zero tolerance against unethical practices

Gul Ahmed maintains a zero-tolerance policy against unethical practices, which include but are not limited to harassment, fraud, misappropriation, and serious violations of any policy. This strong stance against unethical behavior helps ensure a healthy, respectful, and compliant work environment within the company.

Objective: Achieving production efficiencies.

Reduction in cost of manufacturing

During the year, the management at Gul Ahmed remained committed to optimizing operational efficiency and controlling costs. Several strategies and actions were implemented to achieve these objectives:

- **Investing in Modern Machines:**

  The company replaced old machinery with the latest available technology. These newer machines are more energy-efficient and require less manpower to operate.

- **Efficiency-Enhancing Components:**

  Components and accessories that contribute to energy savings and reduced labor requirements were added to the manufacturing processes.

- **Rightsizing and Streamlining:**

  Difficult decisions were made to right-size the workforce and streamline manufacturing processes. This may have involved reducing the number of employees and aligning production capacity with demand.

- **Reducing Waste:**

  Efforts were made to minimize waste in the manufacturing processes. This includes measures to reduce material wastage, optimize inventory levels, and improve overall production efficiency.

- **Merging Operations and Facilities:**

  Operations and facilities were merged to shorten turnaround times, optimize inventory management, and increase production efficiency. This consolidation likely led to cost savings and improved resource utilization.

- **Adjusting Spinning Production:**

  Due to sluggish, the company machinery was adjusted to produce the most required counts besides reducing the utilization of old processes.

  Overall, these initiatives were aimed at making Gul Ahmed's operations more efficient, cost-effective, and responsive to market conditions. By investing in modern technology, reducing waste, and right-sizing the workforce, the company sought to enhance its competitiveness and profitability in the textile industry.

Outsourcing of activities and revisiting of in-house capabilities

Gul Ahmed has been actively reviewing its operations to identify areas that could benefit from outsourcing or insourcing, with the goal of achieving cost and time savings. This ongoing process involves assessing the suitability of various activities for outsourcing, partial outsourcing, or insourcing based on economic and operational considerations.

Here's a breakdown of the approach:

- **Partial Outsourcing:**

  The company evaluates which activities can be partially outsourced to external partners. This assessment considers factors such as cost savings and time efficiency. When identified, these activities are transitioned to external providers to optimize resource allocation.

- **Market Rate vs. Cost Comparison:**

  Periodic assessments are conducted to compare market rates with internal costs. This analysis helps determine whether specific activities should be insourced or outsourced. The decision is based on which option is more economically favorable.

- **Temporary Closure:**

  In situations where temporary closures are deemed necessary, such decisions are made promptly after consultation with management. Temporary closures are typically implemented as a short-term measure to address specific challenges or market conditions.

- **Permanent Closure:**

  Decisions regarding permanent closures are made based on experience and performance assessments over a specific period. These decisions are considered more strategically and are typically implemented after thorough evaluation and consideration of long-term factors.

  By regularly evaluating outsourcing, insourcing, and closure options, Gul Ahmed aims to adapt to changing market conditions, optimize its operational efficiency, and make informed decisions that align with its business objectives. This flexible approach allows the company to respond effectively to both short-term challenges and long-term strategic goals.

Certifications from independent organizations for quality management

Gul Ahmed takes great pride in its product quality, creativity, and innovation, which have contributed to its reputation as one of the top companies in the industry. The company has received prestigious awards and certifications in recognition of its excellence in both environmental practices and product quality. This commitment to quality and sustainability is an integral part of the company's identity.

Gul Ahmed emphasizes that it will persist in these endeavors as long as it is certain that its team remains fully attuned to the needs and expectations of its customers. This ongoing dedication to aligning with buyer preferences and requirements ensures that the company can maintain its high standards and continue to deliver outstanding products and services.

In summary, Gul Ahmed's relentless pursuit of quality, creativity, and innovation, as well as its commitment to environmental sustainability, will remain at the forefront of its operations, driven by a deep understanding of customer needs and a dedication to excellence.

Relevance: These KPIs will remain relevant in future.

II. Long-Term Development and Innovation

Objective: To be the industrial leader.

Technological Advancement

Gul Ahmed is committed to the continuous modernization of its production facilities. The company consistently invests in the latest machinery and technology to enhance its manufacturing capabilities while maintaining a steadfast commitment to product quality and minimizing its environmental impact. In the past year, Gul Ahmed has undertaken significant modernization and upgrades in various segments of its operations, including spinning, weaving, and processing. These efforts reflect the company's dedication to staying at the forefront of the industry, improving efficiency, and meeting the evolving needs of its customers while adhering to sustainability principles.

Product development and diversification

The Company is continuously engaged in product research and development.

Update MIS

The Company has achieved a successful upgrade of its Enterprise Resource Planning (ERP) system, leading to improved reporting capabilities and enhanced resource planning. As part of this initiative, the company has implemented Microsoft Dynamics Cloud Version in one of its business segments. The positive experience and benefits gained from this implementation may prompt the company to extend the use of this ERP system to other business segments in the future. This demonstrates Gul Ahmed's commitment to utilizing advanced technology solutions to optimize its operations and further improve efficiency across various facets of its business.

Relevance: These KPIs will remain relevant in future.

COMPANY'S PROFILE

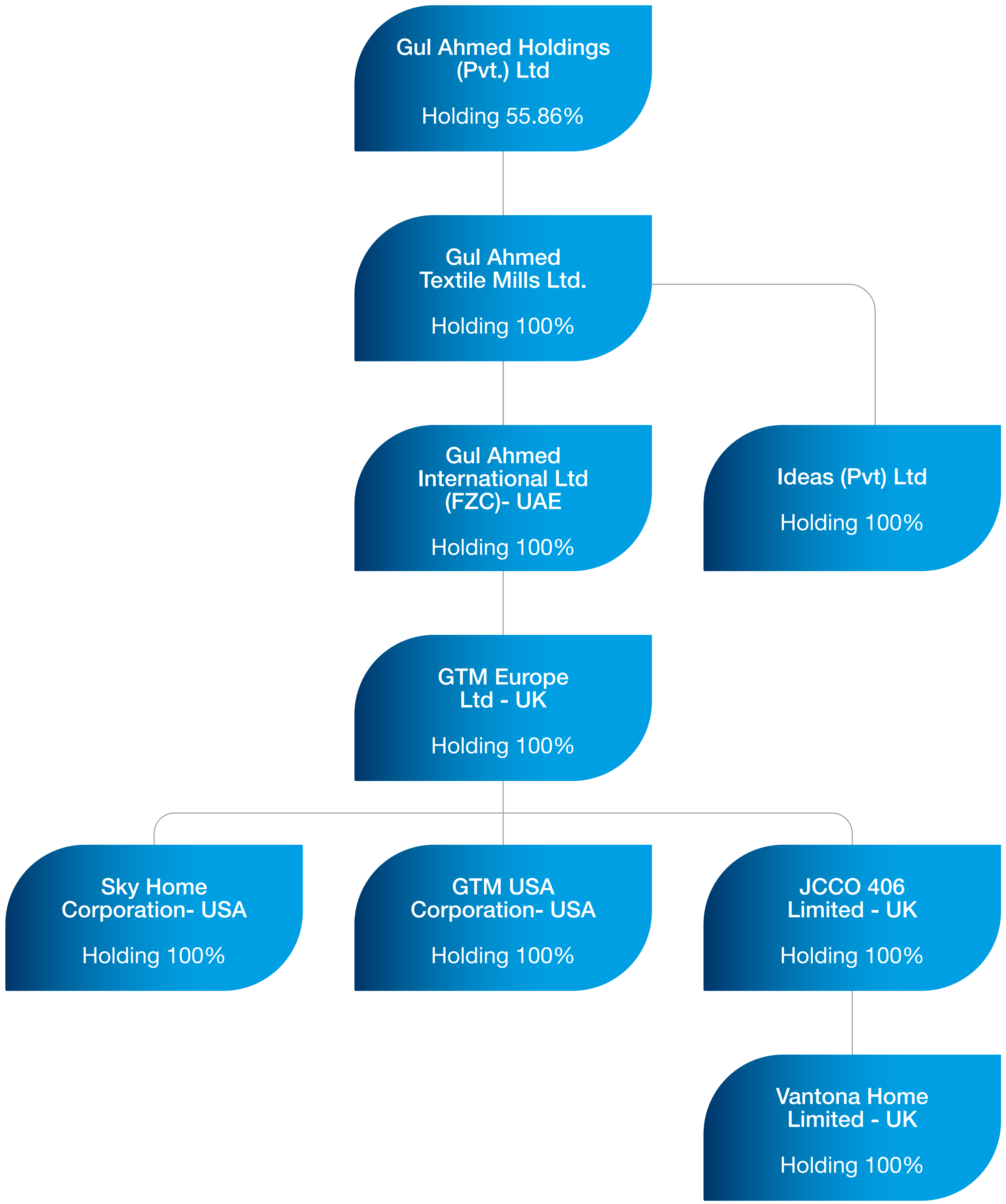
The history of textiles in the subcontinent is intertwined with the narrative of Gul Ahmed. The group initiated its involvement in textiles during the early 1900s and ventured into manufacturing by establishing what is now recognized as Gul Ahmed Textile Mills Limited (the Company) in 1953.

The Company was formally incorporated on April 1, 1953, in Pakistan as a private company with limited liability through shares. Subsequently, it transitioned into a public limited company on January 7, 1955, and was listed on the Karachi Stock Exchange (KSE). Presently, the Company is listed on the Pakistan Stock Exchange Limited.

Group Structure

- Gul Ahmed Textile Mills Limited functions as a subsidiary of Gul Ahmed Holdings (Private) Limited (GAHPL), which holds a majority of 55.86% shares.
- Additionally, the Company has wholly-owned subsidiaries engaged in the trade of textile-related products, including:
- Gul Ahmed International Limited (FZC): Established in the UAE on December 11, 2002.
- GTM (Europe) Limited: Founded in the United Kingdom (UK) on April 17, 2003, and serves as a wholly-owned subsidiary of Gul Ahmed International Limited (FZC).
- GTM USA Corp. and Sky Home Corp.: These entities are incorporated in the United States of America (USA). JCCO 406 Limited is another subsidiary, situated in the United Kingdom, and is wholly owned by GTM (Europe) Limited. Additionally, Vantona Home Limited is a 100% subsidiary of JCCO 406 Limited, UK.
- Ideas (Private) Limited ("Ideas"): Registered in Pakistan as a wholly-owned subsidiary of Gul Ahmed Textile. Pursuant to the Scheme of Reconstruction approved by the Honorable Sindh High Court on October 29, 2021, Gul Ahmed separated its retail and local business, along with associated assets and liabilities, to Ideas.

In tabular form, the Company's structure is as follows:



Nature of Business

Gul Ahmed operates as a versatile and integrated business entity, equipped with state-of-the-art machinery across various operational segments, including spinning, modern yarn dyeing, weaving, processing, digital printing, embroidery, and stitching units. This comprehensive approach allows the Company to engage in every aspect of production, from cotton yarn manufacturing to the creation of finished products.

In addition to its manufacturing capabilities, Gul Ahmed has established its own captive power plant, featuring gas engines, gas and steam turbines, and backup diesel engines. This strategic investment ensures a reliable and uninterrupted power supply.

Demonstrating a commitment to environmental responsibility, Gul Ahmed has implemented a wastewater treatment facility capable of treating 100% of its effluent to meet NEQS (National Environmental Quality Standards) levels, contributing to the preservation of the environment.

Gul Ahmed extends its influence beyond the textile industry and boasts a significant presence in the retail sector. The introduction of its flagship store, Ideas by Gul Ahmed, marked the Company's entry into the retail domain. Over time, Gul Ahmed has expanded its retail footprint to include more than 100 stores nationwide, located across Pakistan. These stores offer a diverse range of products, spanning from home accessories to fashionable clothing.

With a legacy spanning over six decades, the name Gul Ahmed continues to be internationally recognized for its commitment to quality, innovation, and reliability in all its endeavors.

With the state-of-the-art latest machines at spinning & most modern yarn dyeing, weaving, processing, digital printing, embroidery, and stitching units, the Company is a composite unit – making everything from cotton yarn to finished products. Besides, Gul Ahmed has its own captive power plant comprising gas engines, gas and steam turbines, and backup diesel engines. Believing in playing its role in protecting the environment, Gul Ahmed has also set up a wastewater treatment plant to treat 100% of its effluent, bringing it to NEQS levels.

Gul Ahmed is playing a vital role not only as a textile giant but has a strong presence in the retail business as well. The opening of its flagship store – Ideas by Gul Ahmed (which is now managed by 100% subsidiary Messrs. Ideas (Pvt.) Ltd., marked the group's entry into the retail business. Starting from Karachi, Gul Ahmed now has an extensive chain of more than 110 retail stores across the country, offering a diverse range of products from home accessories to fashion clothing.

More than 60 years since its inception, the name Gul Ahmed is still globally synonymous with quality, innovation & reliability.

Trade Bodies and Association

The Company is a member of the following Associations:

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

OUR PRODUCT PORTFOLIO

The production of textiles requires a blend of technical expertise and creative artistry to create products that appeal to customers. At Gul Ahmed, there is an emphasis on continuous learning, improvement, and innovation through consistent efforts and a drive for growth. The company is equipped with the most advanced technology in the industry, enabling it to offer a vast spectrum of products to customers, across the world.

Product Stewardship

At Gul Ahmed, our unwavering commitment revolves around delivering top-notch products to our customers, with their satisfaction as our paramount objective. To ensure the highest product quality and safeguard consumer interests, we have instituted the following measures:

- Rigorous quality control checks are conducted at various stages throughout the production process, culminating in a final quality assessment during the packing phase.
- In the event of damaged or defective products, swift replacements are provided.
- Our emphasis extends to environmentally friendly and premium-quality packaging.
- We offer a free product exchange service to our customers.
- Our establishments are designed to foster a customer-friendly and hygienic environment.
- For washable products, we provide product safety guidelines to extend their lifespan.

Product Diversity

The textile production arena demands a harmonious blend of technical expertise and creative artistry to craft products that resonate with our esteemed clientele. At Gul Ahmed, we place a significant emphasis on perpetual learning, enhancement, and innovation through sustained endeavors and an unwavering commitment to progress. The Company is armed with cutting-edge technology, enabling us to cater to an extensive array of product varieties.

Yarn

Gul Ahmed exports yarn to a multitude of countries across the globe, including China, various Asian nations, the Middle East, and Europe. We manufacture a diverse range of yarn qualities, encompassing carded, combed, compact siro, fancy, plied, core-spun, slub, package dyed/cone dyed, gassed mercerized/dyed yarn.

Fabric

Within our facility, Gul Ahmed boasts the capability to dye and print an extensive spectrum of home textile and apparel fabrics. Additionally, we possess the infrastructure for back coating and flock printing, providing us with an added dimension to cater to our customers' diverse needs. Our fabric portfolio encompasses plain fabric, sheeting fabric, poplin, canvas, oxford, duck, Bedford cord, herringbone, ottoman, twill, sateen, rib stops, slub fabric, stretch fabric, and mélange fabric.

Bleached Fiber

We have embarked on a new venture, introducing a segment dedicated to the production of high-quality bleached cotton, tailored for use in the medical and cosmetic industries. Encouraged by the positive response, we are in the process of expanding our production capacity to meet the growing demand for this specialized product. Our commitment to delivering world-standard quality remains unwavering as we strive to excel in this new endeavor.

Following an impressive response from the local market, we have expanded into the export of garments. By tailoring our products to match the prevailing fashion trends in target countries and leveraging our GSP Plus status, we have successfully increased our exports.

Made-ups

Gul Ahmed's premium textile products epitomize a unique fusion of time-honored eastern traditions and the latest textile technology from the western world. Our made-ups are available in white, dyed, printed, or yarn-dyed variations, with various styles of confectioning. Our made-ups section encompasses:

Home Textiles

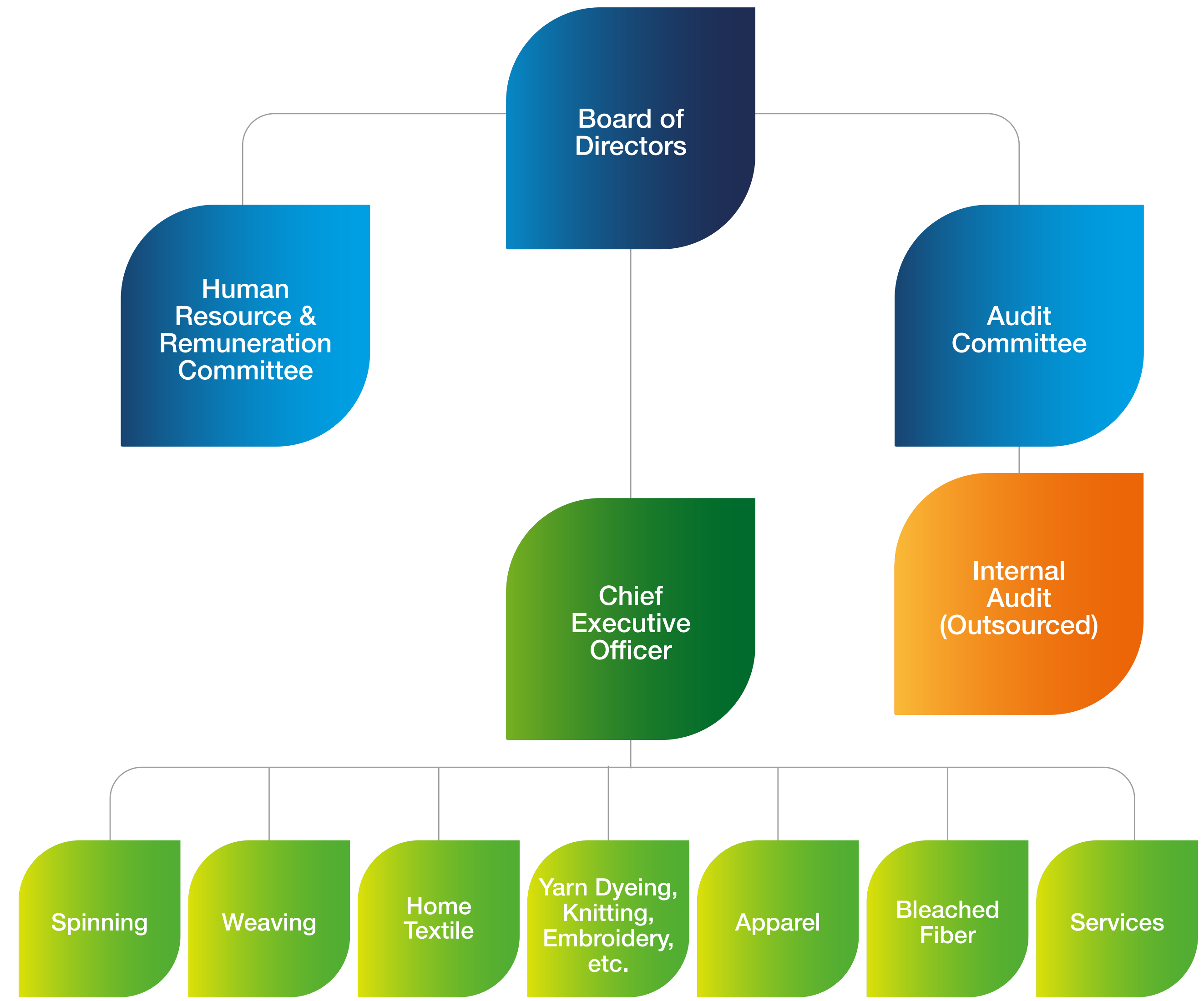
Our home textile products cater to all home and office decoration needs and are meticulously designed to set new trends and fashion standards. This section products includes:

- Sheets and Pillowcases
- Comforters
- Quilt/Duvet covers
- Bed-in-a-Bag
- Decorative pillows
- Curtains
- Upholstery fabrics

Apparel and Garments

We have consistently nurtured the creativity of designers and invited talented individuals to showcase their design skills in various forms. By doing so, we not only encourage emerging talents but also benefit from their innovative ideas. Our value creation process, coupled with our skilled human resources, has consistently delivered exceptional results. The enthusiasm of our customers, who eagerly flock to our stores with each new product launch, stands as a testament to our success in creating appealing designs and setting new fashion trends.

ORGANOGRAM



PROFILE OF THE
DIRECTORS

Mr. Mohomed Bashir
Chairman

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

In recognition of his services he has been awarded Sitara-e-Imtiaz by the President of Pakistan in 2006 and was also conferred with Justice of Peace. On April 7, 2017 he was awarded with the Grade d' Officier in the National Order of Merit by the President of the French Republic. On 19 February 2020, Mr. Bashir was awarded the Knight of King, Northern Star Order, first class by the King of Sweden, Mr. Carl Gustaf.

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

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

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

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

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

- Honorary Consul General of Sweden – Sindh / Baluchistan – 1st Sept, 2015 to July, 2023
- Chairman, Pakistan Business Council – 2014 – 2015
- Founder Director, Pakistan Business Council – 2005 - 2022
- President, International Textile Manufacturers Federation (ITMF) (2010 – 2012)
- Member, Tax Reform Commission, Ministry of Finance (2014-2016)
- Member, Tax Advisory Council, FBR (2014-2016)
- Founder, Trustee, Fellowship Fund For Pakistan 2003 - 2013
- Member, Advisory Committee, Federal Tax Ombudsman, Government of Pakistan (2011 – 2014)
- Member, Economic Advisory Council, Government of Pakistan (2001 -2003 / 2008-2013)
- Member, Export Promotion Board, Government of Pakistan (2002 – 2007, 1995 – 1997)
- Member, National Strategy on Textiles (2006 – 2007)
- Chairman, Pakistan Britain Advisory Council (2002 – 2005)
- Chairman, All Pakistan Textile, Mills Association (1989 – 1990)
- Vice Chairman, All Pakistan Textile Mills Association (1982 – 1985)
- Chairman, Pakistan Swiss Trade and Industry Committee (1981– 2000)
- Governing Board, Pakistan Design Institute (1981 – 2000)
- Member, Advisory Board of CPLC, Government of Sindh (2010)

Mr. Zain Bashir
Vice Chairman/Executive Director

Mr. Zain Bashir joined the Board in May 1997. He is also the Vice Chairman of the Company and is a certified director from the Pakistan Institute of Corporate Governance (PICG). He is on the Board of Landhi Infrastructure Development and Management Company, which is responsible for enhancing the infrastructure of Landhi Industrial Area. In 2009-2010, 2015-2016 & 2018-2019, he remained the Chairman and President of the Landhi Association of Trade and Industry respectively. In 2012-2013, he remained the Chairman of the Pakistan Bedwear Exporters Association. He has also served as the Executive Committee Member of the Landhi Association of Trade and Industry.

His extensive association with the textile sector has provided him with an in-depth knowledge of the industry.

Mr. Mohammed Zaki Bashir
Chief Executive Officer/Director

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

Mr. Mohammed Zaki Bashir is a member of Executive Committee of All Pakistan Textile Mills Association (APTMA). Mr. Mohammed Zaki Bashir has also been a member of the Entrepreneurs Organization since 2014. The Entrepreneurs Organization (EO) is a global, peer-to-peer network of more than 12,000+ influential business owners with 173 chapters in 54 countries. He is a member of the Pakistan Textile Council and serves on its board as a director. He is also a member of Young Presidents Organization ("YPO") Pakistan.

Through his thorough knowledge of the Company, he has contributed to the overall growth of the Company. He is also serving on the board of the following companies:

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

Mr. Ziad Bashir
Non-Executive Director

Mr. Ziad Bashir has been a member of the Board since February 1999. A graduate from Babson College, USA, with a bachelor degree in Entrepreneurial Studies, he has a comprehensive experience of the textile sector and is involved in various developmental and operational activities of the Company.

He is also associated with the Information Technology (IT) industry and has played a key role in the transformation of the Company's IT infrastructure. He is a certified director from Pakistan Institute of Corporate Governance (PICG).

Over the years, he has served as Chairman of Landhi Association of Trade and Industry. He is on the Board of Landhi Infrastructure Development and Management Company and on the Board of Central Managing Committee of All Pakistan Textile Mills Association (APTMA). He has also served as a President of Young Presidents Organization (YPO) Pakistan and Executive Committee of the Pakistan Board of Investment. He is also a member of Board of Directors of Pakistan Business Council.

Furthermore, he has served on the Prime Ministers Economic Advisory Committee overseeing two key areas of Domestic Commerce and Information Technology. With the aim of promoting provincial trade and investment, he has been associated with the Punjab Board of Investment and Trade for almost a decade. He is also a member of various committees on the Federal Board of Revenue to enhance the capability of the tax system and overall uplift of the economy.

Mr. Ehsan A. Malik
Non-Executive Director

Mr. Ehsan A. Malik joined the Board of Directors of the Company in June 2016. He is also a Member of the Audit Committee of the Company. Mr. Ehsan A. Malik is a certified director from the Pakistan Institute of Corporate Governance (PICG). He is currently serving as the Chief Executive Officer of the Pakistan Business Council. From 1st September 2006 to 31st October 2014, Mr. Ehsan A. Malik was the Chief Executive Officer of Unilever Pakistan Limited and a Director of Unilever Pakistan Foods Limited. Prior to this, he was Chairman and CEO, of Unilever Sri Lanka Limited and his earlier International appointments covered Unilever's regional businesses in Egypt, Lebanon, Jordan, Syria, and Sudan as well as Unilever's Head Office in the UK. These preceded senior commercial and financial roles at Unilever Pakistan. He is also a Member of the Board of Directors of Abbott Laboratories Pakistan Limited, National Foods Limited, and Standard Chartered Bank Pakistan Limited.

Mr. Ehsan A. Malik is a fellow member of the Institute of Chartered Accountants of England and Wales, the Institute of Chartered Accountants of Pakistan, and alumni of the Wharton and Harvard Business Schools.

Ms. Zeeba Ansar
Independent Non-Executive Director

Ms. Zeeba Ansar joined the Board as an independent non-executive director in April 2020. She has over 28 years of private and corporate banking experience. She did her Bachelors in Economics and Statistics from the University of Punjab and then completed her MBA in Marketing and Finance from the Institute of Business Administration. In her career as a banker she has worked with Deutsche Bank AG as Manager Corporate Banking Department and Faysal Bank as Senior Vice President and Corporate Head-South. She then joined UBL as Executive Vice President and Regional Corporate Head-South and retained the position for 10 years. Her most recent professional engagement was with NIB Bank as Group Head-Corporate and Investment Banking where she worked till 2017. She is an independent director on the Board of Directors of Cherat Cement Company Limited and SAMBA Bank Limited respectively. Additionally, she is a member of Board Risk Committee of the SAMBA Bank Limited and she is also the Chairperson of the Board Nomination and Remuneration Committee of SAMBA Bank Limited. Ms. Zeeba Ansar is a certified director from Pakistan Institute of Corporate Governance.

Mr. Kamran Y. Mirza
Independent Non-Executive Director

Mr. Kamran Y. Mirza is a qualified Chartered Accountant (Nov. 1968) from United Kingdom and started his career in Pakistan as an auditor with A.F. Ferguson & Co. Mr. Mirza then made a career move in December 1970 and joined Abbott Laboratories (Pakistan) Limited, a multinational Pharmaceutical cum health care company as Chief Financial Officer. He became one of the youngest Managing Director's of his time in the year 1977 and remained in that position, i.e. Managing Director, Abbott Pakistan, for 29 years.

Mr. Mirza held the position of Chairman Export Processing Zones Authority from February 2007 to March 2009 and then joined PBC (Pakistan Business Council) as its Chief Executive Officer, a position he held till December 2015. PBC is a Think Tank cum Business Policy Advocacy Forum.

He is the Chairman of Philip Morris (Pakistan) Ltd. He is also serving as Director on the Boards of Colgate Palmolive (Pak) Ltd., Askari Bank Ltd., Rafhan Maize Products Co. Ltd., Education Fund for Sindh (EFS), of which he was the Chairman from Dec. 2012 to Oct. 2016.

Previously, he served as Chairman of Pakistan Mercantile Exchange Ltd. (PMEX)–formerly National Commodity Exchange Ltd. (NCEL), Chairman of Karachi Stock Exchange (KSE), President of Overseas Chamber of Commerce & Industry (OICCI), President of American Business Council (ABC), Chairman of Pharma Bureau (Association of Pharmaceutical Multinationals).

He served as Director on the Boards of State Bank of Pakistan (SBP), Pakistan State Oil (PSO), International Steel (ISL), Sarmaya-e-Pakistan Ltd., National Bank of Pakistan (NBP), Bank Alfalah Ltd, Abbott Laboratories (Pak) Ltd., Pakistan Textile City Ltd., Unilever Pakistan Foods Ltd. (UPFL), Competitiveness Support Fund (CSF), Genco Holding Company, NAVTEC, Safari Club of Pakistan Ltd. and Karwan-e-Hayat of which he was also the Chairman. Further, he represented PBC on the Board of BOI (Board of Investment) and other Government Bodies/Institutions.

Mr. Mirza has also been a past Chairman of a Task Force set up by Planning Commission on Pharmaceutical Industry, a member of the Economic Advisory Board of the Federal Government and Sindh Wild Life Board. He has served as a Member on Quality Control Board of Institute of Chartered Accountants of Pakistan. He also lectures regularly at the Pakistan Institute of Corporate Governance (PICG).

He holds the following directorships:

- Philip Morris (Pakistan) Limited
- Colgate-Palmolive (Pakistan) Limited
- Rafhan Maize Products Co. Limited
- Askari Bank Limited
- EFS (Education Fund for Sindh)

BOARD COMMITTEES

Audit Committee

1. Composition

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

2. Terms of Reference

The committee shall be responsible for:

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

Major judgmental areas:

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

Human Resource And Remuneration Committee

1. Composition

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

2. Terms of Reference

The committee shall be responsible for:

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

PUSHING BOUNDARIES

Gul Ahmed accepts trials with determination, conquering them through strategic planning and unwavering commitment.

CHAIRMAN'S REVIEW

I take great pleasure in addressing our esteemed members and stakeholders to provide the necessary information, in accordance with the Companies Act of 2017, regarding the overall performance and the effectiveness of the Board in achieving the Company's objectives.

The Company has indeed encountered substantial challenges, and the Board has played a pivotal role in offering strategic guidance to address these issues. We recognize the paramount importance of robust corporate governance in ensuring accountability and remain steadfast in our commitment to upholding the highest standards of governance for the benefit of all our stakeholders. Our Board's governance practices rigorously adhere to the relevant laws and regulations, clearly outlining its roles and responsibilities. Throughout the fiscal year 2022-2023, the Board convened a total of five meetings, including those of the audit committee, ensuring consistent oversight of our performance and that of our sub-committees.

The Board's primary agenda is to diligently fulfill its duties in accordance with the law, always prioritizing the best interests of the Company and its stakeholders. To achieve this, the Board proactively prepares the Company well in advance, equipping it to effectively manage challenges and mitigate associated risks in any scenario. This proactive approach has not only made the Company resilient but has also enabled to meet our targets successfully. To fulfill its statutory role, meet its obligations, and guide the management under all conditions, the Board has undertaken the following actions:

a. Ensured that the composition of the Board reflects a diverse mix of backgrounds, rich experiences, and individuals possessing the necessary skills, capabilities, and experience to achieve the Company's objectives.

b. Ensured that board meetings are held regularly and conducted in a congenial atmosphere with a clear focus on achieving goals, encouraging active participation from every Board member in strategic and governance-related discussions.

c. Developed a mechanism for the annual evaluation of the Board's own performance and conducted self-evaluations by each member.

d. Established Audit and HR & Remuneration committees with clearly defined objectives.

e. Strived to maintain and reinforce a high level of corporate governance, transparency, and adherence to corporate values.

f. Maintained ongoing interaction with the Chief Executive, effectively collaborating throughout the year through various committees.

g. Identified priorities for improving results and key performance indicators (KPIs), ensuring that these are consistently on the Chief Executive's agenda.

The cope with significant challenges the Board has played a crucial role in offering strategic guidance to address issues and challenges. These challenges encompass a wide array of issues, including:

- **Creating a Niche in Markets with Reduced Disposable Income:**

  In an environment of reduced disposable income, provided guidance on how to maintain and establish a distinct presence in the market and avoid any reduction in sales volume.

- **Managing Higher Financing Costs:**

  In light of rising finance costs, the as advised on methods to mitigate the impact on the Company's financial health by reducing investment in working capital and agreed on phasing out of borrowings to great extent.

- **Addressing Uncontrolled Domestic Inflation:**

  Navigated strategies to contend with persistent domestic inflation and its impact on operations and pricing.

- **Adaptation to Alternate Fuels:**

  Given challenges related to gas rationing, has explored options for utilizing alternate fuels to ensure uninterrupted operations.

- **Navigating Economic and Political Uncertainties:**

  Provided guidance on how to navigate economic and political uncertainties, ensuring stability in operations.

- **Adapting to Changes in State Bank of Pakistan Policies:**

  In response to shifts in State Bank of Pakistan's policies aimed at supporting textile exports, has advised on how to effectively align with these policies.

- **Addressing Exchange Rate Volatility:**

  To manage volatility in the PKR-USD exchange rate, has explored strategies to mitigate currency risks.

- **Navigating Import Policy Restrictions:**

  The Board has offered insights into managing challenges arising from import policy restrictions.

These collective efforts and strategic guidance from the Board have been instrumental in helping the Company address and navigate these multifaceted challenges effectively.

In my capacity as the Chairman of the Board, I am confident in asserting that our Board has performed with diligence and provided robust oversight. The overall performance and effectiveness of the Board have been evaluated as effective and satisfactory, affirming our ability to offer valuable guidance and ensure strong governance.

I would like to express here, my heartfelt appreciation to our members and other stakeholders for their unwavering support and trust in both the management and the Company. Your confidence is truly valued and fuels our commitment to delivering excellence.

Mohomed Bashir
Chairman

Karachi: 25 September 2023

چیئرمین ریویو (تجزیہ)

میں اپنے معزز ممبران اور اسٹیک ہولڈرز کو کمپنیز ایکٹ 2017 کے مطابق کمپنی کے مقاصد کو حاصل کرنے میں بورڈ کی مجموعی کارکردگی اور مؤثریت کے حوالے سے ضروری معلومات فراہم کرنے میں بہت خوشی محسوس کررہا ہوں۔

کمپنی کو درحقیقت کافی چیلنجز کا سامنا کرنا پڑا ہے اور بورڈ نے ان مسائل سے نمٹنے کے لیے اسٹریٹجک لائحہِ عمل تیار کرنے میں اہم کردار ادا کیا ہے۔ ہم جوابدہی کو یقینی بنانے میں مضبوط کارپوریٹ گورننس کی بنیادی اہمیت کو تسلیم کرتے ہیں اور اپنے تمام اسٹیک ہولڈرز کے فائدے کے لیے گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کے اپنے عزم پر ثابت قدم ہیں۔ ہمارے بورڈ کی گورننس میں متعلقہ قوانین اور ضوابط کی سختی سے پابندی کرتے ہیں اور عملی طور پر بھی اس پر عمل پیرا رہتے ہیں۔ مالی سال 2023-2022 کے دوران، بورڈ نے مجموعی طور پر پانچ اجلاس بلائے، جن میں آڈٹ کمیٹی کے اجلاس بھی شامل تھے، تاکہ ہماری اور ہماری ذیلی کمیٹیوں کی کارکردگی کی مسلسل نگرانی کو یقینی بنائی جائے۔

بورڈ کا بنیادی ایجنڈا کمپنی اور اس کے اسٹیک ہولڈرز کے بہترین مفادات کو ہمیشہ ترجیح دیتے ہوئے قانون کے مطابق اپنے فرائض کو تندہی سے پورا کرنا ہے۔ اس ہدف کو حاصل کرنے کے لیے بورڈ کمپنی کو پیشگی طور پر تیار کرتا ہے، اسے کسی بھی صورت حال میں چیلنجوں کا مؤثر طریقے سے انتظام کرنے اور متعلقہ خطرات کو کم کرنے کے لیے تیار کرتا ہے۔ اس فعال انداز نے نہ صرف کمپنی کی کارکردگی کو معیاری بنایا ہے بلکہ اس نے اپنے اہداف کو کامیابی سے پورا کرنے کے قابل بھی بنایا ہے۔ اپنے قانونی کردار کو پورا کرنے، اپنی ذمہ داریوں کو پورا کرنے اور تمام شرائط کے تحت انتظامیہ کی رہنمائی کے لیے، بورڈ نے درج ذیل اقدامات کیے ہیں:

الف) اس بات کو یقینی بنایا کہ بورڈ کی تشکیل پس منظر، بھرپور تجربات، اور کمپنی کے مقاصد کو حاصل کرنے کے لیے ضروری مہارتوں، صلاحیتوں اور تجربے کے حامل افراد کے متنوع امتزاج کی عکاسی کرسکے۔

ب) اس بات کو یقینی بنایا گیا ہے کہ بورڈ میٹنگز باقاعدگی سے منعقد کی جائیں اور ان کا انعقاد خوشگوار ماحول میں کیا جائے جس میں اہداف کے حصول پر واضح توجہ دی جائے۔ بورڈ کے ہر رکن کی اسٹریٹجک اور گورننس سے متعلق بات چیت میں فعال شرکت کرنے کی بھی بھرپور طریقے سے حوصلہ افزائی کی جائے۔

پ) بورڈ کی اپنی کارکردگی کے سالانہ جائزے کے لیے ایک طریقہ کار تشکیل دیا گیا ہے اور ہر رکن نے بنفسِ نفیس اس کا جائزہ بھی لیا ہے۔

ت) آڈٹ اور HR اور معاوضے کی کمیٹیوں کی تشکیل تاکہ واضح طور پر تعین کردہ مقاصد حاصل کیے جاسکیں۔

ج) کارپوریٹ گورننس، شفافیت، اور کارپوریٹ اقدار کی پاسداری کی اعلیٰ سطح کو برقرار رکھنے اور تقویت دینے کی شعوری کوشش کی گئی۔

چ) مختلف کمیٹیوں کے ذریعے سال بھر مؤثر طریقے سے تعاون کرتے ہوئے چیف ایگزیکٹو کے ساتھ جاری بات چیت کو برقرار رکھا گیا۔

ح) اس بات کو یقینی بناتے ہوئے کہ یہ مستقل طور پر چیف ایگزیکٹو کے ایجنڈے میں شامل ہیں، نتائج اور کلیدی کارکردگی کے اشارے(KPIs) کو بہتر بنانے کے لیے ترجیحات کی نشاندہی کی گئی۔

اہم چیلنجوں سے نمٹنے کے لیے بورڈ نے اسٹریٹجک رہنمائی پیش کرنے میں کلیدی کردار ادا کیا ہے۔ یہ چیلنجز درج ذیل کئی مسائل کی وجہ سے درپیش آئے

کم ہوتی ڈسپوز ایبل آمدنی کے ساتھ مارکیٹوں میں ایک جگہ بنانا

کم ہوجانے والی ڈسپوز ایبل آمدنی کے ماحول میں، مارکیٹ میں اپنی الگ موجودگی کو برقرار رکھنے اور قائم کرنے اور فروخت کے حجم میں کسی بھی کمی سے بچنے کے بارے میں رہنمائی فراہم کی۔

اعلیٰ مالیاتی اخراجات کا انتظام

بڑھتے ہوئے مالیاتی اخراجات کی روشنی میں، جیسا کہ ورکنگ کیپیٹل میں سرمایہ کاری کو کم کرکے کمپنی کی مالی صحت پر پڑنے والے اثرات کو کم کرنے کے طریقوں پر عمل کرنے کا مشورہ دیا گیا ہے اور کافی حد تک قرضوں کو مرحلہ وار ختم کرنے پر اتفاق کیا گیا ہے۔

غیر کنٹرول شدہ افراط زر سے نمٹنا

مسلسل بڑھتے افراط زر اور قیمتوں پر اس کے اثرات کا مقابلہ کرنے کے لیے نیویگیٹڈ حکمت عملی۔

متبادل ایندھن کے لیے موافقت

گیس راشننگ سے متعلق چیلنجوں کے پیش نظر، بلاتعطل آپریشنز کو یقینی بنانے کے لیے متبادل ایندھن کے استعمال کے لیے اختیارات تلاش کیے گئے ہیں۔

اقتصادی اور سیاسی غیر یقینی صورتحال کی نیویگیٹنگ

آپریشنز میں استحکام کو یقینی بناتے ہوئے معاشی اور سیاسی غیر یقینی صورتحال کو کیسے نیویگیٹ کیا جائے اس بارے میں رہنمائی فراہم کی گئی۔

اسٹیٹ بینک آف پاکستان کی پالیسیوں میں کی جانے والی تبدیلیوں کے مطابق کمپنی کو ڈھالنا

اسٹیٹ بینک آف پاکستان کی پالیسیوں میں تبدیلی کے جواب میں جس کا مقصد ٹیکسٹائل کی برآمدات کو سپورٹ کرنا ہے، مشاورت ہوئی کہ ان پالیسیوں کے ساتھ کس طرح مؤثر طریقے سے ہم آہنگ کیا جائے۔

زرِمبادلہ کی شرح کے اتار چڑھاؤ پر توجہ

پاکستانی روپے اورامریکن ڈالر کی شرح تبادلہ میں اتار چڑھاؤ کو منظم کرنے کے لیے اور کرنسی کو لاحق خطرات کو کم کرنے کے لیے نئی حکمت عملیوں کی تلاش کی گئی۔

درآمدی پالیسی کی پابندیوں کو نیویگیٹنگ

بورڈ نے درآمدی پالیسی کی پابندیوں سے پیدا ہونے والے چیلنجوں سے نمٹنے کے لیے مناسب تجاویز پیش کیں۔

یہ اجتماعی کوششیں اور بورڈ کی جانب سے حکمت عملی کی رہنمائی کمپنی کو ان کثیر الجہتی چیلنجوں کو مؤثر طریقے سے حل کرنے اور نیویگیٹ کرنے میں معاون ثابت ہوئی ہیں۔

بورڈ کے چیئرمین کی حیثیت سے، میں پراعتماد ہوں کہ ہمارے بورڈ نے مستعدی کے ساتھ کارکردگی کا مظاہرہ کیا ہے اور مضبوط رہنمائی فراہم کی ہے۔ بورڈ کی مجموعی کارکردگی اور اثر کو موثر اور تسلی بخش کے طور پر سمجھا گیا ہے، جو قابل قدر رہنمائی پیش کرنے اور مضبوط گورننس کو یقینی بنانے کی ہماری صلاحیت کی تصدیق کرتا ہے۔

میں یہاں اپنے ممبران اور دیگر اسٹیک ہولڈرز کی منیجمنٹ اور کمپنی دونوں میں ان کی غیر متزلزل حمایت اور اعتماد کے لیے دل کی گہرائیوں سے تعریف کرنا چاہوں گا۔ آپ کا اعتماد واقعی قابل قدر ہے اور بہترین فراہم کرنے کے ہمارے عزم کو تقویت بخشتا ہے۔

محمد بشیر
چیئرمین
25 ستمبر 2023

DIRECTORS' REPORT
TO THE SHAREHOLDERS

The Directors of your Company takes pleasure in presenting before you the financial results of your Company for the financial year ended June 30, 2023.

Economic and Industrial Overview

Global Economy

The global economy remained grappled with significant challenges, including sluggish growth prospects, elevated inflation, escalating borrowing costs, and heightened uncertainties. Several factors converged to shape this complex landscape, such as the enduring impact of the COVID-19 pandemic, the protracted conflict in Ukraine, the worsening consequences of climate change, and rapidly changing macroeconomic conditions. Stubbornly high inflation compelled central banks to embark on one of the most aggressive interest rate hike cycles in decades, tightening financial conditions and exacerbating debt vulnerabilities, both in developed and developing economies.

Economies experienced a decline in growth, falling from 3.4% in 2022 to 2.8% in 2023. Advanced economies experienced a notably more significant slowdown, dropping from 2.7% growth in 2022 to 1.3% in 2023. In an alternative scenario involving additional stress in the financial sector, global growth decreased to approximately 2.5% in 2023, with growth in advanced economies falling below 1%. Regarding inflation, the same decreased in global headline inflation from 8.7% in 2022 to 7.0% in 2023, primarily driven by lower commodity prices. However, underlying (core) inflation declined at a slower pace.

Pakistan's Economy

Pakistan's economy confronted numerous challenges during the past year, including devastating floods and rising commodity prices in the wake of global as well as national crisis. It was a year marked by significant financial turmoil and one of the most substantial economic crises the nation has ever faced. This tumultuous period began with a confluence of political and economic crises, resulting in a sharp decline in foreign exchange reserves to US$ 4.0 billion. Pakistan, facing severe financial constraints, managed to reduce its trade deficit impressively by 43% to US$ 27.55 billion in fiscal year 2023. Stringent government measures to curb imports (down by 31%) played a pivotal role in achieving this substantial reduction, aimed at stabilizing critically low foreign exchange reserves and averting default risks. This contraction led to an 85.37% reduction in the Country's current account deficit during fiscal year 2022-23. Consequently, Pakistan recorded a current account deficit of US$ 2.56 billion for the financial year (FY) from July to June of 2023, compared to US$ 17.48 billion in the same period last year ('SPLY'), marking a decline of US$ 14.93 billion. The government's strict import controls, combined with the adverse effects of the 2022 floods which negatively impacted the domestic economy, resulting in a growth rate (provisional as per Economic Survey 2023) of only 0.3% in FY23, compared to 6.1% in FY22.

The Large-Scale Manufacturing (LSM) sector remained in decline, with a notable decrease of 10.26% during FY 2023 as almost all major industries reported substantial declines. This decline was attributed to disruptions in the supply chain, inflationary pressures leading to higher input costs, and a continued contractionary policy stance at the domestic level aimed at rectifying macroeconomic imbalances.

Export and Textile Sector

Due to inflationary pressures, rising energy costs, and other factors, consumers in major export markets like Europe and the US curtailed their spending, leading to a reduction in Pakistan's export volumes. Pakistan's total exports of goods and services amounted to US$ 35.21 billion, down from US$ 39.60 billion in 2022, representing a reduction of 11.08%. Textile exports specifically declined to US$ 16.71 billion from US$ 19.33 billion in 2022, marking a decline of 13.55%. Every export category saw a reduction in volume, with the highest exporting categories - Home Textile, Knitwear, and Garments - experiencing reductions of 18.26%, 13.36%, and 10.57%, respectively. Nevertheless, experts noted that Pakistan's export performance in overseas markets surpassed expectations.

To address these challenges, the government implemented a series of measures. These included imposing restrictions on imports and curtailing foreign exchange outflows. Additionally, there was an unprecedented increase in the policy rate, a revision of the subsidized financing scheme for exporters that led to a markup hike from 3% to 19% compared to the previous year, and adjustments in utility prices.

These actions, coupled with the pressure on foreign exchange reserves, ultimately led to the devaluation of the Pakistani Rupee (PKR) against the US Dollar (USD), with the exchange rate shifting from Rs. 204.85 to Rs. 287.50.

As a result of these import restrictions, the Textile Export Sector, particularly the Spinning segment, faced dire circumstances due to a limited supply of Cotton Bales stemming from the aftermath of flooding. The availability of Cotton Bales dropped significantly to just 4.91 million bales, well below the necessary requirement of 13-15 million bales for the sector. The far-reaching consequences of these import restrictions had a ripple effect across various economic sectors, imposing significant strain on businesses. As a result of this and factors mentioned above profitability of the Company got reduced considerably.

Operational and Financial Performance

Despite facing a reduction in textile exports and the partial or complete closure of some textile units in the Country, we were fortunate to maintain our volume of orders and were thus able to utilize our available capacities to their fullest extent. This resulted in gross sales of Rs. 121.44 billion, representing an increase of approximately 11% compared to Rs. 109.47 billion in SPLY. However, the challenges mentioned above, had a substantial impact on our gross, operating, and net profits. A comparison of the key financial results of the Company for the year ended June 30, 2023 are as follows:

Description	Units	2023	2022
Export Sales (including indirect export) – Net	Rs. in millions	100,009	90,923
Local Sales (excluding indirect export) - Net	Rs. in millions	11,958	9,334
Gross profit	Rs. in millions	16,679	17,368
Profit before tax	Rs. in millions	5,949	10,468
Profit after tax	Rs. in millions	3,986	8,862
EBITDA	Rs. in millions	14,963	16,112
Earnings per share	Rupees	5.39	11.97
Debt to equity	Ratio	33:67	36:64
Current ratio	Ratio	1:0.90	1:0.88
Breakup Value Per Share	Rupees	54.14	58.59
Gross Profit Margin	Percent	14.90	17.32
Profit before Tax Margin	Percent	5.31	10.44
EBITDA	Percent	3.56	8.84

The Company's export sales have remained relatively stable in USD terms when compared to SPLY. However, a notable aspect is that we have experienced a 10% year-on-year increase in export sales when measured in PKR. This increase can primarily be attributed to changes in the USD/PKR exchange rate. On the other hand, our local sales have seen a substantial 28% year-on-year increase. This surge is primarily due increased share in local markets despite reduction in prices.

The cost of sales has risen by 14.96%, primarily driven by increased raw material prices, both imported and local. The ban on imports from India forced the Company to source cotton and yarn from other countries, resulting in longer shipping periods and exposure to higher exchange rates. Further, increases in salaries, driven by a rise in the minimum wage from Rs. 20,000 to Rs. 25,000, and higher electricity costs, have contributed to a reduction in gross profit. It's important to note that we had to resort to more expensive fuel sources for electricity generation due to a gas crisis in the Country, which was necessary to fulfill our existing orders.

The selling cost have increased largely due to the influence of the higher USD/PKR exchange rate and inflation. Meanwhile, our administrative expenses have surged by 54%, primarily driven by rising salary costs, increased fuel expenses, and higher travel expenditures, among other factors.

The finance costs have skyrocketed by 100.33% due to higher policy rates throughout the year, which started at 13% and ended at 22%. Moreover, the Export Refinance Scheme ("ERF") rates have seen a substantial increase compared to the previous year, rising from 3% in June 2022 to 19% in June 2023, significantly impacting our finance expenses.

The tax provision for the year includes an impact of Rs. 561 million, primarily due to an unfavorable decision from the High Court which relates to the withdrawal of rebates on investment in machinery retrospectively. Moreover, tax has also been charged during assessment by add-backs of liabilities older than three years including provisions for Gas Infrastructure Development Cess and Sindh Infrastructure Cess, among others.

Segmental Review of Business Performance

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

Spinning

Gul Ahmed operates one of the most efficient and modern Spinning plants, which plays a pivotal role in contributing to both the Company's top and bottom lines. This segment not only sells its products to textile manufacturers in domestic market but also supplies materials internally. Export is also made in case of favorable prices and terms. During the year, the plant's capacity was increased by approximately 8%.

The year witnessed formidable challenges. A poor cotton crop, increased reliance on imported cotton, elevated cotton prices, and a sluggish yarn market all significantly impacted the profitability of this segment. To maintain full capacity utilization, management made concessions on pricing, but despite these efforts, the net sales in terms of value decreased by approximately PKR 4 billion. The combination of reduced prices and higher raw material costs notably eroded the gross profit, which dropped from 32.5% to 16.5%, marking a 50% reduction.

Another challenge to this segment was the substantial import of cotton, which required higher inventory levels, thereby increasing investment in inventories and doubling financing charges. Despite grappling with higher inflation, the Company effectively managed to control selling and administrative costs, however, increase in cost of borrowings alone has dented the net profit as depicted in following table:

Description	2023	2022
	(Rupees in '000)	
Sales – net	33,953,033	38,143,979
Cost of sales	28,339,167	25,663,808
Gross profit	5,613,866	12,480,171
Selling and distribution cost	80,262	85,120
Administrative cost	452,447	409,350
Other operating cost	748	84,129
Finance cost	1,718,911	897,169
Other income	(21,733)	(14,256)
Net profit before workers' funds and tax	3,383,231	11,018,660

Home Textile

The Home Textile segment of the Company specializes in manufacturing and exporting a diverse range of value-added textiles, contributing a significant 76% to the Company's total exports. Despite a continuous reduction in Pakistan's home textile exports during the last 9 months of 2022-2023, this segment successfully maintained the same volume of sales in US dollars. This achievement is particularly commendable considering the challenges posed by reduced disposable income in Europe and USA.

To achieve sale volume with good prices, the management made strategic changes, which included actively seeking new customers and strengthening relationships with existing ones through focused efforts and an enhanced team. While these efforts resulted in increased commissions and other related expenses, they also led to improvements in both gross and net margins. It's worth noting that despite a nearly 633% gradual increase in finance costs and higher inflation, the segment's net profit showed a remarkable improvement, as evident in the following figures:

Description	2023	2022
	(Rupees in '000)	
Sales – net	71,939,156	59,772,430
Cost of sales	63,641,252	56,101,695
Gross profit	8,297,904	3,670,735
Selling and distribution cost	1,654,247	1,641,209
Administrative cost	1,811,256	1,191,985
Other operating cost	(2,317)	39,138
Finance cost	2,101,053	891,000
Other income	(127,743)	(542,365)
Net profit before workers' funds and tax	2,861,408	449,768

Apparel

This segment primarily focuses on exports and is the preferred supplier for many international retail chains. A small portion of its products is also sold in the local market, mostly comprising leftovers. Despite a reduction in apparel exports from Pakistan during the year under review, the Company managed to double its top line, soaring from Rs. 6.8 billion to Rs. 12.4 billion. This impressive growth was driven by the addition of new

product lines, particularly knitted apparels and change in customers engagement strategy.

Furthermore, a change in production management led to improved operational efficiencies and a reduction in costs and wastages. As a result, the gross profit margin improved significantly, rising from 3.97% to 12.2%. Coupled with effective cost controls in selling and administrative expenses, the net profit before workers' funds and taxes also saw a noteworthy increase, climbing from 2.9% to 4.2%. It's important to highlight that the profit could have been even higher, possibly by a minimum of Rs. 0.29 billion, but for the unprecedented increase in financing rates by the State Bank of Pakistan.

Description	2023	2022
	(Rupees in '000)	
Sales – net	12,399,533	6,766,937
Cost of sales	10,887,242	6,499,316
Gross profit	1,512,291	267,621
Selling and distribution cost	207,968	154,851
Administrative cost	499,976	323,860
Other operating cost	8,665	(408)
Finance cost	352,469	61,495
Other income	(72,112)	(75,033)
Net profit before workers' funds and tax	515,325	(197,144)

The overall profit of the Company, as mentioned above, is lower when compared to the combined profit of the three segments mentioned above. This difference is attributable to losses in some segments and the non-inclusion of Workers Profit Participation Fund and Workers Welfare Fund in the aforementioned segments.

Subsequent Events

During the meeting held on September 25, 2023, the Company's Board of Directors decided not to recommend any dividend.

Board has approved the creation of a capital reserve, for the purpose of business modernization and capacity expansions, by transferring an amount of Rs. 23 billion from unappropriated profit to the reserves (not distributable by way of dividend). This represents part of amount invested in property plant and equipment's internal generation of funds in prior years, which have enhanced enterprise value for shareholders.

Funds Management

The past year posed one of the most daunting challenges in the history of Pakistan, particularly for businesses and export-oriented enterprises. The cost of financing surged multiple times throughout the year due to various factors as well as a connection was established between policy and concessional financing rates. Consequently, the difference between the two rates dwindled to a mere 3%. Notably, the cost of concessional financing surged from 3% to 19%, marking an over 500% increase, which resulted in a markup cost increase of Rs. 2.68 billion for the Company.

Furthermore, the disbursement of concessional financing for long-term loans was abruptly halted without any intimation. As a result, where letters of credit (LC) had already been opened or capital expenditures (CAPEX) were deemed essential, the Company had to obtain financing from banks at KIBOR rates. The increase in markup rates not only diminished the expected profits upon completion but also extended the payback period.

In light of these challenges, the management shifted its strategy regarding investments, both in working capital and CAPEX. A phased reduction in short-term borrowings was planned and executed. As of June 30, 2023, short-term borrowings were reduced by Rs. 5.2 billion compared to the preceding year. However, if the same is compared with level of short-term borrowings on December 31, 2022, March 31, 2023, the borrowings have reduced by Rs. 6.0 billion and Rs. 9.6 billion respectively. This reduction occurred despite the need for additional investment in inventories and debtors, necessitated by the devaluation of the PKR. This strategic approach will persist, with further reductions expected in the coming periods. Regarding investments in fixed assets, the management intends to utilize internal cash flows judiciously, carefully selecting projects for capacity expansion and modernization.

It is important to highlight that the Company diligently fulfilled all its obligations to lenders, creditors, and other stakeholders, with no delays in repaying long-term loans and meeting other financial commitments. Our Company remained prudent in assessing financing options, considering the money and currency market dynamics and the monetary policy of the State Bank of Pakistan (SBP).

Management Objectives and Strategies

Gul Ahmed stands as a prominent and trusted name in Pakistan's textile industry. Our journey to this position has been characterized by unwavering dedication to enhancing shareholders' value, elevating quality standards through technology and creativity, and upholding our commitment to environmental and societal responsibility in the regions where we operate.

For a comprehensive understanding of our objectives and the corresponding strategies, please refer to page 14 of our Annual Report, where they are detailed in-depth.

Materiality Approach

The Company has implemented well-defined and documented processes to establish clear authorization for transactions and delegate powers. Additionally, an approved materiality policy is in place, subject to annual review to ensure its continued relevance and effectiveness.

Risk Management and Opportunities

Principal Risks and Uncertainties

Businesses today confront a multitude of risks and uncertainties, each of which, if not effectively managed, could pose significant threats to our Company. In the modern business landscape, companies face a myriad of risks and uncertainties, each with the potential to pose significant threats if not managed effectively. The Company also operates within a challenging business environment, as comprehensively discussed and analyzed in the SWOT and PESTEL analyses provided on page 102 of the Annual Report. To address these challenges, the management has established a robust mechanism for the identification, evaluation, and mitigation of risks. This framework not only facilitates the smooth operation of the Company but also ensures that our focus remains on driving business growth. The Board of Directors has conducted a rigorous and comprehensive evaluation of various internal and external risk factors that have the potential to impact the Company. Among the notable risks we are currently addressing include:

a. Credit Risk

The Company faces the risk of default on receivables primarily related to its local sales. To mitigate this risk, we employ a rigorous due diligence process when extending credit to customers. For other debts, we implement measures such as prepayments or require adequate securities to safeguard against potential defaults. These practices help us manage and minimize the risk associated with receivables.

b. Market Risk

The Company faces various risks related to its primary raw materials, including fluctuations in prices of cotton and yarn, changes in import policies and associated restrictions, shifts in utility rates, and fluctuations in markup rates. To effectively manage these risks, we employ several strategies:

- **Stock Management:**

  We carefully plan and manage our stock levels, procuring raw materials from various sources at suitable times and intervals to mitigate the impact of price fluctuations.

- **Optimizing Working Capital:**

  We work towards optimizing our working capital and financing requirements to enhance our financial resilience in the face of changing market conditions.

- **Exchange Rate Risk Management:**

  To manage the risk of exchange rate fluctuations, we utilize financial instruments such as forward contracts, bill discounting, and FCY (Foreign Currency) credit. We closely monitor our net exposure to foreign exchange risks to make informed decisions.

  Similarly, the Company has risks of potential decline in export sales due to geopolitical risk. The Company acknowledges the risks associated with a potential decline in export sales, which may arise from geopolitical tensions and reduced global demand during periods of global economic downturns. To effectively manage these risks, we have implemented several strategies:

- **Subsidiary Offices:**

  We utilize subsidiary offices in strategic locations to facilitate our export operations, ensuring flexibility and adaptability in response to changing market conditions.

- **Resource Optimization:**

  We continuously optimize our resources to maintain a resilient export strategy that can withstand external shocks.

- **Engagement of Risk Managers:**

  We engage risk managers both internally and through partnerships with financial institutions to assess and mitigate risks associated with export sales.

  These measures are part of our proactive risk management approach, aimed at safeguarding our export sales against potential external challenges.

  By employing these strategies, we aim to proactively address the challenges posed by market dynamics and external factors, safeguarding the Company's financial stability and competitiveness.

c. Liquidity Risk

The Company has established ample working capital lines of credit with multiple banks to address the gaps between sales receipts and purchase payments. These credit lines are instrumental in ensuring the Company's ability to fulfill its obligations, including but not limited to servicing its debts, and maintaining smooth and uninterrupted business operations.

d. Technology Risk

The Company is committed to staying at the forefront of technology in areas related to its business, finance, Management Information Systems (MIS), and human resources (HR), among others. To achieve this, licenses for new technologies are initially obtained on a limited basis, with access granted to core team members. Subsequently, these technologies are made available to the broader organization, ensuring a systematic and controlled adoption process that aligns with our strategic goals.

e. Technology Risk

Operating in an environment with evolving economic policies and directions, such as Pakistan, can present challenges. New duties and taxes are imposed on existing taxpayers may significantly impact material costs and finished goods pricing, leading to complexities in cost management. Additionally, changes in tax rates or the introduction of new taxes affect both divisible profits and cash outflows.

To navigate this landscape effectively, the Company takes proactive measures. It diligently endeavors to understand the government's strategy under various economic scenarios, considering factors such as debt servicing obligations, development expenditure, and other fiscal policies. Based on this understanding, the Company revises its profit and cash flow forecasting to ensure flexibility and adaptability in response to changing economic conditions and regulatory requirements. This approach enables the Company to remain resilient and competitive in a dynamic economic environment.

f. Utilities Availability and Prices Risk

The depletion of Pakistan's natural gas resources has posed challenges, particularly regarding the volume of supplies available. Furthermore, the country's predominant reliance on thermal electric generation, largely fueled by imported resources, is susceptible to cost fluctuations due to changes in internal fuel prices and the weakening of PKR against other currencies.

In response to these challenges, the Company has taken proactive steps to address its energy needs:

Acquisition of Tri-Fuel Generating Sets: The Company has acquired tri-fuel generating sets, which can operate on multiple fuel sources. This diversification allows for greater flexibility in fuel choice, reducing vulnerability to supply disruptions and price fluctuations.

Transition to Renewable Energy: To mitigate the impact of depleting natural gas resources and fluctuating fuel prices, the Company has initiated a phased transition from conventional gas-based generation to renewable energy sources. This shift toward renewables not only promotes sustainability but also provides a more stable and cost-effective energy solution.

These strategic initiatives demonstrate the Company's commitment to adapt to evolving energy challenges and secure a sustainable and resilient energy supply for its operations.

The Risk Management System of the Company comprises:

The Board of Directors and its Committees

The Company's Board of Directors conducts periodic reviews of the major risks that the business faces and takes necessary actions when required to address these risks. Additionally, the Audit Committee is responsible for reviewing financial and compliance-related risks.

The Remuneration and Human Resource Committee oversees compensation and reward policies to ensure their competitiveness and effectiveness in retaining and attracting talented and experienced staff. The remuneration of non-executive directors is determined by the Board of Directors, taking into consideration current market pay rates and the Company's specific business needs.

Policies and Procedures

The Board has taken proactive measures to establish and implement effective procedures and controls for all business and support cycles. These controls were put in place following a comprehensive identification of related risks. Furthermore, these procedures and controls are subject to periodic reviews and updates, aligning them with the latest risk assessments and the evolving risks faced by the business. This approach ensures that the Company's risk management strategies remain robust and adaptive to changing circumstances.

Information and Monitoring System

The Company has invested in most efficient information systems to ensure the timely and accurate flow of information. These systems empower the management to maintain continuous and effective monitoring of results and variances. This commitment to leveraging modern technology enhances our ability to make informed decisions and respond swiftly to changes in our business environment.

Internal Audit

The Company has chosen to outsource its internal audit function, and this outsourced entity reports directly to the Audit Committee. Its primary responsibility is to assess the effectiveness of internal controls and recommend any necessary improvements. The Audit Committee receives regular periodic audit reports from the outsourced internal audit function, enabling them to review and consider the findings and recommendations for the betterment of the Company's internal controls and processes.

Adequacy of Internal Financial Control

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

Risk management is discussed in detail on page 104 of the Annual Report.

Human Resource (HR)

While our unique products and services undoubtedly provide a competitive edge, it's our people who truly stand the test of time as our most valuable asset. The unwavering dedication, performance, and commitment of our employees to innovate, lead, and achieve have been the driving force behind our success. Our overarching goal is to sustain a high-performing organization that not only attracts but also nurtures and retains exceptionally talented individuals.

We foster the personal development of our employees by empowering them with larger responsibilities and challenging assignments. Additionally, we provide coaching, mentoring, and a rigorous appraisal system that encourages continuous growth and improvement. Through these measures, we aim to ensure that our workforce remains dynamic, skilled, and highly motivated, driving our Company's ongoing success.

Our strong belief in fostering an inclusive and diverse working environment is at the core of our values. We firmly believe that this inclusivity and diversity have played a pivotal role in the Company's success over the years. This commitment to maintaining an inclusive and diverse workplace remains integral to our corporate culture and is a driving force behind our ongoing achievements.

Information Technology

Information Technology (IT) has evolved into a crucial and integral component of every business, transcending its role as merely a support function. Recognizing its significance, our Company has made strategic investments in its IT infrastructure, ensuring it remains up-to-date and adaptive. Enhanced systems and technology utilization have not only fortified our control environment but also improved the accuracy of financial and operational reporting. Moreover, these investments provide an ongoing opportunity for the continuous enhancement of our business processes.

We've undertaken significant IT initiatives, including:

- **Oracle EBS Upgrade:**

  We have upgraded our Oracle E-Business Suite (EBS) to the latest version, enhancing the efficiency and effectiveness of our operations.

- **Transition to Oracle Cloud:**

  Our data has been successfully transitioned to Oracle Cloud for storage, a move that aligns with our commitment to modernize our IT infrastructure.

- **Cybersecurity Measures**

  To address cyber risks, we engaged independent consultants who provided recommendations, all of which have been implemented. Ongoing monitoring by one of these consultants helps identify potential data risks.

- **Dashboard Platform Acquisition:**

  We are in the process of acquiring a dashboard platform to streamline decision-making processes. We anticipate finalizing the chosen solution by December 2023.

- **Servers Replacement:**

  During the year, we replaced our servers with the most advance version and the Company is first to upgrade to the latest version.

  These IT investments and cybersecurity measures reflect our dedication to leveraging technology for operational excellence, data security, and informed decision-making, all of which are essential components of our continued success.

IT Governance Policy

Our IT governance policy plays a critical role in safeguarding our information, preventing unauthorized access, and addressing the ever-present cyber security risks. It also serves as a mechanism to continually monitor and enhance our security measures. The primary objective of this policy is to provide clear guidance on how information is created, stored, utilized, archived, and deleted within our organization.

Recognizing the pivotal role of IT in the success of our business and the evolving needs of our users, we regularly review and upgrade our management information system. This system is designed to:

- Monitor and enhance performance across the organization.
- Provide real-time, up-to-date information that aids in strategic decision-making.
- Verify and demonstrate the effectiveness of various departments.
- Establish service-wide checks and balances to protect our assets and ensure accountability.
- Through our IT governance policy and our commitment to technology, we aim to maintain a secure and efficient information environment that supports our business objectives and enables us to make informed, strategic decisions.

Business Continuity Plan (BCP)

As one of the largest composite textile mills in the industry, we operate multiple production locations with significant investments in systems, fixed assets, and inventories worth billions of rupees. We recognize that certain unforeseen disasters could potentially result in substantial losses to the Company and disrupt our operations.

To mitigate these risks and ensure the resilience of our operations, we have implemented a robust Business Continuity Plan (BCP). This plan is a pre-established action strategy designed to prevent the interruption of critical Company's operations or, in the event of disruption due to unexpected events such as natural disasters or incidents, to swiftly restore and restart them with minimal downtime.

Safety of Records

Our comprehensive record-keeping practices encompass a wide range of documents, including books of accounts, records related to secretarial, legal, contractual, taxation, and other matters. These records are diligently archived, and their retention periods align with legal requirements. We prioritize the secure and well-preserved storage of these records.

To ensure the safe retention and easy retrieval of our records, we have outsourced our record-keeping operations to trusted partners. This strategic move reinforces our commitment to maintaining the integrity and accessibility of our documented information.

In addition to these measures, we have adopted cutting-edge technology for data storage and backup. The EMC VNX series storage system has been successfully deployed, providing robust storage solutions. Furthermore, we have established remote backup sites for all primary data, serving as an additional layer of protection. Additionally, our data is stored on Oracle Cloud, ensuring redundancy and data security. These initiatives collectively enhance our data management capabilities and resilience in safeguarding critical information.

As part of our preparedness efforts, we have instituted a comprehensive training schedule for our employees. This includes conducting mock exercises to simulate various scenarios and challenges that could compromise business continuity. By actively preparing our workforce, we aim to ensure that our operations can adapt and recover effectively in the face of unexpected disruptions, safeguarding our Company's long-term success.

Corporate Social Responsibility

Corporate social responsibility is discussed in detail on page 72 of the Annual Report.

Environment and Social Governance

As one of the leading exporters in our country, the Company places paramount importance on the health and safety of not only our employees but also all stakeholders connected to our operations. We have established a dedicated team of professionals responsible for overseeing ESG (Environmental, Social, and Governance) compliances, and our management is deeply committed to achieving excellence in this regard.

Furthermore, we are resolute in ensuring that our production facilities adhere to all environmental and safety standards. We take great care to prevent the discharge of hazardous materials, underlining our commitment to environmental responsibility and the well-being of our communities. Our holistic approach to ESG reflects our dedication to sustainable and ethical business practices.

Holding Company

The Company continues to be the subsidiary of Gul Ahmed Holdings (Private) Limited (the Holding Company) which owns 55.86% shares of the Company.

Subsidiary Companies

The Company has the direct and indirect wholly owned subsidiaries which are mentioned in Note 1 of the audited financial statements.

Code of Corporate Governance (CCG)

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

i. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity.

ii. Proper books of accounts of the Company have been maintained.

iii. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.

iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.

v. The system of internal control is sound in design and has been effectively implemented and monitored.

vi. The Directors of the Board are well aware of their duties and responsibilities as outlined by corporate laws and listing regulations. In compliance with the provisions of the Listing Regulations, six of our directors have attended and completed the Corporate Governance Leadership Skills program under the Board Development Series of Pakistan Institute of Corporate Governance (PICG).

vii. One Director, i.e., the Chairman, with the compulsory knowledge and experience is exempt from the requirement of attending the directors' training program.

viii. There are no significant doubts about the Company's ability to continue as a going concern.

ix. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

x. The value of investment of provident fund based on its unaudited accounts as on June 30, 2023 is Rs. 1.60 billion (FY2022: as per audited accounts Rs. 1.49 billion)

xi. Statements regarding the following are annexed in the annual report:

- Number of Board meetings held and attendance by directors.
- Key financial data for the last six years.
- Pattern of shareholding.

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

Investors' Grievance and Complaints

The Company is committed to transparency and provides full access to all shareholders, including potential investors. Shareholders are encouraged to request relevant information or details regarding the Company's operations, their specific investments, dividend information, and access to regulatory publications distributed by the Company. We prioritize prompt and comprehensive responses to these inquiries, ensuring compliance with statutory guidelines.

Our approach to managing investor grievances is centralized, underpinned by an effective grievance management mechanism. This mechanism is designed to address and resolve any queries or grievances from our investors promptly, further fostering trust and transparency in our interactions with shareholders.

Change in Board of Directors

The Board of Directors election took place on March 31, 2023. All board members were re-elected, with the exception of Dr. Khawaja Amjad Waheed, who opted not to file the nomination for reelection. Mr. Kamran Y. Mirza's nomination was accepted, and he was subsequently declared elected to the board.

Composition of the Board

The Board of Directors as at June 30, 2023 is as follows:

Total number of directors	
a. Male	06
b. Female	01
Composition	
a. Independent Directors	02
b. Other Non-Executive Directors	03
c. Executive Director	02
d. Female and Non-Executive Directors	-

Committees of the Board

Audit Committee

Mr. Kamran Y. Mirza – Chairman

Mr. Mohomed Bashir - Member

Mr. Ehsan Malik– Member

Mr. Ehsan Malik was the Chairman of Committee prior to the appointment of Mr. Kamran Y. Mirza as Chairman on April 27, 2023

Human Resource and Remuneration\Committee

Ms. Zeeba Ansar – Chairman

Mr. Mohomed Bashir - Member

Mr. Zain Bashir – Member

Mr. Ehsan Malik was the Chairman of Committee prior to the appointment of Ms. Zeeba Ansar as Chairman on June 08, 2023

Director's Training

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

Boards' Evaluation

Complying with the Code of Corporate Governance, 2019 the Board has approved a comprehensive mechanism for evaluation of its performance. The Company has introduced a questionnaire covering the Board's scope, objectives, function, and Company's performance and monitoring. The Board has evaluated all factors based on inputs received from every director.

Conflict of Interests

Every director actively exercises the rights to participate in Board proceedings, and decisions are reached through consensus. Any concerns raised by Board members regarding agenda items are carefully recorded in the meeting minutes.

Furthermore, an approved Code of Business Ethics is in place. This code, in addition to ensuring compliance with regulatory requirements, mandates the formal disclosure of any interests by directors to prevent any known or perceived conflicts of interest.

Review of Related Party Transactions

In accordance with the Companies Act of 2017, the Code of Corporate Governance 2019 (CCG), and other relevant laws and regulations, comprehensive information regarding all related party transactions is regularly presented to the Audit Committee. Based on their recommendations, these transactions are subsequently reviewed and approved by the Board. Additionally, transactions in which a majority of directors have a vested interest are annually presented to the members for approval, ensuring transparency and compliance with governance standards.

CEO's Performance Review

Annually the board approves the company strategy against which it reviews the CEO's performance on delivery of key short- and long-term objectives, standards of governance, quality of accountability and enhancement in shareholder value. In its evaluation it factors change in operating environment and performance vs. peer companies.

Role of Chairman and CEO

The Chairman serves as the custodian of the Company, acting on behalf of both the Board and stakeholders. In this capacity, they lead the Board of Directors, ensuring its efficiency and effectiveness. The Chairman is dedicated to fostering the Company's growth and safeguarding its reputation, along with that of its subsidiaries. They also maintain a balanced composition of the Board, promoting a diverse array of expertise in various business operations, economic insights, and business acumen.

On the other hand, the CEO assumes the primary responsibility for steering the Company toward its vision, mission, and long-term objectives. Serving as a crucial link between the Board and the Company's management, the CEO communicates on behalf of the management team. They oversee the day-to-day operations of the Company, implementing long-term strategies, plans, and budgets aimed at enhancing shareholder value. Additionally, the CEO represents the Company to shareholders, government authorities, and the public. As a leader and decision-maker, they inspire employees, drive organizational change, and make critical decisions to achieve targeted goals.

Issues Raised in Last Annual General Meeting (AGM)

The Annual General Meeting of the Company was held on October 27, 2022. All the following agenda items of the meeting were approved without any specific issues raised by the members:

i. Audited consolidated and unconsolidated financial statements for the year ended June 30, 2022 together with the Directors' and Auditors' report thereon. Few members enquired about the reason of mentioning "unaudited" as appearing above the results of figures of 2021 and same was explained, by the Management.

ii. Messrs. KPMG Taseer Hadi, Chartered Accountants were appointed as auditors for the year 2023 in place of retiring Auditors Kreston Hyder Bhimji, Chartered Accountants

Some members raised concerns about the Company's decision not to pay dividends despite its substantial profits. The management provided an explanation, highlighting the challenging economic conditions anticipated in the near future, which necessitated the conservation of cash resources. They also cited examples of other companies adopting a similar approach. This explanation resonated with and appeased the concerned members.

Pattern of Shareholding

The pattern of shareholding and additional information as at June 30, 2023, is part of the Annual Report of your Company. Associated companies and public sector companies own 69.34%, Banks/Insurance Companies /Mutual Funds own 66.91%, Director's own 7.41%, and individuals own 11.56% of the entire shareholding.

Forward Looking Statement

The Company's business is intricately linked to the economic conditions in Pakistan and its trading partners. In the aftermath of the COVID-19 pandemic, the global trade landscape has undergone significant transformations, primarily due to geopolitical developments, particularly the Russia-Ukraine confrontation. Consequently, the domestic economic landscape is rapidly evolving, marked by challenges such as rising energy costs, disruptions in supply chains, increased financing expenses, and higher inflation. Furthermore, the repercussions of recent floods in the country are expected to manifest in the near term. Despite these challenges, the management is well-prepared to navigate uncertainties in the economic environment, currency exchange rate fluctuations, elevated raw material costs, increased borrowing costs, intense competition, and logistical challenges, including cost-related issues.

To address these challenges, the Company has implemented and consistently reviews its strategies to ensure sustained growth and progress. The primary focus lies in implementing stringent controls over production costs, primarily through the modernization and replacement of outdated machinery, minimizing disruptions and abnormal wastage, and process enhancements using the Kaizen approach. Simultaneously, strict adherence to guidelines and standard operating procedures (SOPs) is maintained to safeguard the health and safety of our workforce. We maintain an optimistic outlook, anticipating that the Company's performance will not only endure but also improve in the next fiscal year, encompassing revenue growth, enhanced profitability, and strengthened liquidity positions.

Auditors

The present External Auditors, M/s. KPMG Taseer Hadi & Co, Chartered Accountants, have completed the annual audit for the year ended June 30, 2023, and issued a clean audit report. The auditors will retire on the conclusion of the Annual General Meeting of the Company and being eligible, have offered themselves for reappointment. As proposed by the Audit Committee, the Board recommends their appointment as auditors of the Company for the year ending June 30, 2024.

Future Outlook

Economic optimism is on the rise in many parts of the world, but there have been shifts in views regarding interest rates and potential risks to global growth compared to the previous quarter. In the United States, the economy is expected to grow by 1.1% in 2023 but is projected to slow down to 0.8% in 2024 due to higher interest rates and tighter credit conditions. In the Euro area, growth is estimated to decline from 3.5% in 2022 to 0.4% in 2023, primarily influenced by the delayed effects of tight monetary policy and rising energy prices.

Although the resolution of the US debt ceiling standoff and proactive measures by authorities to address instability in US and Swiss banking have mitigated some risks, the overall outlook for global growth remains tilted towards the downside. China's economic recovery may also slow down due to unresolved real estate issues, leading to negative spill-over effects. Additionally, sovereign debt distress could extend to a broader group of economies. On a more positive note, inflation could decline faster than expected, reducing the need for tight monetary policies, and domestic demand could prove more resilient.

Majority of economists are anticipating a recession in the second half of 2023, primarily attributed to the cumulative 500 basis points increase in interest rates. Global growth is expected to decrease from an estimated 3.5% in 2022 to 3.0% in both 2023 and 2024. The ongoing efforts to combat inflation through central bank policy rate hikes continue to put pressure on economic activity. While global headline inflation is projected to decrease from 8.7% in 2022 to 6.8% in 2023 and further to 5.2% in 2024, underlying (core) inflation is expected to decline more gradually, with upward revisions to inflation forecasts for 2024.

The government of Pakistan, the has set a growth target of 3.5% for the current fiscal year after experiencing a contraction in FY23. However, international organizations like the World Bank, Asian Development Bank, and IMF have projected lower growth rates of 2.0% and 3.5%, respectively. The structural reforms recommended by the IMF, including gradual tariff adjustments, phased reduction of subsidies, and the adoption of a market-driven exchange rate policy, hold promise for improving fiscal discipline and stability. These measures are designed to address pressing economic challenges and relieve the strain on the national fiscal framework. While implementing these reforms may pose immediate challenges, they represent essential steps towards achieving long-term economic sustainability. Pakistan may require another IMF Extended Fund Facility to secure sufficient new funding and meet its external debt repayment obligations. The government aims to achieve US$ 25 million in textile exports, a goal that necessitates strategic and sustainable policies from both the government and the textile sector to align with global expectations and demands. Achieving this target will require more than mere hope and traditional approaches.

Looking ahead, there is an expectation of austerity, which will require stringent measures to bring fiscal and current account deficits within manageable limits. This could lead to a slowdown in GDP growth. As the year comes to a close, economic managers are working to strike the right balance, aiming for broad-based GDP growth without putting unsustainable pressure on foreign reserves. Economic challenges stemming from policy adjustments, flood inflation, and import restrictions, compounded by political uncertainties, have significantly impacted Pakistan's economy.

Amidst this highly uncertain economic landscape, both domestically and internationally, our Company's management remains vigilant. Challenges such as rising financing costs, utility expenses, gas supply constraints, currency devaluation, higher minimum wages, and persistent inflation will be met with effective strategies and tools to ensure continued profitability.

Subsequent Events

There are no material changes and commitments affecting the financial position of the Company between the end of the Financial Year and the date of this report.

Acknowledgments

The Directors record their appreciation of the performance of the Company's workers, staff, and executives.

For and on behalf of the Board

Mr. Mohomed Bashir
Chairman

Mr. Mohammed Zaki Bashir
Chief Executive Officer

Karachi : 25 September 2023

i) 30 جون 2022 کو ختم ہونے والے سال کے لیے آڈٹ شدہ اور غیر متفقہ مالیاتی گوشواروں کا ڈائریکٹرز اور آڈیٹرز کی رپورٹ کے ساتھ۔ چند اراکین نے 2021 کے اعداد وشمار کے نتائج کے اوپر ظاہر ہونے والے "غیر آڈٹ شدہ" کا ذکر کرنے کی وجہ کے بارے میں پوچھا اور انتظامیہ کی طرف سے اس کی وضاحت کی گئی۔

ii) میسرز KPMG تاثیر ہادی، چارٹرڈ اکاؤنٹنٹس کو سال 2023 کے لیے ریٹائر ہونے والے آڈیٹرز کرسٹن حیدر بھیم جی، چارٹرڈ اکاؤنٹنٹس کی جگہ پر آڈیٹر مقرر کیا گیا تھا۔

کچھ ممبران نے کمپنی کے کافی منافع کے باوجود ڈیویڈنڈ ادا نہ کرنے کے فیصلے پر تشویش

آڈیٹرز

موجودہ بیرونی آڈیٹرز، M/s. KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2023 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے اور ایک شفاف آڈٹ رپورٹ جاری کر دی ہے۔ آڈیٹرز کمپنی کی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور اگر وہ پھر اہل ہوئے تو انہوں نے خود کو دوبارہ تقرری کے لیے بھی پیش کیا ہے۔ جیسا کہ آڈٹ کمیٹی کی تجویز ہے، بورڈ 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر ان کی تقرری کی سفارش کرتا ہے۔

مستقبل کا آؤٹ لک

دنیا کے کئی حصوں میں اقتصادی امید پرستی بڑھ رہی ہے، لیکن گزشتہ سہ ماہی کے مقابلے میں شرح سود اور عالمی نمو کے لیے ممکنہ خطرات کے حوالے سے خیالات میں تبدیلی آئی ہے۔ ریاستہائے متحدہ میں، 2023 میں معیشت کی شرح نمو 1.1 فیصد متوقع ہے لیکن 2024 میں شرح سود اور قرض کے سخت حالات کی وجہ سے اس کے 0.8 فیصد تک کم ہونے کا امکان ہے۔ یورو کے علاقے میں، شرح نمو 2022 میں 3.5 فیصد سے کم ہو کر 2023 میں 0.4 فیصد رہنے کا تخمینہ ہے، جو بنیادی طور پر سخت مالیاتی پالیسی کے تاخیری اثرات اور توانائی کی بڑھتی ہوئی قیمتوں سے متاثر ہے۔ اگرچہ امریکی قرضوں کی حد کے تعطل کے حل اور امریکی اور سوئس بینکنگ میں عدم استحکام سے نمٹنے کے لیے حکام کے فعال اقدامات نے کچھ خطرات کو کم کیا ہے، لیکن عالمی ترقی کا مجموعی نقطہ نظر منفی پہلو کی طرف جھکا ہوا ہے۔ غیر حل شدہ رئیل اسٹیٹ کے مسائل کی وجہ سے چین کی اقتصادی بحالی بھی سست ہو سکتی ہے، جس کے نتیجے میں منفی اثرات مرتب ہوں گے۔ مزید برآں، خود مختار قرضوں کی پریشانی معیشتوں کے ایک وسیع گروپ تک پھیل سکتی ہے۔ زیادہ مثبت نوٹ پر، افراط زر توقع سے زیادہ تیزی سے کم ہو سکتا ہے، سخت مالیاتی پالیسیوں کی ضرورت کو کم کر سکتا ہے، اور گھریلو طلب زیادہ لچکدار ثابت ہو سکتی ہے۔

ماہرین اقتصادیات کی اکثریت 2023 کی دوسری ششماہی میں کساد بازاری کی توقع کر رہی ہے، جس کی بنیادی وجہ شرح سود میں مجموعی طور پر 500 بیسس پوائنٹس اضافہ ہے۔ عالمی نمو 2022 میں اندازے کے مطابق 3.5 فیصد سے 2023 اور 2024 دونوں میں 3.0 فیصد تک کم ہونے کی توقع ہے۔ مرکزی بینک کی پالیسی کی شرح میں اضافے کے ذریعے افراط زر سے نمٹنے کے لیے جاری کوششیں اقتصادی سرگرمیوں پر دباؤ ڈالتی رہتی ہیں۔ جبکہ عالمی ہیڈ لائن افراط زر 2022 میں 8.7٪ سے 2023 میں 6.8٪ اور 2024 میں مزید 5.2٪ تک کم ہونے کا امکان ہے، بنیادی (بنیادی) افراط زر میں 2024 کے لیے افراط زر کی پیشن گوئیوں میں اوپر کی نظر ثانی کے ساتھ، مزید بتدریج کمی متوقع ہے۔

حکومت پاکستان نے مالی سال 23 میں سکڑاؤ کا سامنا کرنے کے بعد رواں مالی سال کے لیے شرح نمو کا ہدف 3.5 فیصد مقرر کیا ہے۔

تاہم، عالمی بینک، ایشیائی ترقیاتی بینک، اور آئی ایم ایف جیسی بین الاقوامی تنظیموں نے بالترتیب 2.0٪، 2.0٪ اور 3.5٪ کی کم شرح نمو کا تخمینہ لگایا ہے۔ آئی ایم ایف کی طرف سے تجویز کردہ ساختی اصلاحات، بشمول بتدریج ٹیرف ایڈجسٹمنٹ، سبسڈیز میں مرحلہ وار کمی، اور مارکیٹ سے چلنے والی زرمبادلہ کی شرح پالیسی کو اپنانا، مالیاتی نظم وضبط اور استحکام کو بہتر بنانے کا وعدہ رکھتے ہیں۔ یہ اقدامات اہم معاشی چیلنجوں سے نمٹنے اور قومی مالیاتی فریم ورک پر دباؤ کو دور کرنے کے لیے بنائے گئے ہیں۔ اگرچہ ان اصلاحات کو نافذ کرنے سے فوری طور پر چیلنجز کا سامنا کرنا پڑ سکتا ہے، لیکن یہ طویل مدتی اقتصادی استحکام کے حصول کے لیے ضروری اقدامات کی نمائندگی کرتی ہیں۔ پاکستان کو کافی ساری نئی فنڈنگ حاصل کرنے اور بیرونی قرضوں

کی ادائیگی کی ذمہ داریوں کو پورا کرنے کے لیے ایک اور IMF توسیعی فنڈ کی سہولت درکار ہو سکتی ہے۔ حکومت کا مقصد ٹیکسٹائل کی برآمدات میں 25 ملین امریکی ڈالر کا حصول ہے، جس کے لیے حکومت اور ٹیکسٹائل سیکٹر دونوں کی جانب سے عالمی توقعات اور مطالبات کے مطابق اسٹریٹجک اور پائیدار پالیسیوں کی ضرورت ہے۔ اس ہدف کو حاصل کرنے کے لیے محض امید اور روایتی طریقوں سے زیادہ کی ضرورت ہوگی۔

مستقبل کی جانب آگے کی طرف دیکھتے ہوئے، کفایت شعاری کی توقع کی جا رہی ہے، جس کے لیے مالیاتی اور کرنٹ اکاؤنٹ خسارے کو قابل انتظام حدود میں لانے کے لیے سخت اقدامات کی ضرورت ہوگی۔ اس سے جی ڈی پی کی شرح نمو میں کمی آ سکتی ہے۔ جیسے جیسے نیا مالی سال قریب آتا جا رہا ہے، اقتصادی منتظمین درست توازن قائم کرنے کے لیے کام کر رہے ہیں، جس کا مقصد غیر ملکی ذخائر پر عارضی دباؤ ڈالے بغیر وسیع البنیاد جی ڈی پی کی نمو ہے۔ پالیسی ایڈجسٹمنٹ، سیلاب کی وجہ سے افراط زر، اور درآمدی پابندیوں سے پیدا ہونے والے اقتصادی چیلنجوں نے، جو سیاسی غیر یقینی صورتحال سے منسلک ہیں نے پاکستان کی معیشت کو نمایاں طور پر متاثر کیا ہے۔

اس انتہائی غیر یقینی معاشی منظر نامے کے درمیان، ملکی اور بین الاقوامی سطح پر، ہماری کمپنی کی انتظامیہ خبردار رہتی ہے۔ بڑھتے ہوئے مالیاتی اخراجات، یوٹیلیٹی اخراجات، گیس کی فراہمی میں رکاوٹیں، کرنسی کی قدر میں کمی، کم از کم اجرت، اور مسلسل مہنگائی جیسے چیلنجوں کا مقابلہ مؤثر حکمت عملیوں سے کیا جائے گا تا کہ منافع کو برقرار رکھا جا سکے۔

بعد کے واقعات

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہیں۔

تعریف

ڈائریکٹرز، کمپنی کے کارکنوں، عملے اور ایگزیکٹوز کی کارکردگی کے معترف ہیں۔

بورڈ کے لیے اور اس کی جانب سے

جناب محمد بشیر
چیئرمین

جناب محمد ذکی بشیر
چیف ایگزیکٹو آفیسر

25 ستمبر، 2023
کراچی

ڈائریکٹرز کی ٹریننگ

کمپنی کے ڈائریکٹرز اپنے فرائض کی انجام دہی کے لیے مناسب طور پر تربیت یافتہ ہیں اور کمپنیز ایکٹ 2017 اور پاکستان اسٹاک ایکسچینج کے قواعد وضوابط کے تحت اپنے اختیارات اور ذمہ داریوں سے آگاہ ہیں۔

بورڈ کی تشخیص

کوڈ آف کارپوریٹ گورننس، 2017 کی تعمیل کرتے ہوئے بورڈ نے اپنی کارکردگی کی جانچ کے لیے ایک جامع طریقہ کار کو منظوری دی ہے۔ کمپنی نے ایک سوالنامہ متعارف کرایا ہے جس میں بورڈ کے دائرہ کار، مقاصد، کام، اور کمپنی کی کارکردگی اور نگرانی کا احاطہ کیا گیا ہے۔ بورڈ نے ہر ڈائریکٹر سے موصول ہونے والی معلومات کی بنیاد پر تمام عوامل کا جائزہ لیا ہے۔

مفادات کا ٹکراؤ

ہر ڈائریکٹر بورڈ کی کارروائی میں حصہ لینے کے حقوق کو فعال طور پر استعمال کرتا ہے، اور فیصلے اتفاق رائے سے ہوتے ہیں۔ بورڈ ممبران کی طرف سے ایجنڈا آئٹمز کے بارے میں اٹھائے گئے خدشات کو میٹنگ منٹس میں احتیاط سے ریکارڈ کیا جاتا ہے۔ مزید برآں، کاروباری اخلاقیات کا ایک منظور شدہ ضابطہ موجود ہے۔ یہ کوڈ، ریگولیٹری تقاضوں کی تعمیل کو یقینی بنانے کے علاوہ، کسی بھی معروف یا سمجھے جانے والے مفادات کے تنازعات کو روکنے کے لیے ڈائریکٹرز کی طرف سے کسی بھی مفادات کے باضابطہ انکشاف کو لازمی قرار دیتا ہے۔

متعلقہ پارٹی کے لین دین یا ٹرانزیکشنز کا جائزہ

2017 کے کمپنیز ایکٹ، کوڈ آف کارپوریٹ گورننس (CCG) اور دیگر متعلقہ قوانین اور ضوابط کے مطابق تمام متعلقہ فریقین کے لین دین سے متعلق جامع معلومات باقاعدگی سے آڈٹ کمیٹی کو پیش کی جاتی ہیں۔ ان کی سفارشات کی بنیاد پر، ان لین دین کا بعد میں جائزہ لیا جاتا ہے اور بورڈ کی طرف سے منظوری دی جاتی ہے۔ مزید برآں، وہ ٹرانزیکشنز جن میں ڈائریکٹرز کی اکثریت کا ذاتی مفاد ہوتا ہے ہر سال منظوری کے لیے ممبران کے سامنے پیش کیا جاتا ہے، شفافیت اور گورننس کے معیارات کی تعمیل کو یقینی بناتا ہے۔

سی ای او کی کارکردگی کا جائزہ

بورڈ سالانہ طور پر کمپنی کی حکمت عملی کی منظوری دیتا ہے جس کے تحت وہ اہم مختصر اور طویل مدتی مقاصد کی فراہمی، حکمرانی کے معیارات، جوابدہی کے معیار اور شیئر ہولڈر کی قدر میں اضافے پر سی ای او کی کارکردگی کا جائزہ لیتا ہے۔ اس کی تشخیص میں یہ آپریٹنگ ماحول اور کارکردگی بمقابلہ ہم مرتبہ کمپنیوں میں تبدیلی کو عوامل بناتا ہے۔

چیئرمین اور سی ای او کا کردار

چیئرمین بورڈ اور اسٹیک ہولڈرز دونوں کی جانب سے کام کرتے ہوئے کمپنی کے نگہبان کے طور پر کام کرتا ہے۔ اس صلاحیت میں، وہ بورڈ آف ڈائریکٹرز کی قیادت کرتے ہیں، اس کی کارکردگی اور تاثیر کو یقینی بناتے ہیں۔ چیئرمین کمپنی کی ترقی کو فروغ دینے اور اس کے ماتحت اداروں کے ساتھ ساتھ اس کی ساکھ کے تحفظ کے لیے وقف ہیں۔ وہ بورڈ کی متوازن ساخت کو بھی برقرار رکھتے ہیں، مختلف کاروباری کارروائیوں، اقتصادی بصیرت، اور کاروباری ذہانت میں مہارت کی متنوع صف کو فروغ دیتے ہیں۔

دوسری طرف، CEO کمپنی کو اس کے وژن، مشن اور طویل مدتی مقاصد کی طرف لے جانے کی بنیادی ذمہ داری قبول کرتا ہے۔ بورڈ اور کمپنی کی انتظامیہ کے درمیان ایک اہم ربط کے طور پر کام کرتے ہوئے، سی ای او مینجمنٹ ٹیم کی جانب سے بات چیت کرتا ہے۔ وہ کمپنی کے روزمرہ کے کاموں کی نگرانی کرتے ہیں، طویل مدتی حکمت عملیوں، منصوبوں اور بجٹ کو نافذ کرتے ہیں جن کا مقصد شیئر ہولڈر کی قدر کو بڑھانا ہے۔ مزید برآں، CEO کمپنی کی نمائندگی شیئر ہولڈرز، سرکاری حکام اور عوام سے کرتا ہے۔ ایک رہنما اور فیصلہ ساز کے طور پر، وہ ملازمین کی حوصلہ افزائی کرتے ہیں، تنظیمی تبدیلی لاتے ہیں، اور اہداف کے حصول کے لیے اہم فیصلے کرتے ہیں۔

گزشتہ سالانہ جنرل میٹنگ (AGM) میں اٹھائے گئے مسائل

کمپنی کی سالانہ جنرل میٹنگ 27 اکتوبر 2022 کو منعقد ہوئی تھی۔ میٹنگ کے مندرجہ ذیل تمام ایجنڈا آئٹمز کو اراکین کی طرف سے اٹھائے گئے کسی خاص مسئلے کے بغیر منظور کر لیا گیا:

(vi) بورڈ کے ڈائریکٹرز اپنے فرائض اور ذمہ داریوں سے بخوبی واقف ہیں جیسا کہ کارپوریٹ قوانین اور فہرست سازی کے ضوابط میں بیان کیا گیا ہے۔ فہرست سازی کے ضوابط کی دفعات کے مطابق، ہمارے چھ ڈائریکٹرز نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کی بورڈ ڈویلپمنٹ سیریز کے تحت کارپوریٹ گورننس لیڈرشپ سکلز پروگرام میں شرکت کی اور اسے مکمل کیا۔

(vii) ایک ڈائریکٹر، یعنی چیئرمین، لازمی علم اور تجربے کے ساتھ، ڈائریکٹرز کے تربیتی پروگرام میں شرکت کی شرط سے مستثنیٰ ہے۔

(viii) ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی خاص شک نہیں ہے۔

(ix) کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

(x) 30 جون 2023 تک پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت اس کے غیر آڈٹ شدہ کھاتوں کی بنیاد پر 1.60 بلین (مالی سال :2022 آڈٹ شدہ اکاؤنٹس کے مطابق 1.49 بلین روپے) ہے۔

(xi) درج ذیل سے متعلق بیانات سالانہ رپورٹ میں شامل ہیں:

سرمایہ کاروں کی شکایات اور مسائل

کمپنی شفافیت کے لیے پرعزم ہے اور تمام شیئر ہولڈرز بشمول ممکنہ سرمایہ کاروں کو مکمل رسائی فراہم کرتی ہے۔ شیئر ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ کمپنی کے آپریشنز، ان کی مخصوص سرمایہ کاری، ڈیویڈنڈ کی معلومات، اور کمپنی کی طرف سے تقسیم کردہ ریگولیٹری اشاعتوں تک رسائی کے حوالے سے متعلقہ معلومات یا تفصیلات کی درخواست کریں۔ ہم قانونی رہنما خطوط کی تعمیل کو یقینی بناتے ہوئے ان استفسارات کے فوری اور جامع جوابات کو ترجیح دیتے ہیں۔

سرمایہ کاروں کی شکایات کو سننے اور حل کرنے کا انتظام کرنے کے لیے ہمارا نقطہ نظر مرکزیت پر مبنی ہے، جس کی بنیاد ایک موثر شکایات کے انتظام کے طریقہ کار سے ہے۔ یہ طریقہ کار ہمارے سرمایہ کاروں کے کسی بھی سوالات یا شکایات کو فوری طور پر حل کرنے اور حصص یافتگان کے ساتھ ہماری بات چیت میں اعتماد اور شفافیت کو مزید فروغ دینے کے لیے ڈیزائن کیا گیا ہے۔

بورڈ آف ڈائریکٹرز میں تبدیلی

بورڈ آف ڈائریکٹرز کا انتخاب 31 مارچ 2023 کو ہوا۔ تمام بورڈ ممبران کو دوبارہ منتخب کیا گیا، سوائے ڈاکٹر خواجہ امجد وحید کے، جنہوں نے دوبارہ انتخاب کے لیے کاغذات نامزدگی داخل نہ کرنے کو منتخب کیا۔ مسٹر کامران وائی مرزا کی نامزدگی قبول کر لی گئی، اور بعد میں انہیں بورڈ کے لیے منتخب قرار دے دیا گیا۔

بورڈ کی تشکیل

30 جون 2023 کو بورڈ آف ڈائریکٹرز درج ذیل ہیں:

ڈائریکٹرز کی کل تعداد

a) مرد 06

ب) خواتین 01

ترکیب یا کمپوزیشن

a) آزاد ڈائریکٹرز 02

ب) دیگر نان ایگزیکٹو ڈائریکٹرز 03

ج) ایگزیکٹو ڈائریکٹر 02

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

جناب کامران وائی مرزا - چیئرمین

جناب محمد بشیر - ممبر

جناب احسان ملک - ممبر

جناب احسان ملک 27 اپریل 2023 کو جناب کامران وائی مرزا کی بطور چیئرمین تقرری سے قبل کمیٹی کے چیئرمین تھے۔

ہیومن ریسورس اور معاوضہ کمیٹی

محترمہ زیبا انصاری — چیئرمین

جناب محمد بشیر — ممبر

جناب زین بشر — ممبر

جناب احسان ملک 08 جون 2023 کو محترمہ زیبا انصاری کی بطور چیئرمین تقرری سے قبل کمیٹی کے چیئرمین تھے۔

ریکارڈز کی حفاظت

ریکارڈ رکھنے کے ہمارے جامع طریقوں میں دستاویزات کی ایک وسیع رینج شامل ہے، بشمول اکاؤنٹس کی کتابیں، سیکریٹریل، قانونی، معاہدہ، ٹیکسیشن، اور دیگر معاملات سے متعلق ریکارڈ۔ یہ ریکارڈ مہارت سے محفوظ کیے گئے ہیں، اور ان کے برقرار رکھنے کی مدت قانونی تقاضوں کے مطابق ہے۔ہم ان ریکارڈوں کے اچھی طرح سے محفوظ اسٹوریج کو ترجیح دیتے ہیں۔

اپنے ریکارڈ کی محفوظ برقراری اور آسانی سے بازیافت کو یقینی بنانے کے لیے، ہم نے اپنے ریکارڈ کیپنگ آپریشنز کو قابل اعتماد شراکت داروں کو آؤٹ سورس کر دیا ہے۔ یہ اسٹریٹجک اقدام ہماری دستاویزی معلومات کی سالمیت اور رسائی کو برقرار رکھنے کے ہمارے عزم کو تقویت دیتا ہے۔

ان اقدامات کے علاوہ، ہم نے ڈیٹا اسٹوریج اور بیک اپ کے لیے جدید ٹیکنالوجی کو اپنایا ہے۔ EMC VNX سیریز سٹوریج سسٹم کو کامیابی کے ساتھ تعینات کیا گیا ہے، جو ذخیرہ کرنے کے مضبوط حل فراہم کرتا ہے۔ مزید برآں، ہم نے تمام بنیادی ڈیٹا کے لیے ریموٹ بیک اپ سائٹس قائم کی ہیں، جو تحفظ کی ایک اضافی تہہ کے طور پر کام کرتی ہیں۔ مزید برآں، ہمارا ڈیٹا اوریکل کلاؤڈ پر محفوظ ہے، فالتو پن اور ڈیٹا کی حفاظت کو یقینی بناتا ہے۔ یہ اقدامات اجتماعی طور پر ہماری ڈیٹا مینجمنٹ کی صلاحیتوں اور اہم معلومات کی حفاظت میں لچک کو بڑھاتے ہیں۔

کارپوریٹ سماجی ذمہ داری

کارپوریٹ سماجی ذمہ داری کے متعلق سالانہ رپورٹ کے صفحہ نمبر 72 پر تفصیل سے بحث کی گئی ہے۔

ماحولیات اور سماجی گورننس

ہمارے ملک کے سرکردہ برآمد کنندگان میں سے ایک کے طور پر، کمپنی نہ صرف اپنے ملازمین بلکہ ہمارے آپریشنز سے منسلک تمام اسٹیک ہولڈرز کی صحت اور حفاظت کو بہت اہمیت دیتی ہے۔ہم نے ESG (ماحولیاتی، سماجی، اور گورننس) کی تعمیل کی نگرانی کے لیے ذمہ دار پیشہ ور افراد کی ایک سرشار ٹیم قائم کی ہے، اور ہماری انتظامیہ اس سلسلے میں بہترین کارکردگی کے حصول کے لیے پوری طرح پرعزم ہے۔

مزید برآں، ہم اس بات کو یقینی بنانے کے لیے پرعزم ہیں کہ ہماری پیداواری سہولیات تمام ماحولیاتی اور حفاظتی معیارات پر عمل پیرا ہوں۔ہم خطرناک مواد کے اخراج کو روکنے کے لیے بہت احتیاط برتتے ہیں، جو ماحولیاتی ذمہ داری اور اپنی کمیونٹیز کی فلاح و بہبود کے لیے ہماری وابستگی کو واضح کرتے ہیں۔ ESG کے لیے ہمارا مجموعی نقطہ نظر پائیدار اور اخلاقی کاروباری طریقوں کے لیے ہماری لگن کی عکاسی کرتا ہے۔

ہولڈنگ کمپنی

کمپنی بدستور گل احمد ہولڈنگز (پرائیویٹ) لمیٹڈ (دی ہولڈنگ کمپنی) کا ذیلی ادارہ ہے جو کمپنی کے 55.86 فیصد حصص کی مالک ہے۔

ذیلی کمپنیاں

کمپنی کے پاس براہ راست اور بالواسطہ مکمل ملکیتی ذیلی کمپنیاں ہیں جن کا ذکر آڈٹ شدہ مالیاتی بیانات کے نوٹ 1 میں کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس (CCG)

کمپنی کی انتظامیہ اچھی کارپوریٹ گورننس کو نافذ کرنے اور بہترین طریقوں کی تعمیل کرنے کے لیے پرعزم ہے۔جیسا کہ کارپوریٹ گورننس کے ضابطہ کے تحت ضروری ہے، ڈائریکٹرز مندرجہ ذیل بتاتے ہوئے مسرت محسوس کر رہے ہیں کہ:

i) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کام کے نتائج، کرنسی فلو، اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔

ii) کمپنی کے کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں۔

iii) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

iv) مالیاتی بیانات کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، کی پیروی کی گئی ہے۔

v) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

سائبر سیکیوریٹی کے اقدامات :

سائبر خطرات سے نمٹنے کے لیے، ہم نے خودمختار کنسلٹنٹس کو شامل کیا جنہوں نے سفارشات فراہم کیں، جن پر عمل درآمد کر دیا گیا ہے۔ ان کنسلٹنٹس میں سے ایک کی طرف سے جاری نگرانی ممکنہ ڈیٹا کے خطرات کی شناخت میں مدد کرتی ہے۔

ڈیش بورڈ پلیٹ فارم کا حصول :

ہم فیصلہ سازی کے عمل کو ہموار کرنے کے لیے ڈیش بورڈ پلیٹ فارم حاصل کرنے کے عمل میں ہیں۔ ہم دسمبر 2023 تک منتخب حل کو حتمی شکل دینے کی توقع کرتے ہیں۔

سرورز کی تبدیلی :

سال کے دوران، ہم نے اپنے سرورز کو سب سے ایڈوانس ورژن سے تبدیل کیا اور کمپنی سب سے پہلے تازہ ترین ورژن میں اپ گریڈ کرنے والی ہے۔

یہ آئی ٹی سرمایہ کاری اور سائبر سیکیوریٹی اقدامات آپریشنل عمدگی، ڈیٹا سیکیورٹی، اور باخبر فیصلہ سازی کے لیے ٹیکنالوجی سے فائدہ اٹھانے کے لیے ہماری لگن کی عکاسی کرتے ہیں، یہ سبھی ہماری مسلسل کامیابی کے ضروری اجزاء ہیں۔

آئی ٹی گورننس پالیسی

ہماری IT گورننس پالیسی ہماری معلومات کے تحفظ، غیر مجاز رسائی کو روکنے اور سائبر سیکورٹی کے ہمیشہ سے موجود خطرات سے نمٹنے میں اہم کردار ادا کرتی ہے۔ یہ ہمارے حفاظتی اقدامات کی مسلسل نگرانی اور ان کو بڑھانے کے لیے ایک طریقہ کار کے طور پر بھی کام کرتی ہے۔ اس پالیسی کا بنیادی مقصد اس بارے میں واضح رہنمائی فراہم کرنا ہے کہ ہماری تنظیم میں معلومات کو کیسے بنایا، ذخیرہ کیا، استعمال کیا، آرکائیو کیا اور حذف کیا جاتا ہے۔

ہمارے کاروبار کی کامیابی اور اپنے صارفین کی ابھرتی ہوئی ضروریات میں IT کے اہم کردار کو تسلیم کرتے ہوئے، ہم باقاعدگی سے اپنے انتظامی معلومات کے نظام کا جائزہ لیتے اور اپ گریڈ کرتے ہیں۔ یہ نظام اس کے لیے ڈیزائن کیا گیا ہے:

- پوری تنظیم میں کارکردگی کی نگرانی اور اضافہ کریں۔
- ریئل ٹائم، تازہ ترین معلومات فراہم کریں جو اسٹریٹجک فیصلہ سازی میں مدد کرتی ہے۔
- تصدیق کریں اور مختلف محکموں کی تاثیر کا مظاہرہ کریں۔
- ہمارے اثاثوں کی حفاظت اور جوابدہی کو یقینی بنانے کے لیے سروس وڈ چیک اور بیلنس قائم کریں۔
- ہماری IT گورننس پالیسی اور ٹیکنالوجی سے ہماری وابستگی کے ذریعے، ہمارا مقصد ایک محفوظ اور موثر معلوماتی ماحول کو برقرار رکھنا ہے جو ہمارے کاروباری مقاصد کی حمایت کرتا ہے اور ہمیں باخبر، سٹریٹجک فیصلے کرنے کے قابل بناتا ہے۔

کاروباری تسلسل کا منصوبہ (BCP)

صنعت کی سب سے بڑی جامع ٹیکسٹائل ملوں میں سے ایک کے طور پر، ہم سسٹمز، فکسڈ اثاثوں اور اربوں روپے کی انوینٹریز میں اہم سرمایہ کاری کے ساتھ متعدد پیداواری مقامات چلاتے ہیں۔ ہم تسلیم کرتے ہیں کہ کچھ غیر متوقع آفات ممکنہ طور پر کمپنی کو کافی نقصان پہنچا سکتی ہیں اور ہمارے کاموں میں خلل ڈال سکتی ہیں۔

ان خطرات کو کم کرنے اور اپنے آپریشنز کی لچک کو یقینی بنانے کے لیے، ہم نے ایک مضبوط بزنس کنٹینیوٹی پلان (BCP) نافذ کیا ہے۔ یہ منصوبہ ایک پہلے سے قائم کردہ ایکشن حکمت عملی ہے جو کمپنی کے اہم کاموں میں رکاوٹ کو روکنے یا، قدرتی آفات یا واقعات جیسے غیر متوقع واقعات کی وجہ سے رکاوٹ کی صورت میں، انہیں کم سے کم وقت کے ساتھ تیزی سے بحال کرنے اور دوبارہ شروع کرنے کے لیے بنائی گئی ہے۔

ہماری تیاری کی کوششوں کے ایک حصے کے طور پر، ہم نے اپنے ملازمین کے لیے ایک جامع تربیتی شیڈول مرتب کیا ہے۔ اس میں مختلف منظرناموں اور چیلنجوں کی تقلید کے لیے فرضی مشقیں کرنا شامل ہے جو کاروبار کے تسلسل پر سمجھوتہ کر سکتے ہیں۔ اپنی افرادی قوت کو فعال طور پر تیار کر کے، ہم اس بات کو یقینی بنانا چاہتے ہیں کہ ہماری کمپنی کی طویل مدتی کامیابی کی حفاظت کرتے ہوئے، غیر متوقع رکاوٹوں کے پیش نظر ہماری کارروائیاں مؤثر طریقے سے ڈھال سکیں اور بحال ہو سکیں۔

کے لیے اپنے منافع اور کرنسی فلوئ کی پیشن گوئی پر نظر ثانی کرتی ہے۔ یہ نقطہ نظر کمپنی کو متحرک اقتصادی ماحول میں لچکدار اور مسابقتی رہنے کے قابل بناتا ہے۔

f) یوٹیلیٹیز کی دستیابی اور قیمتوں کا خطرہ

پاکستان کے قدرتی گیس کے وسائل کی کمی نے خاص طور پر دستیاب رسد کے حجم کے حوالے سے کئی چیلنجز کو جنم دیا ہے۔ مزید برآں، ملک کا زیادہ تر انحصار تھرمل الیکٹرک جنریشن پر ہے، جو زیادہ تر درآمدی وسائل سے ایندھن پر مشتمل ہے، ایندھن کی اندرونی قیمتوں میں تبدیلی اور دیگر کرنسیوں کے مقابلے پاکستانی روپے کے کمزور ہونے کی وجہ سے لاگت اتار چڑھاؤ کا شکار ہے۔

ان چیلنجوں سے نبرد آزما ہونے اور اپنی توانائی کی ضروریات کو پورا کرنے کے لیے کمپنی نے کئی فعال اقدامات کیے ہیں:

تین ایندھن پیدا کرنے والے سیٹس کا حصول :

کمپنی نے تین ایندھن پیدا کرنے والے سیٹس حاصل کیے ہیں، جو متعدد ایندھن کے ذرائع پر کام کر سکتے ہیں۔ یہ تنوع ایندھن کے انتخاب میں زیادہ لچک کی اجازت دیتا ہے، سپلائی میں رکاوٹوں اور قیمتوں میں اتار چڑھاؤ کے خطرے کو کم کرتا ہے۔

قابل تجدید یا رینوئبل توانائی کی طرف منتقلی:

قدرتی گیس کے وسائل کی کمی اور ایندھن کی قیمتوں میں اتار چڑھاؤ کے اثرات کو کم کرنے کے لیے، کمپنی نے روایتی گیس پر مبنی جنریشن سے قابل تجدید توانائی کے ذرائع کی طرف مرحلہ وار منتقلی کا آغاز کیا ہے۔ قابل تجدید ذرائع کی طرف یہ تبدیلی نہ صرف پائیداری کو فروغ دیتی ہے بلکہ ایک زیادہ مستحکم اور سرمایہ کاری مؤثر توانائی کا حل بھی فراہم کرتی ہے۔

یہ اسٹریٹجک اقدامات توانائی کے بدلتے ہوئے چیلنجوں سے ہم آہنگ ہونے اور اپنے آپریشنز کے لیے پائیدار اور لچکدار توانائی کی فراہمی کو محفوظ بنانے کے لیے کمپنی کے عزم کو ظاہر کرتے ہیں۔

کمپنی کا رسک مینجمنٹ سسٹم درج ذیل پر مشتمل ہے :

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

کمپنی کا بورڈ آف ڈائریکٹرز کاروبار کو درپیش بڑے خطرات کا وقتاً فوقتاً جائزہ لیتا ہے اور ان خطرات سے نمٹنے کے لیے ضروری اقدامات کرتا ہے۔ مزید برآں، آڈٹ کمیٹی مالی اور تعمیل سے متعلق خطرات کا جائزہ لینے کی ذمہ دار ہے۔

معاوضہ اور ہیومن ریسورس کمیٹی معاوضے اور انعام کی پالیسیوں کی نگرانی کرتی ہے تا کہ باصلاحیت اور تجربہ کار عملے کو برقرار رکھنے اور راغب کرنے میں ان کی مسابقت اور تاثیر کو یقینی بنایا جاسکے۔ نان ایگزیکٹیو ڈائریکٹرز کے معاوضے کا تعین موجودہ مارکیٹ تنخواہ کی شرحوں اور کمپنی کی مخصوص کاروباری ضروریات کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز کرتے ہیں۔

پالیسیاں اور طریقہ کار

بورڈ نے تمام کاروباری اور سپورٹ سائیکلز کے لیے موثر طریقہ کار اور کنٹرول قائم کرنے اور نافذ کرنے کے لیے فعال اقدامات کیے ہیں۔ یہ کنٹرول متعلقہ خطرات کی جامع شناخت کے بعد لاگو کیے گئے تھے۔ مزید برآں، یہ طریقہ کار اور کنٹرول وقتاً فوقتاً جائزوں اور اپ ڈیٹس کے تابع ہوتے ہیں، جو انہیں تازہ ترین خطرے کے جائزوں اور کاروبار کو درپیش ابھرتے ہوئے خطرات سے ہم آہنگ کرتے ہیں۔ یہ نقطہ نظر اس بات کو یقینی بناتا ہے کہ کمپنی کی رسک مینجمنٹ کی حکمت عملی بدلتے ہوئے حالات کے مطابق مضبوط اور موافق رہیں۔

معلومات اور نگرانی کا نظام

کمپنی نے معلومات کے بروقت اور درست بہاؤ کو یقینی بنانے کے لیے انتہائی موثر معلوماتی نظام میں سرمایہ کاری کی ہے۔ یہ نظام انتظامیہ کو نتائج اور تغیرات کی مسلسل اور موثر نگرانی کو برقرار رکھنے کے لیے بااختیار بناتے ہیں۔ جدید ٹیکنالوجی سے فائدہ اٹھانے کا یہ عزم باخبر فیصلے کرنے اور ہمارے کاروباری ماحول میں ہونے والی تبدیلیوں کا فوری جواب دینے کی ہماری صلاحیت کو بڑھاتا ہے۔

انٹرنل آڈٹ

کمپنی نے اپنے انٹرنل آڈٹ فنکشن کو آؤٹ سورس کرنے کا انتخاب کیا ہے، اور یہ آؤٹ سورس شدہ ادارہ براہ راست آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ اس کی بنیادی ذمہ داری داخلی کنٹرول کی تاثیر کا جائزہ لینا اور کسی بھی ضروری بہتری کی سفارش کرنا ہے۔ آڈٹ کمیٹی آؤٹ سورس شدہ اندرونی آڈٹ فنکشن سے باقاعدگی سے متواتر آڈٹ رپورٹس وصول کرتی ہے، جس سے وہ کمپنی کے اندرونی کنٹرول اور عمل کو بہتر بنانے کے لیے نتائج اور سفارشات کا جائزہ لینے اور ان پر غور کرنے کے قابل بناتی ہے۔

اندرونی مالیاتی کنٹرول کی ایڈیکوئسی

بورڈ آف ڈائریکٹرز نے اندرونی مالیاتی کنٹرول کا ایک جامع نظام قائم کیا ہے، جس کا مقصد کمپنی کے ہموار اور موثر آپریشن کو یقینی بنانا ہے۔ ان کنٹرولز میں دھوکہ دہی کی روک تھام، اثاثوں کا تحفظ، قانونی تعمیل، درست مالیاتی ریکارڈ کی حفاظت اور قابل اعتماد مالی معلومات کی بروقت تخلیق شامل ہیں۔ باقاعدہ تجزیے اور اپ ڈیٹس ان کی مؤثریت کو بدلتے ہوئے قوانین اور ضوابط کے مطابق برقرار رکھنے کے لیے کیے جاتے ہیں، جو کہ سخت مالیاتی حکمرانی اور جوابدہی کے لیے ہمارے عزم کی عکاسی کرتے ہیں۔

سالانہ رپورٹ کے صفحہ نمبر 104 پر رسک مینجمنٹ پر تفصیل سے بحث کی گئی ہے۔

ہیومن ریسورس (HR)

اگرچہ ہماری منفرد مصنوعات اور خدمات بلاشبہ ایک مسابقتی برتری فراہم کرتی ہیں، یہ ہمارے لوگ ہیں جو واقعی ہمارے سب سے قیمتی اثاثے کے طور پر وقت کی کسوٹی پر کھڑے ہیں۔ ہمارے ملازمین کی جدت، قیادت اور حصول کے لیے غیر متزلزل لگن، کارکردگی اور عزم ہماری کامیابی کے پیچھے محرک ہے۔ ہمارا بنیادی مقصد ایک اعلی کارکردگی کا مظاہرہ کرنے والی تنظیم کو برقرار رکھنا ہے جو نہ صرف اپنی طرف متوجہ کرتی ہے بلکہ غیر معمولی باصلاحیت افراد کی پرورش اور برقرار رکھتی ہے۔

ہم اپنے ملازمین کو بڑی ذمہ داریوں اور چیلنجنگ اسائنمنٹس سے بااختیار بنا کر ان کی ذاتی ترقی کو فروغ دیتے ہیں۔ مزید برآں، ہم کوچنگ، رہنمائی، اور ایک سخت تشخیصی نظام فراہم کرتے ہیں جو مسلسل ترقی اور بہتری کی حوصلہ افزائی کرتا ہے۔ ان اقدامات کے ذریعے، ہمارا مقصد اس بات کو یقینی بنانا ہے کہ ہماری افرادی قوت متحرک، ہنرمند، اور انتہائی حوصلہ افزا رہے، جو ہماری کمپنی کی جاری کامیابی کو آگے بڑھاتے ہیں۔

ایک جامع اور متنوع کام کرنے والے ماحول کو فروغ دینے میں ہمارا پختہ یقین ہماری اقدار کا مرکز ہے۔ ہمیں پختہ یقین ہے کہ اس شمولیت اور تنوع نے گزشتہ برسوں میں کمپنی کی کامیابی میں اہم کردار ادا کیا ہے۔ ایک جامع اور متنوع کام کی جگہ کو برقرار رکھنے کا یہ عزم ہمارے کارپوریٹ کلچر کا لازمی جزو ہے اور ہماری جاری کامیابیوں کے پیچھے ایک محرک قوت ہے۔

انفارمیشن ٹیکنالوجی

انفارمیشن ٹکنالوجی (IT) ہر کاروبار کے ایک اہم اور لازمی جزو کے طور پر تیار ہوئی ہے، جس نے اس کے کردار کو محض ایک سپورٹ فنکشن کے طور پر عبور کیا ہے۔ اس کی اہمیت کو تسلیم کرتے ہوئے، ہماری کمپنی نے، اس بات کو یقینی بناتے ہوئے کہ یہ تازہ ترین اور موافق رہے اپنے IT انفراسٹرکچر میں اسٹریٹجک سرمایہ کاری کی ہے۔ بہتر نظام اور ٹیکنالوجی کے استعمال نے نہ صرف ہمارے کنٹرول کے ماحول کو مضبوط کیا ہے بلکہ مالی اور آپریشنل رپورٹنگ کی درستگی کو بھی بہتر بنایا ہے۔ مزید برآں، یہ سرمایہ کاری ہمارے کاروباری عمل کو مسلسل بڑھانے کا ایک مسلسل موقع فراہم کرتی ہے۔

ہم نے اہم IT اقدامات کیے ہیں، بشمول:

Oracle EBS اپ گریڈ :

ہم نے اپنے (EBS Oracle E-Business Suite) کو تازہ ترین ورژن میں اپ گریڈ کیا ہے، جس سے ہمارے آپریشنز کی کارکردگی اور اثر میں اضافہ ہوا ہے۔

Oracle Cloud میں منتقلی :

ہمارے ڈیٹا کو اسٹوریج کے لیے Oracle Cloud میں کامیابی کے ساتھ منتقل کر دیا گیا ہے، یہ ایک ایسا اقدام ہے جو ہمارے IT انفراسٹرکچر کو جدید بنانے کے ہمارے عزم کے مطابق ہے۔

انتظامی مقاصد اور حکمت عملی

گل احمد پاکستان کی ٹیکسٹائل انڈسٹری میں ایک ممتاز اور قابل اعتماد نام کے طور پر کھڑا ہے۔ اس پوزیشن تک ہمارا سفر شیئر ہولڈرز کی قدر کو بڑھانے، ٹیکنالوجی اور تخلیقی صلاحیتوں کے ذریعے معیار کے معیار کو بلند کرنے اور ان خطوں میں جہاں ہم کام کرتے ہیں ماحولیاتی اور سماجی ذمہ داری کے لیے اپنی وابستگی کو برقرار رکھنے کے لیے غیر متزلزل لگن کی خصوصیت رکھتا ہے۔

ہمارے مقاصد اور متعلقہ حکمت عملیوں کی جامع تفہیم کے لیے، براہ کرم ہماری سالانہ رپورٹ کا صفحہ 14 دیکھیں، جہاں ان کی تفصیل دی گئی ہے۔

مادیت کا نقطہ نظر

کمپنی نے لین دین اور ڈیلیگیٹ اختیارات کے لیے واضح اجازت قائم کرنے کے لیے اچھی طرح سے متعین اور دستاویزی عمل کو نافذ کیا ہے۔ مزید برآں، ایک منظور شدہ مادیت کی پالیسی موجود ہے، جو اس کی مسلسل مطابقت اور تاثیر کو یقینی بنانے کے لیے سالانہ جائزے سے مشروط ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

کاروبار آج بہت سے خطرات اور غیر یقینی صورتحال کا سامنا کر رہے ہیں، جن میں سے ہر ایک، اگر مؤثر طریقے سے منظم نہیں کیا گیا تو، ہماری کمپنی کو اہم خطرات لاحق ہو سکتے ہیں۔ جدید کاروباری منظر نامے میں، کمپنیوں کو بے شمار خطرات اور غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے، جن میں سے ہر ایک کو مؤثر طریقے سے منظم نہ ہونے کی صورت میں اہم خطرات لاحق ہونے کی صلاحیت ہے۔ کمپنی ایک چیلنجنگ کاروباری ماحول میں بھی کام کرتی ہے، جیسا کہ سالانہ رپورٹ کے صفحہ نمبر 102 پر فراہم کردہ SWOT اور PESTEL تجزیوں میں جامع بحث اور تجزیہ کیا گیا ہے۔ ان چیلنجوں سے نمٹنے کے لیے، انتظامیہ نے خطرات کی شناخت، تشخیص اور تخفیف کے لیے ایک مضبوط طریقہ کار قائم کیا ہے۔ یہ فریم ورک نہ صرف کمپنی کے ہموار آپریشن میں سہولت فراہم کرتا ہے بلکہ اس بات کو بھی یقینی بناتا ہے کہ ہماری توجہ کاروبار کی ترقی پر مرکوز رہے۔ بورڈ آف ڈائریکٹرز نے مختلف اندرونی اور بیرونی خطرے والے عوامل کا ایک سخت اور جامع جائزہ لیا ہے جو کمپنی پر اثر انداز ہونے کی صلاحیت رکھتے ہیں۔

ان قابل ذکر خطرات میں سے چند درج ذیل ہیں جن پر ہم فی الحال توجہ دے رہے ہیں:

a) کریڈٹ رسک

کمپنی کو بنیادی طور پر اس کی مقامی فروخت سے متعلق وصولیوں پر ڈیفالٹ کے خطرے کا سامنا ہے۔ اس خطرے کو کم کرنے کے لیے، ہم گاہکوں کو کریڈٹ دیتے وقت ایک سخت مستعدی کے عمل کو استعمال کرتے ہیں۔ دیگر قرضوں کے لیے، ہم پیشگی ادائیگیوں جیسے اقدامات کو نافذ کرتے ہیں یا ممکنہ ڈیفالٹس سے تحفظ کے لیے مناسب سیکیورٹیز کی ضرورت ہوتی ہے۔ یہ طرز عمل ہمیں وصولیوں سے وابستہ خطرے کو منظم اور کم کرنے میں مدد کرتے ہیں۔

b) مارکیٹ رسک

کمپنی کو اپنے بنیادی خام مال بشمول سوتی اور دھاگے کی قیمتوں میں اتار چڑھاؤ سے متعلق مختلف خطرات کا سامنا ہے، درآمدی پالیسیوں میں تبدیلی اور متعلقہ پابندیاں، یوٹیلیٹی ریٹس میں تبدیلی، اور مارک اپ کی شرحوں میں اتار چڑھاؤ۔ ان خطرات کو مؤثر طریقے سے منظم کرنے کے لیے، ہم کئی حکمت عملیوں کو استعمال کرتے ہیں:

اسٹاک مینجمنٹ :

ہم قیمتوں کے اتار چڑھاؤ کے اثرات کو کم کرنے کے لیے مناسب اوقات اور وقفوں پر مختلف ذرائع سے خام مال کی خریداری کرتے ہوئے اپنے سٹاک کی سطحوں کی احتیاط سے منصوبہ بندی اور انتظام کرتے ہیں۔

ورکنگ کیپٹل کو بہتر بنانا :

ہم بدلتے ہوئے مارکیٹ کے حالات کے پیش نظر اپنی مالی لچک کو بڑھانے کے لیے اپنے ورکنگ کیپیٹل اور فنانسنگ کی ضروریات کو بہتر بنانے کے لیے کام کرتے ہیں

ایکسچینج ریٹ رسک مینجمنٹ :

ایکسچینج ریٹ کے اتار چڑھاؤ کے خطرے کو سنبھالنے کے لیے، ہم مالیاتی آلات جیسے فارورڈ کنٹریکٹس، بل ڈسکاؤنٹنگ، اور FCY (فارن کرنسی) کریڈٹ استعمال کرتے ہیں۔ ہم باخبر فیصلے کرنے کے لیے غیر ملکی زرمبادلہ کے خطرات کے لیے اپنے خالص نمائش کی کڑی نگرانی کرتے ہیں۔

اسی طرح، کمپنی کو جغرافیائی سطح پر سیاسی خطرات کی وجہ سے برآمدی فروخت میں ممکنہ کمی کے خطرات ہیں۔ کمپنی برآمدات کی فروخت میں ممکنہ کمی سے منسلک خطرات کو تسلیم کرتی ہے، جو کہ جغرافیائی سیاسی تناؤ اور عالمی معاشی بدحالی کے دوران عالمی مانگ میں کمی سے پیدا ہو سکتے ہیں۔ ان خطرات کو مؤثر طریقے سے منظم کرنے کے لیے، ہم نے کئی حکمت عملیوں کو نافذ کیا ہے:

ذیلی دفاتر:

ہم اپنے برآمدی کاموں کو آسان بنانے کے لیے اسٹریٹجک مقامات پر ذیلی دفاتر کا استعمال کرتے ہیں، مارکیٹ کے بدلتے حالات کے جواب میں لچک اور موافقت کو یقینی بناتے ہیں۔

وسائل کی اصلاح :

ہم ایک لچکدار برآمدی حکمت عملی کو برقرار رکھنے کے لیے اپنے وسائل کو مسلسل بہتر بناتے ہیں جو بیرونی جھٹکوں کو برداشت کر سکے۔

رسک مینیجرز کی مصروفیت :

ہم برآمدی فروخت سے وابستہ خطرات کا اندازہ لگانے اور ان کو کم کرنے کے لیے اندرونی طور پر اور مالیاتی اداروں کے ساتھ شراکت داری کے ذریعے رسک مینیجرز کو شامل کرتے ہیں۔

یہ اقدامات ہمارے فعال رسک مینجمنٹ اپروچ کا حصہ ہیں، جس کا مقصد ہماری برآمدی فروخت کو ممکنہ بیرونی چیلنجوں سے محفوظ رکھنا ہے۔

ان حکمت عملیوں کو بروئے کار لا کر، ہمارا مقصد کمپنی کے مالی استحکام اور مسابقت کی حفاظت کرتے ہوئے، مارکیٹ کی ڈائنامکس اور بیرونی عوامل کی وجہ سے درپیش چیلنجوں سے نمٹنا ہے۔

c) لیکویڈیٹی رسک

کمپنی نے فروخت کی رسیدوں اور خریداری کی ادائیگیوں کے درمیان فرق کو دور کرنے کے لیے متعدد بینکوں کے ساتھ کافی ورکنگ کیپیٹل لائنز آف کریڈٹ قائم کی ہیں۔ یہ کریڈٹ لائنز کمپنی کی اپنی ذمہ داریوں کو پورا کرنے کی صلاحیت کو یقینی بنانے میں اہم کردار ادا کرتی ہیں لیکن اس کے قرضوں کی ادائیگی، اور ہموار اور بلا تعطل کاروباری کارروائیوں کو برقرار رکھنے تک محدود نہیں ہوتیں۔

d) ٹیکنالوجی کا خطرہ

کمپنی اپنے کاروبار، فنانس، مینجمنٹ انفارمیشن سسٹمز (MIS) اور انسانی وسائل (HR) سمیت دیگر شعبوں میں ٹیکنالوجی کے میدان میں سب سے آگے رہنے کے لیے پرعزم ہے۔ اس کو حاصل کرنے کے لیے، نئی ٹیکنالوجیز کے لیے لائسنس ابتدائی طور پر محدود بنیادوں پر حاصل کیے جاتے ہیں، جس تک رسائی بنیادی ٹیم کے اراکین کو دی جاتی ہے۔ اس کے بعد، یہ ٹیکنالوجیز وسیع تر مینجمنٹ کے لیے ایک منظم اور کنٹرول شدہ اپنانے کے عمل کو یقینی بناتے ہوئے جو ہمارے اسٹریٹجک اہداف سے ہم آہنگ ہو دستیاب کرائی جاتی ہیں۔

e) ڈیوٹیوں اور ٹیکسوں میں تبدیلی کا خطرہ

ترقی پذیر اقتصادی پالیسیوں اور سمتوں کے ساتھ ماحول میں کام کرنا جیسے چیلنجز پاکستان میں درپیش آسکتے ہیں۔ موجودہ ٹیکس دہندگان پر نئی ڈیوٹیز اور ٹیکس عائد کیے جانے سے مادی لاگت اور تیار اشیاء کی قیمتوں پر اثر پڑ سکتا ہے، جس سے لاگت کے انتظام میں پیچیدگیاں پیدا ہوتی ہیں۔ مزید برآں، ٹیکس کی شرحوں میں تبدیلی یا نئے ٹیکسوں کا نفاذ قابل تقسیم منافع اور کرنسی کا اخراج دونوں کو متاثر کرتا ہے۔

اس مسئلے کو مؤثر طریقے سے نمٹنے کے لیے، کمپنی کئی فعال اقدامات کرتی ہے۔ ان میں قرض کی فراہمی کی ذمہ داریوں، ترقیاتی اخراجات، اور دیگر مالیاتی پالیسیوں جیسے عوامل پر غور کرتے ہوئے مختلف معاشی منظر ناموں کے تحت حکومت کی حکمت عملی کو سمجھنے کی پوری تندہی سے کوشش کرنا شامل ہے۔ اس تفہیم کی بنیاد پر، کمپنی بدلتے ہوئے معاشی حالات اور ریگولیٹری تقاضوں کے جواب میں لچک اور موافقت کو یقینی بنانے

کو دوگنا کرنا تھا۔ زیادہ افراط زر سے نبرد آزما ہونے کے باوجود، کمپنی نے مؤثر طریقے سے فروخت اور انتظامی اخراجات کو کنٹرول کیا، تاہم، صرف قرضے لینے کی لاگت میں اضافے نے خالص منافع میں کمی کی ہے جیسا کہ مندرجہ ذیل ٹیبل یا جدول میں دکھایا گیا ہے:

تفصیل	2023	2022
	'000 روپے	
نیٹ – سیلز	33,953,033	38,143,979
سیلز کی لاگت	28,339,167	25,663,808
مجموعی منافع	5,613,866	12,480,171
سیلز اور ڈسٹری بیوشن پر اخراجات	80,262	85,120
انتظامی اخراجات	452,447	409,350
دیگر آپریٹنگ اخراجات	748	84,129
فنانس پر اخراجات	1,718,911	897,169
دیگر آمدن	(21,733)	(14,256)

ہوم ٹیکسٹائل

کمپنی کا ہوم ٹیکسٹائل سیگمنٹ ویلیو ایڈڈ ٹیکسٹائل کی متنوع رینج تیار کرنے اور برآمد کرنے میں مہارت رکھتا ہے، جو کمپنی کی کل برآمدات میں 86 فیصد کا نمایاں حصہ ڈالتا ہے۔ 2022–2023 کے آخری 9 مہینوں کے دوران پاکستان کی گھریلو ٹیکسٹائل برآمدات میں مسلسل کمی کے باوجود اس سیگمنٹ نے کامیابی سے امریکی ڈالر میں فروخت کے اسی حجم کو برقرار رکھا۔ یہ کامیابی خاص طور پر یورپ اور امریکہ میں ڈسپوزایبل آمدنی میں کمی کی وجہ سے درپیش چیلنجوں کے پیش نظر قابل ستائش ہے۔

اچھی قیمتوں کے ساتھ فروخت کا حجم حاصل کرنے کے لیے، انتظامیہ نے اسٹریٹجک تبدیلیاں کیں، جن میں فعال طور پر نئے گاہکوں کی تلاش کی بھرپور کوششوں اور ایک بہتر ٹیم کے ذریعے موجودہ صارفین کے ساتھ تعلقات کو مضبوط کرنا شامل تھا۔ اگرچہ ان کوششوں کے نتیجے میں کمیشن اور دیگر متعلقہ اخراجات میں اضافہ ہوا، وہ مجموعی اور خالص مارجن دونوں میں بہتری کا باعث بنے۔ یہ بات قابل توجہ ہے کہ مالیاتی لاگت میں تقریباً 633 فیصد بتدریج اضافے اور زیادہ افراط زر کے باوجود اس طبقہ کے خالص منافع میں قابل ذکر بہتری دکھائی دی، جیسا کہ درج ذیل اعداد و شمار میں واضح ہے:

تفصیل	2023	2022
	'000 روپے	
نیٹ – سیلز	71,939,156	59,772,430
سیلز کی لاگت	63,641,252	56,101,695
مجموعی منافع	8,297,904	3,670,735
سیلز اور ڈسٹری بیوشن پر اخراجات	1,654,247	1,641,209
انتظامی اخراجات	1,811,256	1,191,985
دیگر آپریٹنگ اخراجات	(2,317)	39,138
فنانس پر اخراجات	2,101,053	891,000
دیگر آمدن	(127,743)	(542,365)
کارکنوں کے فنڈز اور ٹیکس سے پہلے خالص منافع	2,861,408	449,768

ملبوسات یا اپیرل

یہ سیگمنٹ بنیادی طور پر برآمدات پر مرکوز ہے اور بہت سی بین الاقوامی ریٹیل چینز کے لیے ترجیحی سپلائر ہے۔ اس کی مصنوعات کا ایک چھوٹا سا حصہ مقامی مارکیٹ میں بھی فروخت ہوتا ہے، جس میں زیادہ تر برآمدات سے بچا ہوا ہوتا ہے۔ زیر جائزہ سال کے دوران پاکستان سے ملبوسات کی برآمدات میں کمی کے باوجود، کمپنی اپنی ٹاپ لائن کو دوگنا کرنے میں کامیاب رہی، جو کہ 6.8 ارب روپے سے 12.4 بلین روپے تک بڑھ گئی۔ یہ متاثر کن نموئی مصنوعات کی لائنوں کے اضافے، خاص طور پر تیار کیے گئے ملبوسات اور صارفین کے زیادہ منہمک کروانے کی حکمت عملی میں تبدیلی کی وجہ سے ہوئی۔

مزید برآں، پروڈکشن مینجمنٹ میں تبدیلی کی وجہ سے آپریشنل افادیت میں بہتری آئی اور اخراجات اور ضیاع میں کمی آئی۔ نتیجتاً، مجموعی منافع کا مارجن نمایاں طور پر بہتر ہوا، جو 3.97 فیصد سے بڑھ کر 12.2 فیصد ہو گیا۔ فروخت اور انتظامی اخراجات میں لاگت کے موثر کنٹرول کے ساتھ مل کر، کارکنوں کے فنڈز اور ٹیکسوں سے پہلے خالص منافع میں بھی قابل ذکر اضافہ دیکھا گیا، جو 2.9 فیصد سے بڑھ کر 4.2 فیصد ہو گیا۔ یہ اجاگر کرنا ضروری ہے کہ منافع اس سے بھی زیادہ ہو سکتا تھا، ممکنہ طور پر کم از کم 0.292 بلین روپے تک ہو سکتا تھا۔ لیکن اسٹیٹ بینک آف پاکستان کی جانب سے فنانسنگ کی شرح میں غیر معمولی اضافے کے لیے ایسا کرنا لازمی تھا۔

تفصیل	2023	2022
	'000 روپے	
نیٹ – سیلز	12,399,533	6,766,937
سیلز کی لاگت	10,887,242	6,499,316
مجموعی منافع	1,512,291	267,621
سیلز اور ڈسٹری بیوشن پر اخراجات	207,968	154,851
انتظامی اخراجات	499,976	323,860
دیگر آپریٹنگ اخراجات	8,665	(408)
فنانس پر اخراجات	352,469	61,495
دیگر آمدن	(72,112)	(75,033)
کارکنوں کے فنڈز اور ٹیکس سے پہلے خالص منافع	515,325	(197,144)

کمپنی کا مجموعی منافع، جیسا کہ اوپر ذکر کیا گیا ہے، مذکورہ بالا تین سیگمنٹس کے مشترکہ منافع کے مقابلے میں کم ہے۔ یہ فرق کچھ سیگمنٹس میں نقصانات اور مذکورہ بالا حصوں میں ورکرز پرافٹ پارٹیسیپیشن فنڈ، ورکرز ویلفیئر فنڈ، اور ٹیکسیشن کی عدم شمولیت سے منسوب ہے۔

بعد کے واقعات

25 ستمبر 2023 کو ہونے والی میٹنگ کے دوران، کمپنی کے بورڈ آف ڈائریکٹرز نے کسی بھی ڈیویڈنڈ کی سفارش نہ کرنے کا فیصلہ کیا۔

بورڈ نے کاروبار میں جدت اور صلاحیت کو بڑھانے کے مقصد کے لیے 23 ارب روپے (ڈیویڈنڈ کے ذریعے تقسیم نہیں کیا جا سکتا) کی رقم منتقل کر کے کیپیٹل ریزرو کے قیام کی منظوری دی ہے۔ یہ پچھلے سالوں میں پراپرٹی پلانٹ اور آلات کے فنڈز کی اندرونی پیداوار میں لگائی گئی رقم کے ایک حصے کی نمائندگی کرتا ہے، جس نے شیئر ہولڈرز کے لیے انٹرپرائز ویلیو میں اضافہ کیا ہے۔

فنڈز مینجمنٹ

گزشتہ سال پاکستان کی تاریخ میں خاص طور پر کاروبار اور برآمدات پر مبنی کاروباری اداروں کے لیے سب سے زیادہ مشکل چیلنجز میں سے ایک تھا۔ مختلف عوامل کی وجہ سے سال بھر میں فنانسنگ کی لاگت میں کئی گنا اضافہ ہوا اور ساتھ ہی پالیسی اور رعایتی مالیاتی شرحوں کے درمیان ایک تعلق قائم ہوا۔ نتیجتاً، دونوں شرحوں کے درمیان فرق گھٹ کر محض 3 فیصد رہ گیا۔ خاص طور پر، رعایتی فنانسنگ کی لاگت 3 فیصد سے بڑھ کر 19 فیصد ہو گئی، جس سے 600 فیصد سے زیادہ اضافہ ہوا، جس کے نتیجے میں مارک اپ لاگت میں کمپنی کے لیے 2.68 بلین روپے کا اضافہ ہوا۔

مزید برآں، طویل مدتی قرضوں کے لیے رعایتی فنانسنگ کی فراہمی کو بغیر کسی اطلاع کے اچانک روک دیا گیا۔ نتیجتاً، جہاں لیٹر آف کریڈٹ (LC) پہلے ہی کھولے جا چکے تھے یا سرمائے کے اخراجات (CAPEX) کو ضروری سمجھا جاتا تھا، کمپنی کو KIBOR کی شرحوں پر بینکوں سے فنانسنگ حاصل کرنا پڑتی تھی۔ مارک اپ کی شرحوں میں اضافے نے نہ صرف مکمل ہونے پر متوقع منافع کو کم کیا بلکہ ادائیگی کی مدت میں بھی اضافہ کیا۔

ان چیلنجوں کی روشنی میں، انتظامیہ نے ورکنگ کیپیٹل اور CAPEX دونوں میں سرمایہ کاری کے حوالے سے اپنی حکمت عملی کو تبدیل کیا۔ مختصر مدت کے قرضوں میں مرحلہ وار کمی کی منصوبہ بندی کی گئی اور اس پر عمل کیا گیا۔ 30 جون 2023 تک، قلیل مدتی قرضوں میں پچھلے سال کے مقابلے میں 3.7 بلین روپے کی کمی ہوئی۔ تاہم، اگر اسی کا موازنہ 31 دسمبر 2022، 31 مارچ 2023 کو قلیل مدتی قرضوں کی سطح سے کیا جائے، تو قرضے بالترتیب 9.4 بلین 3.7 بلین روپے کم ہوئے ہیں۔ یہ کمی انوینٹریز اور قرض دہندگان میں اضافی سرمایہ کاری کی ضرورت کے باوجود ہوئی، جو پاکستانی روپے کی قدر میں کمی کی وجہ سے ضروری تھی۔ یہ اسٹریٹجک نقطہ نظر برقرار رہے گا، آنے والے ادوار میں مزید کمی متوقع ہے۔ فکسڈ اثاثوں میں سرمایہ کاری کے سلسلے میں انتظامیہ کا ارادہ ہے کہ اندرونی کرنسی کے بہاؤ کو درست طریقے سے استعمال کیا جائے، صلاحیت میں توسیع اور جدید کاری کے لیے احتیاط سے پراجیکٹس کا انتخاب کیا جائے۔

اس بات کو اجاگر کرنا ضروری ہے کہ کمپنی نے قرض دہندگان اور دیگر اسٹیک ہولڈرز کے لیے اپنی تمام ذمہ داریوں کو تندہی سے پورا کیا، طویل مدتی قرضوں کی ادائیگی اور دیگر مالی وعدوں کو پورا کرنے میں کوئی تاخیر نہیں ہوئی۔ ہماری کمپنی رقم اور کرنسی مارکیٹ کے ڈائنامکس اور اسٹیٹ بینک آف پاکستان (SBP) کی مانیٹری پالیسی کو مدنظر رکھتے ہوئے فنانسنگ کے اختیارات کا جائزہ لینے میں محتاط رہی۔

SPLY (گزشتہ برس اسی مدت کے دوران) کے مقابلے میں کمپنی کی برآمدی فروخت USD کے لحاظ سے نسبتاً مستحکم رہی ہے۔ تاہم، ایک قابل ذکر پہلو یہ ہے کہ جب PKR یعنی پاکستانی روپے میں ماپا جائے تو ہم نے برآمدات کی فروخت میں سال بہ سال 10 فیصد اضافہ دیکھا ہے۔ یہ اضافہ بنیادی طور پر USD/PKR یا امریکی ڈالر/ پاکستانی روپے کی شرح مبادلہ میں ہونے والی تبدیلیوں سے منسوب کیا جا سکتا ہے۔ دوسری طرف، ہماری مقامی فروخت میں سال بہ سال خاطر خواہ 28 فیصد کا اضافہ دیکھا گیا۔ یہ اضافہ بنیادی طور پر قیمتوں میں کمی کے باوجود مقامی منڈیوں میں بڑھتے ہوئے حصہ کی وجہ ہے۔

فروخت یعنی سیلز کی لاگت میں 14.96 فیصد کا اضافہ ہوا ہے، بنیادی طور پر درآمد شدہ اور مقامی دونوں طرح کے خام مال کی قیمتوں میں اضافہ کی وجہ سے ہوا۔ ہندوستان سے درآمدات پر پابندی نے کمپنی کو مجبور کیا کہ وہ دوسرے ممالک سے روئی اور دھاگہ حاصل کرے، جس کے نتیجے میں شپنگ کی مدت طویل ہوتی ہے اور زرمبادلہ کی شرحیں زیادہ ہوجاتی ہیں۔ مزید یہ کہ تنخواہوں میں اضافہ، کم از کم اجرت میں سے بڑھ کر 20,000 روپے سے 25,000 روپے کا اضافہ اور بجلی کی بڑھتی قیمتوں کی وجہ سے مجموعی منافع میں کمی ہوئی۔ یہ نوٹ کرنا ضروری ہے کہ ملک میں گیس کے بحران کی وجہ سے ہمیں بجلی پیدا کرنے کے لیے مزید مہنگے ایندھن کے ذرائع کا سہارا لینا پڑا، جو ہمارے موجودہ آرڈرز کو پورا کرنے کے لیے ضروری تھا۔

امریکی ڈالر/ پاکستانی روپے یا USD/PKR کے درمیان زرمبادلہ کی شرح اور افراط زر کے اثر و رسوخ کی وجہ سے فروخت کی لاگت میں بڑی حد تک اضافہ ہوا ہے۔ دریں اثنا، بنیادی طور پر ہمارے انتظامی اخراجات میں 54 فیصد کا اضافہ ہوا ہے، تنخواہوں کے بڑھتے ہوئے اخراجات، ایندھن کے بڑھتے ہوئے اخراجات، اور سفری اخراجات سمیت دیگر عوامل بھی اس کے علاوہ ہیں۔

سال بھر میں پالیسی کی بلند شرحوں کی وجہ سے مالیاتی اخراجات میں 100.33 فیصد اضافہ ہوا، جو 13 فیصد سے شروع ہوا اور 22 فیصد پر ختم ہوا۔ مزید برآں، ایکسپورٹ ری فنانس اسکیم ("ERF") کی شرحوں میں پچھلے سال کے مقابلے میں خاطر خواہ اضافہ دیکھا گیا ہے، جو جون 2022 میں 3 فیصد سے بڑھ کر جون 2023 میں 19 فیصد ہوگئی، جس سے ہمارے مالیاتی اخراجات نمایاں طور پر متاثر ہوئے۔

بنیادی طور پر ہائی کورٹ کے ناموافق فیصلے کی وجہ سے جو مشینری میں سرمایہ کاری پر چھوٹ کی واپسی سے متعلق ہے کی وجہ سے سال کے دوران ٹیکس کی فراہمی میں 561 ملین روپے کے اضافے کا اثر بھی شامل ہے۔ ۔ مزید یہ کہ تین سال سے زیادہ پرانی ذمہ داریوں کے اضافے کے ذریعے تشخیص کے دوران ٹیکس بھی وصول کیا گیا ہے جس میں گیس انفراسٹرکچر ڈویلپمنٹ CESS اور سندھ انفراسٹرکچر CESS کی دفعات شامل ہیں۔

کاروباری کارکردگی کا قطعی جائزہ

کمپنی مختلف کاروباری حصوں میں کام کرتی ہے، لیکن صرف اہم حصوں کا ذکر ذیل میں کیا گیا ہے:

کاتنا یا اسپننگ

گل احمد ایک انتہائی کارآمد اور جدید سپننگ پلانٹ چلاتا ہے، جو کمپنی کی ٹاپ اور باٹم لائن دونوں میں اپنا حصہ ڈالنے میں اہم کردار ادا کرتا ہے۔ یہ سیگمنٹ نہ صرف گھریلو مارکیٹ میں ٹیکسٹائل مینوفیکچررز کو اپنی مصنوعات فروخت کرتا ہے بلکہ اندرونی طور پر میٹیریل بھی فراہم کرتا ہے۔ سازگار قیمتوں اور شرائط کی صورت میں برآمد بھی کی جاتی ہے۔ سال کے دوران، پلانٹ کی صلاحیت میں تقریباً 8 فیصد کا اضافہ ہوا۔

اس سال کئی زبردست چیلنجوں کا مشاہدہ کیا گیا۔ کپاس کی خراب فصل، درآمد شدہ کپاس پر بڑھتا ہوا انحصار، روئی کی بڑھتی ہوئی قیمتیں، اور سوت کی سست مارکیٹ نے اس سیگمنٹ کے منافع کو نمایاں طور پر متاثر کیا۔ پوری صلاحیت کے استعمال کو برقرار رکھنے کے لیے، انتظامیہ نے قیمتوں کے تعین میں رعایتیں دیں، لیکن ان کوششوں کے باوجود، قیمت کے لحاظ سے خالص فروخت میں تقریباً 4 ارب روپے کی کمی واقع ہوئی۔ کم قیمتوں اور خام مال کی اعلی قیمتوں کے امتزاج نے خاص طور پر مجموعی منافع کو کم کر دیا، جو 32.5 فیصد سے کم ہو کر 16.5 فیصد ہو گیا، جس سے 50 فیصد کی کمی واقع ہوئی۔

اس سیگمنٹ کے لیے ایک اور چیلنج کپاس کی درآمد تھا، جس کے لیے انوینٹری کی اعلی سطح کی ضرورت تھی، اس طرح انوینٹری میں سرمایہ کاری میں اضافہ اور فنانسنگ چارجز

الاگتیں زیادہ ہوگئیں اور ملکی سطح پر مسلسل سکڑنے والی پالیسی کا اطلاق ہوا جس کا مقصد میکرواکنامکس عدم توازن کو درست کرنا بتایا جاتا ہے۔

ایکسپورٹ اور ٹیکسٹائل سیکٹر

افراط زر کے دباؤ، بڑھتی ہوئی توانائی کی قیمتوں اور دیگر عوامل کی وجہ سے، یورپ اور امریکہ جیسی بڑی برآمدی منڈیوں میں صارفین نے اپنے اخراجات میں کمی کی، جس کی وجہ سے پاکستان کی برآمدات میں کمی واقع ہوئی۔ پاکستان کی اشیا اور خدمات کی کل برآمدات 35.21 بلین امریکی ڈالر ہیں جو کہ 2022 میں 39.60 بلین امریکی ڈالر سے کم ہیں، جو کہ 11.08 فیصد کی کمی کو ظاہر کرتی ہیں۔ ٹیکسٹائل کی برآمدات خاص طور پر 2022 میں 19.33 بلین امریکی ڈالر سے کم ہو کر 16.71 بلین امریکی ڈالر رہ گئیں، جو کہ 13.55 فیصد کی کمی ہے۔ ہر برآمدی زمرے نے حجم میں کمی دیکھی جن میں ہوم ٹیکسٹائل، نٹ ویئر، اور گارمنٹس جیسے اہم زمرے، بالترتیب 18.26 فیصد، 13.36 فیصد، اور 10.57 فیصد کی کمی کا سامنا کر رہے ہیں۔ اس کے باوجود ماہرین نے اس امر کا مشاہدہ کیا کہ بیرون ملک منڈیوں میں پاکستان کی برآمدی کارکردگی توقعات سے زیادہ ہے۔

ان چیلنجوں سے نمٹنے کے لیے حکومت نے کئی اقدامات کیے جن میں درآمدات پر پابندیاں عائد کرنا اور زرمبادلہ کے اخراج کو کم کرنا شامل تھا۔ مزید برآں، پالیسی ریٹ میں غیر معمولی اضافہ، برآمد کنندگان کے لیے سبسڈی یافتہ فنانسنگ اسکیم پر نظر ثانی کی گئی جس کی وجہ سے پچھلے سال کے مقابلے مارک اپ میں 3 فیصد سے 19 فیصد تک اضافہ ہوا، اور یوٹیلیٹی قیمتوں میں ایڈجسٹمنٹ ہوئی۔ یہ اقدامات، غیر ملکی زرمبادلہ کے ذخائر پر دباؤ کے ساتھ، بالآخر امریکی ڈالر (USD) کے مقابلے میں پاکستانی روپے (PKR) کی قدر میں کمی کا باعث بنے، اور شرح مبادلہ 204.85 روپیوں سے 287.50 روپے بڑھ گئی۔

درآمدی پابندیوں کے نتیجے میں، ٹیکسٹائل ایکسپورٹ سیکٹر، خاص طور پر اسپننگ سیگمنٹ کو سیلاب کے بعد پیدا ہونے والی کپاس کی گانٹھوں کی محدود فراہمی کی وجہ سے سنگین حالات کا سامنا کرنا پڑا۔ کپاس کی گانٹھوں کی دستیابی نمایاں طور پر گر کر صرف 4.91 ملین گانٹھیں رہ گئی، جو اس شعبے کے لیے 13–15 ملین گانٹھوں کی اہم ضرورت سے کافی کم ہے۔ ان درآمدی پابندیوں کے دوررس نتائج نے مختلف اقتصادی شعبوں پر ایک برا اثر ڈالا جس سے کاروبار پر خاصا دباؤ پڑا اور اس کے نتیجے میں اور مذکورہ عوامل کی وجہ سے کمپنی کے منافع میں کافی حد تک کمی واقع ہوئی۔

آپریشنل اور مالیاتی کارکردگی

ٹیکسٹائل کی برآمدات میں کمی اور ملک میں کچھ ٹیکسٹائل یونٹس کی جزوی یا مکمل بندش کا سامنا کرنے کے باوجود، ہم خوش قسمت تھے کہ اپنے آرڈرز کے حجم کو برقرار رکھ سکے اور اس طرح ہم اپنی دستیاب صلاحیتوں کو مکمل طور پر استعمال کرنے میں کامیاب رہے۔ اس کے نتیجے

121.44 بلین روپے کے مقابلے میں تقریباً 11 فیصد اضافے کی مجموعی فروخت ہوئی۔ SPLY (گزشتہ برس انہی دنوں میں)

گیارہ فیصد کا اضافہ 109.47 بلین کے مقابلے میں ہوا۔

تاہم، اوپر ذکر کردہ چیلنجز کا ہمارے مجموعی، آپریٹنگ اور خالص منافع پر کافی اثر پڑا۔

30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے اہم مالیاتی نتائج کا موازنہ حسب ذیل ہے:

تفصیل	یونٹس	2023	2022
ایکسپورٹ سیلز (بشمول بالواسطہ برآمد) — نیٹ	روپے ملین میں	100,009	90,923
مقامی فروخت (بشمول بالواسطہ برآمد) — نیٹ	روپے ملین میں	11,958	9,334
مجموعی منافع	روپے ملین میں	16,679	17,368
ٹیکس سے قبل منافع	روپے ملین میں	5,949	10,468
ٹیکس کے بعد منافع	روپے ملین میں	3,986	8,862
EBITDA	روپے ملین میں	14,963	16,112
فی شیئر آمدن	روپے	5.39	11.97
ایکویٹی پر قرض	تناسب	33:67	36:64
موجودہ تناسب	تناسب	1:0.90	1:0.88
فی شیئر (حصص) بریک اپ	روپے	54.14	58.59
ویلیو	فیصد	17.32	14.90
مجموعی منافع کا مارجن	فیصد	10.44	5.31
EBITDA	فیصد	8.84	3.56

بورڈ آف ڈائریکٹرز کی پیش کردہ رپورٹ

معزز ممبران

ہم آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے آپ کی کمپنی کے مالیاتی نتائج آپ کے سامنے پیش کرنے میں خوشی محسوس کر رہے ہیں۔

اقتصادی اور صنعتی جائزہ

عالمی اقتصادیات

عالمی معیشت نے کئی چیلنجوں اور بحرانوں کا سامنا کیا، بشمول سست ترقی، بلند افراطِ زر، قرض لیے جانے کی وجہ سے بڑھتے ہوئے اخراجات، اور اس کے نتیجے میں بڑھتی ہوئی غیر یقینی صورتحال۔ اس پیچیدہ منظر نامے کو تشکیل دینے میں کئی عوامل کا ہاتھ ہے، جیسے کہ COVID-19 جیسا وبائی مرض اور اس کے نتیجے میں پیدا ہونے والے برے اثرات، یوکرین میں طویل تنازع، موسمیاتی تبدیلی کے نتیجے میں بگڑتے اور تیزی سے بدلتے ہوئے معاشی حالات۔ بلند افراط زر نے مرکزی بینکوں کو گزشتہ دہائیوں میں سب سے زیادہ جارحانہ شرح سود میں اضافہ کرنے پر مجبور کیا، جس سے مالیاتی حالات مزید مشکلات کا شکار ہو جاتے ہیں اور ترقی یافتہ اور ترقی پذیر دونوں مما لک کی معیشتوں میں قرض لیے جانے کے خطرات بڑھ جاتے ہیں۔

معیشتوں نے نمو میں کمی دکھائی، جو 2022 میں 3.4 فیصد سے گر کر 2023 میں 2.8 فیصد رہ گئی۔ ترقی یافتہ معیشتوں نے نمایاں طور پر زیادہ نمایاں سست روی کا سامنا کیا، جو 2022 میں 2.7 فیصد سے گر کر 2023 میں 1.3 فیصد رہ گئی۔ مالیاتی شعبے میں، عالمی نمو 2023 میں کم ہو کر تقریباً 2.5 فیصد رہ گئی، ترقی یافتہ معیشتوں کی شرح نمو 1 فیصد سے نیچے آ گئی۔ افراط زر کے حوالے سے، 2022 کے 8.7 فیصد سے 2023 میں 7.0 فیصد تک عالمی افراط زر میں بھی یہی کمی واقع ہوئی۔ تاہم، (بنیادی) افراط زر میں سست رفتاری سے کمی واقع ہوئی۔

پاکستان کی معاشی صورتحال

پاکستان کی معیشت کو گزشتہ سال کے دوران متعدد چیلنجوں کا سامنا کرنا پڑا، جن میں تباہ کن سیلاب اور عالمی اور قومی بحران کے تناظر میں اشیاء کی قیمتوں میں اضافہ شامل ہیں۔

یہ ایک ایسا سال تھا جس میں قوم کو اب تک کا سامنا کرنے والے سب سے بڑے معاشی بحرانوں میں سے ایک کا سامنا کرنا پڑا۔ اس ہنگامہ خیز دور کا آغاز بیک وقت پیش آنے والے سیاسی اور معاشی بحرانوں کی وجہ سے ہوا، جس کے نتیجے میں زرمبادلہ کے ذخائر 4.0 بلین امریکی ڈالر تک گر گئے۔ پاکستان، شدید مالیاتی رکاوٹوں کا سامنا کرتے ہوئے، مالی سال 2023 میں اپنے تجارتی خسارے کو 43 فیصد سے کم کر کے 27.55 بلین امریکی ڈالر تک پہنچانے میں کامیاب رہا۔ درآمدات کو روکنے کے لیے حکومت کے سخت اقدامات (31 فیصد کی کمی)، جن کا مقصد غیر ملکی زرمبادلہ کے انتہائی کم ذخائر کو مستحکم کرنے اور پہلے سے طے شدہ خطرات کو ٹالنے کا تھا، ان اقدامات کی وجہ سے اس خاطر خواہ کمی کا حدف حاصل کیا گیا۔ اس سکڑاؤ کی وجہ سے مالی سال 2022–23 کے دوران ملک کے کرنٹ اکاؤنٹ خسارے میں 85.37 فیصد کمی واقع ہوئی۔ نتیجتاً، پاکستان نے جولائی سے جون 2023 تک مالی سال (مالی سال) کے لیے 2.56 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ ریکارڈ کیا، جو کہ گزشتہ سال کی اسی مدت کے 17.48 بلین امریکی ڈالر کے مقابلے میں 14.93 بلین امریکی ڈالر کی کمی کی نشاندہی کرتا ہے۔۔ حکومت کے سخت درآمدی کنٹرول اور 2022 کے سیلاب کے منفی اثرات نے ملکی معیشت پر منفی اثر ڈالا، جس کے نتیجے میں FY22 میں 6.1 فیصد کے مقابلے FY23 میں شرح نمو (اقتصادی سروے 2023 کے مطابق عارضی) صرف 0.3 فیصد رہی۔

مالی سال 2023 کے دوران 10.26 فیصد کی نمایاں کمی کے ساتھ، بڑے پیمانے پر مینوفیکچرنگ یا لارج اسکیل مینوفیکچرنگ (LSM) کا شعبہ زوال کا شکار رہا کیونکہ تقریباً تمام ہی بڑی صنعتوں نے پیداوار میں نمایاں کمی کی اطلاع دی۔ اس کمی کی وجہ سپلائی چین میں رکاوٹیں، افراط زر کا دباؤ جیسے مسائل درپیش ہوئے جن کی وجہ سے

SEEKING OPPORTUNITIES

We cultivate a nurturing environment that fosters personal and professional growth, empowering our team to flourish and excel.

SUSTAINABILITY REPORT

The textile industry acknowledges its environmental impact and is taking steps to reduce it, emphasizing sustainability as a long-term commitment. They address climate change by setting science-based emission reduction targets and focus on employee well-being, professional development, and engagement in sustainability efforts. They also contribute positively to local communities and prioritize responsible economic practices, including energy efficiency, water management, ethical sourcing, and ethical labor practices. Gul Ahmed aims for sustainable growth and sees sustainability as crucial for business continuity, welcoming feedback for continuous improvement.

The textile manufacturing industry generally has to cope with and abide by stringent legal and customer compliance requirements, which present significant challenges. Gul Ahmed Textile Mills Ltd. (Company) strives to add value and help improve towards issues of global importance related to sustainable development both locally and globally.

Sustainability isn't just a vision for the future of our society; it's a crucial element of success for today's industries and businesses. The imperative to transform businesses, aligning them with environmental constraints while addressing societal desires and requirements, presents an unprecedented opportunity for innovation in strategy, design, manufacturing, and branding. This shift offers substantial prospects for competition and adaptation in our rapidly changing world.

However, this challenge extends beyond the realms of business and economics; it necessitates a profound societal, political, technological, cultural, and behavioral transformation. To accomplish this transformation, businesses must harness their capacity for innovation and execution, swiftly and effectively meeting market demands on a global scale. This entails a commitment to both short-term and long-term objectives, crafting strategies that balance competition and cooperation, delivering products and services that fulfill environmental and social needs, and transitioning to resilient business models founded on principles such as closed-loop systems, open-source collaboration, peer-to-peer networks, and service-oriented approaches. Furthermore, it entails recognizing and factoring in the true costs of environmental and social resources, as well as viewing transparency and collaboration as sources of competitive advantage.

For these forward-thinking businesses, sustainability encompasses not only eco-efficiency but also eco-effectiveness. Sustainability is inherently linked with marketing and branding, where market needs are identified based on long-term prosperity, cultivating communities of sustainable consumers. Sustainability involves environmentally conscious practices, recognizing that businesses and communities rely on healthy, productive ecosystems. It can also encompass strategic corporate philanthropy, where philanthropic efforts are aligned with broader goals. Above all, we firmly believe that enduring businesses of the future will thrive financially by addressing genuine and fundamental human needs.

For these businesses, sustainability entails not just eco-efficiency but also eco-effectiveness. It involves integrating sustainability into marketing and branding efforts, where the focus is on identifying market needs that align with long-term prosperity and fostering communities of sustainable consumers. Sustainability emphasizes the importance of "greening" business practices because both businesses and communities rely on healthy and productive ecosystems. It can also encompass corporate philanthropy, provided that such philanthropic efforts are strategic and aligned with broader sustainability goals. Above all, we firmly believe that for enduring businesses of the future, sustainability will be synonymous with generating profits by meeting genuine and fundamental human needs.

As a socially responsible entity, the Company acknowledges its responsibility towards ensuring the safety and preservation of the environment. The Company places the utmost importance on safeguarding the environment for the well-being of humanity. Our Sustainability Policy serves as a guiding framework for implementing eco-friendly practices, and this report aims to update stakeholders on the measures taken by the Company to ensure adherence to these principles.

Raw Material

As a leading supplier of textile and apparel products to global brands, the company understands the importance of maintaining high standards for its stakeholders. They recognize the environmental and social challenges associated with textile production and are committed to minimizing their environmental impact. Their strategy involves adopting manufacturing methods that reduce waste through design, technology upgrades, and choosing materials with low wastage. They also prioritize recycling, reusing production waste, and using sustainable raw materials to minimize environmental impacts throughout the production process.

Between 2020 and 2022, there has been a positive shift in the use of sustainable materials for this company. The share of renewable materials in their total raw materials has increased from 70.7% to 76.7%, and they've also seen an increase in the use of recycled materials during the same period. Furthermore, their packaging materials are primarily paper-based (74% renewable) with only 26% being plastic-based (non-renewable). This commitment to sustainable materials and waste reduction aligns with their goal of reducing their environmental impact while maintaining product quality to meet customer expectations.

Better Cotton Initiative (BCI)

BCI is a program dedicated to enhancing both environmental sustainability and the well-being of farmers. It achieves this by adhering to the following principles:

- Reducing the environmental impact of cotton production.
- Enhancing livelihoods and fostering economic development in cotton-producing regions.
- Ensuring the continued flow of better cotton throughout the supply chain.
- Upholding the credibility and sustainability of BCI.

BCI is an initiative that promotes the cultivation of Organic cotton, a type of cotton produced without the use of pesticides, insecticides, defoliants, artificial fertilizers, or dioxin-producing bleach. The aim is to cultivate, harvest, and process crops while minimizing harm to the environment.

Our Company is a proud member of BCI and actively supports BCI's mission by procuring cotton that adheres to its guidelines. In FY 2023, the Company purchased 15,664 tons of BCI cotton, following a purchase of 36,660 tons in FY 2022.

Organic Cotton

Organic cotton cultivation is an agricultural system that nurtures soil health, ecosystems, and the well-being of people. It operates in harmony with natural processes, local biodiversity, and region-specific cycles, avoiding the use of synthetic inputs that have adverse effects on humans and the environment. This approach combines traditional knowledge, innovation, and scientific practices to benefit the environment and enhance the quality of life for all stakeholders. The demand and supply of organic cotton fiber products have witnessed significant growth in recent years, reflecting strong interest from global retail markets and farmers in adopting organic cotton cultivation practices. Some regions in Pakistan are naturally fertile and devoid of chemical contamination, making them highly suitable for large-scale organic cotton cultivation.

Recognizing the growing demand and potential for organic cotton cultivation, the Company, in collaboration with its financing partner and WWF-Pakistan, has initiated the "Organic Cotton Cultivation" project aimed at improving the economic and environmental status of cotton production.

Recycled/Reclaimed Cotton

To reduce our dependence on new materials and contribute to a circular economy, we are proactively enhancing our utilization of both pre-consumer and post-consumer waste as raw materials in our product manufacturing processes. We maintain an internal recycling facility capable of processing both soft and hard waste to create recycled fibers. Notably, the proportion of reclaimed cotton in our production has seen a substantial increase from previous years and represents a key strategic priority in our efforts to achieve circularity goals. In 2023, reclaimed cotton accounted for 43% of our total cotton usage, compared to 37% in the preceding year, 2022.

CmiA & Primark Sustainable Cotton

Gul Ahmed is actively involved in supporting several cotton initiatives, including Cotton made-in-Africa ("CmiA") and Primark's Sustainable Cotton Program. CmiA, led by the Aid by Trade Foundation, stands as a prominent global standard for sustainably produced cotton. Its primary objective is to uplift the living and working conditions of smallholder farmers in Africa and advance environmentally responsible cotton production, emphasizing trade as a means of empowerment rather than relying on donations.

Sustainable Polyester

We are actively striving to decrease our dependency on virgin fossil-based materials. Currently, polyester constitutes 12% of our total material usage, sourced from petroleum, a finite resource. In response, we have transitioned to recycled polyester, known as rPET, which is produced from recycled plastic bottles. This shift not only contributes to the reduction of plastic waste in landfills but also conserves resources and minimizes greenhouse gas emissions compared to the production of new fibers. Our objective is to progressively augment the utilization of recycled polyester in our products to diminish our carbon footprint.

Contribution to the National Treasury

Our company actively contributes to the nation's economic growth by sharing a portion of its revenue through taxes, fees, and duties. Additionally, our exports play a crucial role in bolstering the country's foreign reserves. In FY 2023, our company's total contribution amounted to Rs. 13.14 billion, compared to Rs. 12.17 billion in FY 2022, covering a wide range of federal, provincial, and local taxes, fees, and duties.

Education

As strong proponents of delivering quality education in the modern era, our company consistently supports the "Fellowship Fund for Pakistan" and frequently extends contributions to reputable educational institutions. These endeavors aim to raise awareness about issues of public interest through media exposure and cultivate intellectual think tanks for the betterment of our country.

Furthermore, our company is dedicated to empowering the youth through financial assistance and sponsorships across various fields.

Women Empowerment

At our company, we firmly believe that women maximize every opportunity that comes their way. Consequently, our management takes great pride in leading positive societal change by implementing a range of Women Empowerment initiatives. These programs include supporting a Boxing Club that provides training in an underserved area of Karachi, collaborating with Saylani on the Worker Training Program, aimed at empowering women to learn, grow, and enhance their skills. We also sponsor "Khelo Kricket" for female cricketers and commemorate Women's Day at Gul Ahmed Textile Mills, celebrating the achievements and potential of women.

Resource Conservation

Pakistan faces significant challenges, including a severe energy crisis and a growing shortage of drinking water. This has led to widespread power outages and water supply disruptions, affecting both industrial and residential sectors. Recognizing the critical importance of energy and water, our company has made substantial investments in power generation. These investments include the installation of turbines, fuel-efficient generators, and the incorporation of energy-efficient machinery across our various manufacturing units. We have also transitioned to processes and equipment that consume less water.

Every machinery acquisition decision prioritizes energy savings and resource conservation. Additionally, our company has proactively invested in power generation to alleviate the strain on the country's already limited resources. Some of the specific measures we have taken include:

- **Hot Water Chiller**

  We have installed a hot water chiller at our powerhouse, utilizing hot water from our generators to replace energy-consuming electrical chillers.

- **Duplex Waste Heat Recovery Boiler**

  Our engines now employ a duplex waste heat recovery boiler, allowing us to harness the energy from flue gases to generate steam.

  Furthermore, we have constructed a Water Recycling Plant with a daily capacity to recycle approximately 400,000 gallons of water, requiring an investment of approximately 400 million PKR. This is in addition to our operational effluent treatment plant, which has been meeting all NEQS standards since 2006. We plan to double our recycling capacity within the next two years.

- **Combined Cycle Gas Turbine**

  Combined Cycle Gas Turbines are also in operation at our company, effectively utilizing the energy from hot flue gases through waste heat recovery boilers to generate high-pressure steam and reduce our carbon footprint. The steam turbine generates 2.25 MW of electricity, and the combined cycle process recycles 30,000 tons/Nautical Mile of carbon dioxide.

- **Solar Power Generation**

  In line with our green initiatives, we have installed a 400KW Solar Power project in 2021, with an investment of 34.2 million PKR on a carefully selected site. Plans include to add 7.5 MW Solar Power each year starting 23-24.

- **Waste Heat Recovery**

  To reduce our energy consumption and reliance on natural gas for steam generation, we've transitioned from traditional boilers to highly efficient Waste Heat Recovery Boilers (WHRB). This shift has enabled us to meet 51% of our total steam needs through WHRBs.

  In 2022, we successfully generated 203,051 tons of steam using WHRBs, leading to a significant saving of 14,619,637 cubic meters of natural gas, equivalent to approximately 578,400 gigajoules in energy savings.

- **Reducing GHG Emissions**

  The urgent global issue of climate change, driven by persistent greenhouse gas (GHG) emissions, demands immediate attention. Following COP 26, it is clear that financial considerations related to climate change impacts must be integrated into business strategies. To significantly mitigate our contribution to climate change, we have pledged to achieve Net Zero GHG emissions by 2050, with an interim goal of cutting total GHG emissions in half by 2030. We've developed a strategic plan to achieve these reductions, acknowledging that it will require substantial resources and a bold effort. Our approach involves transitioning to renewable energy sources and reducing our dependence on fossil fuels, seeking expert guidance whenever opportunities arise to decrease emissions. In October 2021, we committed to Science-based Targets (SBT) and proudly joined the "NET-ZERO Pakistan" coalition, a critical initiative led by the Pakistan Environment Trust.

- **Caustic Recovery Plant**

  Additionally, our company has implemented two Caustic Recovery Plants (CRP) at our processing facility to recover caustic from weak lye generated during the mercerizing process. These CRPs help recover caustic from wastewater and reduce the chemicals required to control wastewater pH, contributing to cost savings and environmental sustainability.

- **Pollution Prevention and Control**

  Our company places significant importance on pollution prevention programs, recognizing their role in delivering both economic and environmental benefits. We are actively engaged in reducing water usage and adopting efficient processing chemicals to promote cleaner production processes and pollution control. Our initiatives in this domain include:

- **Surfactants Selection**

  We prioritize the use of high-quality surfactants while avoiding less-degradable surfactants, particularly in washing and scouring operations.

- **Transfer Printing**

  For synthetic materials, we employ transfer printing and water-based printing pastes to minimize and regulate water and chemical (dye) consumption.

- **Dyeing Pad Steam**

  Our adoption of Dyeing Pad Steam technology contributes to reducing water and energy usage.

- **Jet Dyers**

  We have transitioned from winch dyers to jet dyers, a more efficient method that conserves water.

- **Eco-Friendly Dyes**

  We avoid the use of benzidine-based azo dyes, dyes containing cadmium, and other heavy metals. Additionally, we do not use chlorine-based dyes.

  Chemical Recovery: Our processes involve the recovery and reuse of process chemicals and dye solutions, minimizing waste.

- **Bleaching Methods**

  We utilize peroxide-based bleaches instead of sulphur and chlorine-based bleaches in our processing, reducing environmental impact.

Amount Invested/Spent:

The company has made significant investments in strategic initiatives during FY 2021-2023, as outlined below:

- Wastewater Treatment: An investment of Rs. 658.36 million has been committed to wastewater treatment.
- Solar Power Plant: We have invested Rs. 34.20 million in the installation of a solar power plant.
- Philanthropic Activities: We have dedicated Rs. 66.7 million to philanthropic endeavors as part of our corporate social responsibility.

AUDIT COMMITTEE REPORT

The Audit Committee (the Committee) has concluded its annual review of the conduct and operations of the Company during 2023 and reports that:

- The Company has issued a “Statement of Compliance with the Code of Corporate Governance” which has also been reviewed and certified by the Auditors of the Company.
- Understanding and compliance with Company codes and policies have been affirmed by the members of the Board, the management and employees of the Company individually. Equitable treatment of shareholders has also been ensured.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, for the financial year ended June 30, 2023, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equities of the Company and its subsidiaries for the year under review.
- The Chief Executive and the Chief Financial Officer have endorsed the financial statements and consolidated financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the Company’s financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Directors’ Report is drafted and endorsed by the Board of Directors, and is presented in compliance with the requirements of Companies Act, 2017. The Committee has reviewed and endorsed the report as to the compliance with regulations and acknowledges that business of the Company is fairly discussed in the Directors’ Report.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 . The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All Directors have access to the Company Secretary. All direct or indirect trading and holdings of Company’s shares by Directors and Executives or their spouses were notified to the Company Secretary along with the required information which was notified by the Company Secretary to the Board. All such holdings /have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company’s shares, prior to each Board meeting involving announcement of interim/final results, distribution to shareholders or any other business decision, which could materially affect the share price of the Company, along with maintenance of confidentiality of all business information.

Internal Audit

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

External Auditors

- The statutory Auditors of the Company, KPMG Taseer Hadi & Co., Chartered Accountants, have completed their Audit assignment of the “Company’s Financial Statements”, the “Consolidated Financial Statements” and the “Statement of Compliance with the Code of Corporate Governance” for the financial year ended June 30, 2023 and shall retire on the conclusion of the 71st Annual General Meeting.
- The Audit Committee has reviewed and discussed audit observations with the external auditors.
- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Auditors attended the Annual General Meeting of the Company during the year and have confirmed attendance of the 71st Annual General Meeting scheduled for October 27, 2023.

Karachi: 25 September 2023

Kamran Y. Mirza
Chairman Audit Committee

FINANCIAL *HIGHLIGHTS*

Profit & Loss		2023	2022	2021	2020	2019	2018
Sales	Rs. Million	**111,968**	100,257	78,774	53,941	57,288	45,626
Gross profit	Rs. Million	**16,679**	17,368	12,869	9,069	11,982	9,576
Earnings before interest and tax	Rs. Million	**11,297**	13,138	7,506	1,932	5,482	3,315
Profit / (loss) before tax	Rs. Million	**5,949**	10,469	5,562	(76)	4,008	2,328
Profit / (loss) after tax	Rs. Million	**3,986**	8,862	4,425	(479)	3,609	2,075
Cash dividend	Rs. Million	**-**	-	428	891	891	891
Bonus share	Rs. Million	**1,233**	856	-	713	-	-
Balance Sheet							
Property, plant and equipment	Rs. Million	**50,122**	45,842	38,351	26,250	18,994	16,104
Intangible	Rs. Million	**38**	52	78	90	45	24
Long term investment, loans, advances and deposits	Rs. Million	**3,792**	3,816	3,747	2,862	491	299
Net current assets	Rs. Million	**6,926**	8,748	5,539	606	4,818	3,193
Total assets employed	Rs. Million	**60,878**	58,458	47,715	29,808	24,348	19,620
Represented by:							
Share capital	Rs. Million	**7,401**	6,167	5,312	4,278	3,565	3,565
Reserves	Rs. Million	**32,671**	29,966	21,952	9,685	11,768	9,056
Shareholders' equity	Rs. Million	**40,072**	36,133	27,264	13,963	15,333	12,621
Long term loans	Rs. Million	**20,117**	20,551	18,571	13,446	8,857	6,912
Deferred and other long term liabilities	Rs. Million	**689**	1,774	1,880	2,399	158	87
Total capital employed	Rs. Million	**60,878**	58,458	47,715	29,808	24,348	19,620
Cash Flow Statement							
Operating activities	Rs. Million	**16,293**	5,468	(1,635)	(20)	160	(1,083)
Investing activities	Rs. Million	**(7,955)**	(10,664)	(9,867)	(8,806)	(4,899)	(1,956)
Financing activities	Rs. Million	**(9,405)**	10,634	6,837	2,298	875	100
*Cash and cash equivalents at the end of the year	Rs. Million	**(1,412)**	(345)	(28,852)	(24,998)	(18,470)	(14,606)

*Cash and equivalents for the year 2023 and 2022 have been calculated after incorporating the impact of reclassification of ERF and Other short term financing (other than running finance) from cash and cash equivalent to short term borrowings. (Refer note 4.5 of unconsolidated financials statements).

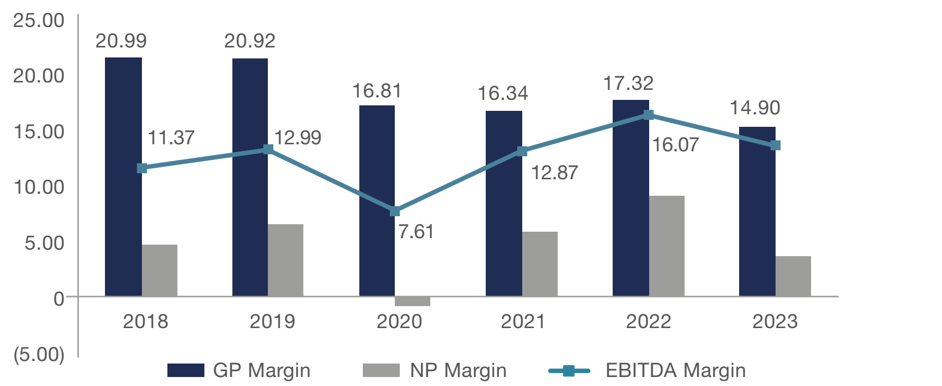
FINANCIAL *RATIOS*

Profitability ratios		2023	2022	2021	2020	2019	2018
Gross profit ratio	Percent	**14.90**	17.32	16.34	16.81	20.92	20.99
Operating leverage ratio*	Times	**(1.20)**	2.75	6.27	11.09	2.56	6.96
EBITDA margin to sales	Percent	**13.36**	16.07	12.87	7.61	12.99	11.37
Net profit to sales	Percent	**3.56**	8.84	5.62	(0.89)	6.30	4.55
Profit before tax margin	Percent	**5.31**	10.44	7.06	(0.14)	7.00	5.10
Return on equity	Percent	**10.46**	27.96	21.46	(3.27)	25.82	17.63
Return on capital employed	Percent	**18.93**	24.75	19.36	7.13	24.94	17.45
Liquidity ratios							
Current ratio	Times	**1.11**	1.15	1.12	1.02	1.16	1.14
Quick / acid test ratio	Times	**0.47**	0.55	0.57	0.29	0.39	0.40
Cash to current liabilities	Times	**0.01**	0.03	0.01	0.01	0.02	0.02
Cash flow from operations to sales	Times	**0.15**	0.05	(0.02)	(0.00)	0.00	(0.02)
Capital structure ratios							
Financial leverage ratio	Times	**1.33**	1.64	1.84	2.82	1.89	1.85
Weighted average cost of debt	Percent	**9.50**	4.88	4.34	5.87	4.54	3.57
Debt to equity ratio	Percent	**0.33**	0.36	0.41	0.49	0.37	0.35
Interest cover ratio	Times	**2.11**	4.92	3.86	0.96	3.72	3.36
Turnover ratios							
Inventory	Days	**140**	130	140	192	151	145
Inventory turnover ratio	Times	**2.61**	2.81	2.62	1.90	2.42	2.52
Debtor	Days	**80**	84	60	43	40	35
Debtor turnover ratio	Times	**4.57**	4.36	6.03	8.45	9.19	10.44
Creditors	Days	**120**	105	113	175	136	142
Creditors turnover ratio	Times	**2.68**	3.26	2.92	1.83	2.44	2.46
Fixed assets turnover ratio	Times	**2.23**	2.19	2.05	2.05	3.02	2.83
Total assets turnover ratio	Times	**0.91**	0.85	0.83	0.78	1.05	1.05
Operating cycle	Days	**100**	109	87	60	54	38
Investor information							
Earnings per share	Rupees	**5.39**	11.97	7.83	(1.12)	10.12	5.82
Price earning ratio	Times	**3.31**	2.82	6.48	(25.56)	4.65	7.38
Price to book ratio	Times	**0.11**	0.18	0.29	0.18	0.31	0.35
Dividend yield ratio	Times	**-**	-	0.02	0.09	0.05	0.06
Cash dividend per share	Rupees	**-**	-	1.00	2.50	2.50	2.50
Bonus shares issued	Percent	**20.00**	20.00	-	20.00	-	-
Dividend payout ratio	Times	**-**	-	0.13	0.25	0.43	1.00
Dividend cover ratio	Rupees	**-**	-	7.83	(0.45)	4.05	2.33
Break - up value per share **		**54.15**	58.59	51.33	32.64	43.01	35.40
Market value per share							
at the end of the year	Rupees	**17.81**	33.81	50.73	28.63	47.12	42.93
high during the year	Rupees	**32.94**	60.80	58.32	49.62	58.40	49.50
low during the year	Rupees	**17.81**	32.80	28.93	21.45	38.25	32.52
EBITDA	Rs. Million	**14,963**	16,112	10,141	4,103	7,442	5,186

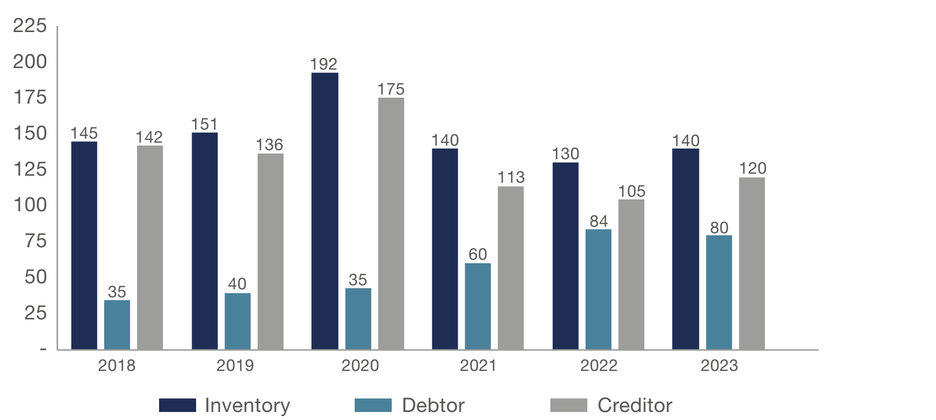
*Change over last year ** Ratio restated based on number of shares outstanding as at respective date

GRAPHICAL ANALYSIS

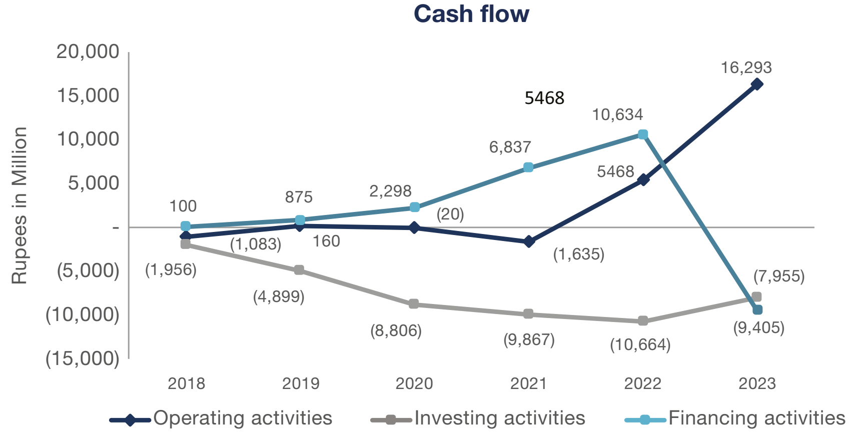
Profitability Ratios



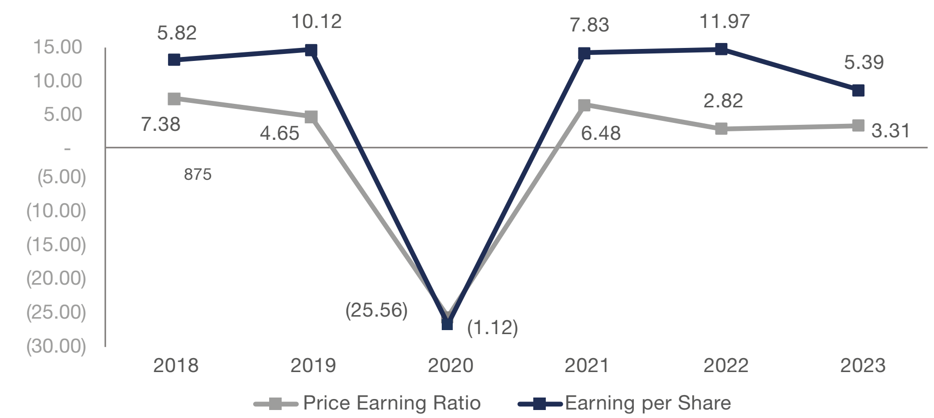
Turnover Ratios



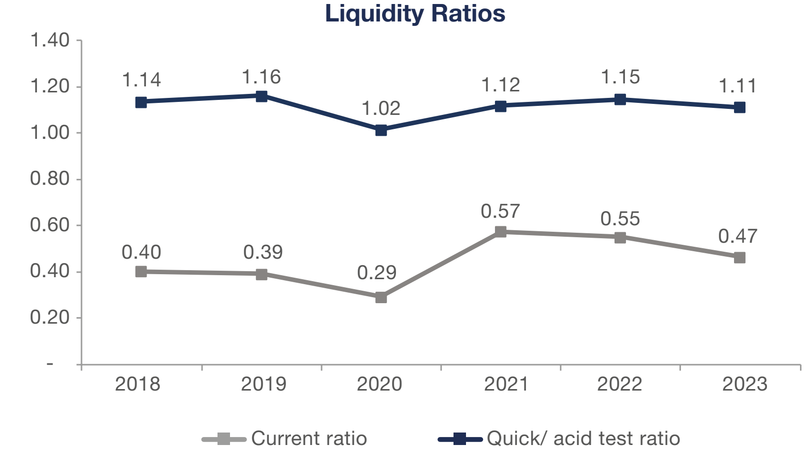
Cash flow



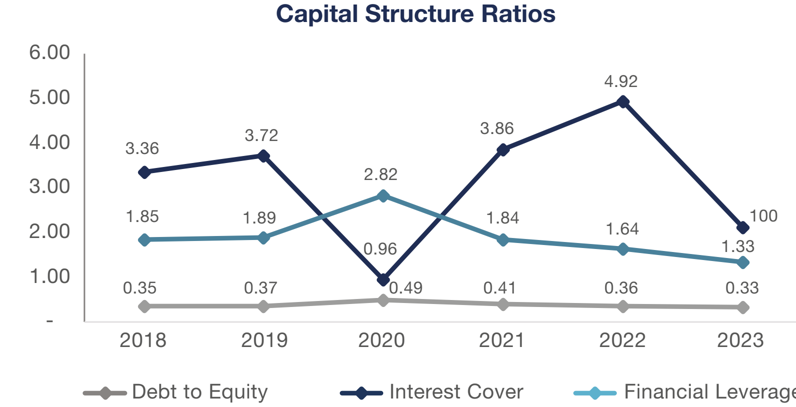
Investor Rations



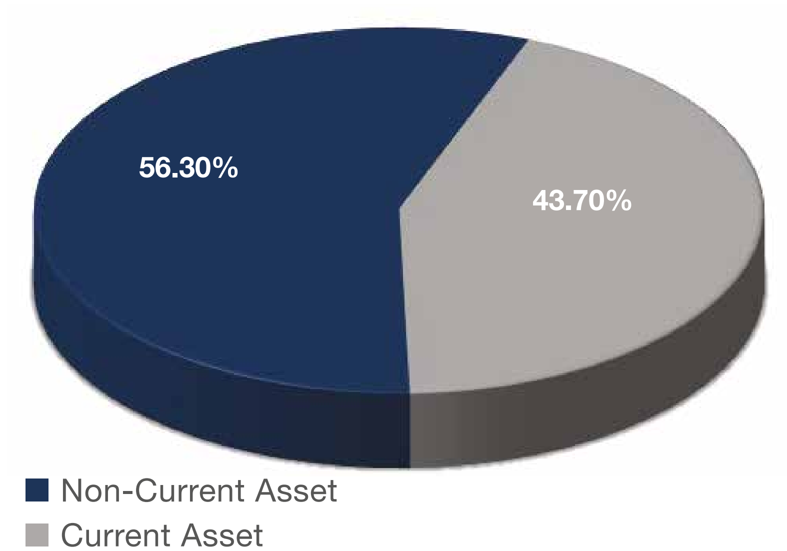
Liquidity Ratios



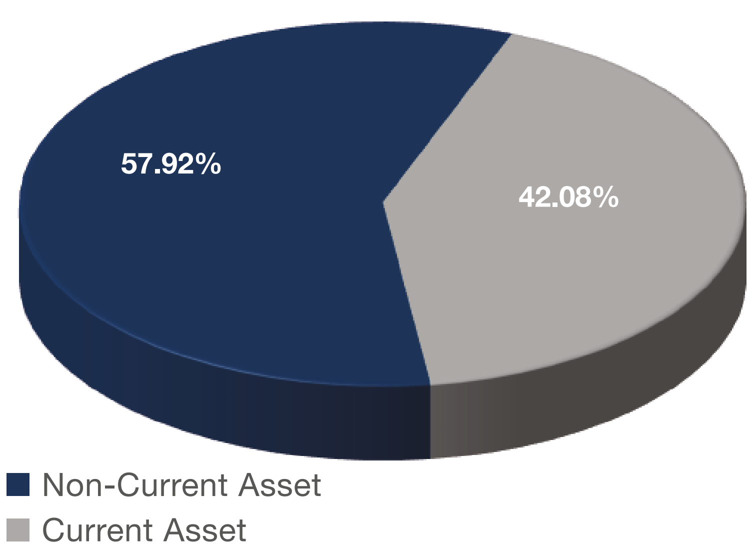
Capital Structure Ratios



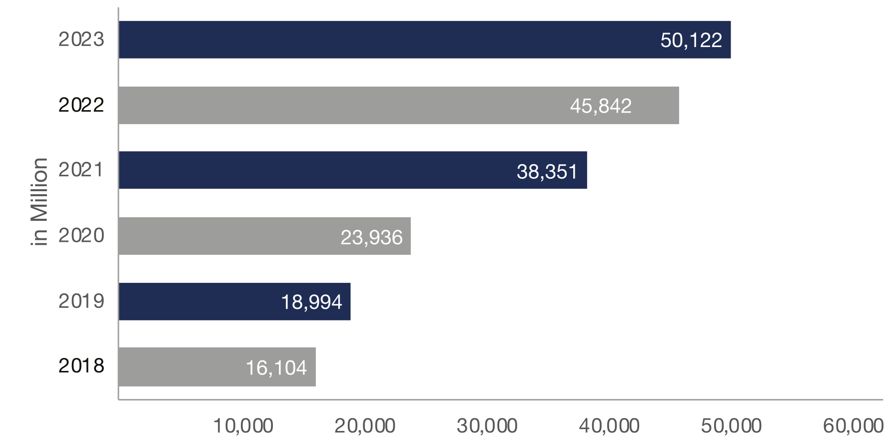
Assets 2023



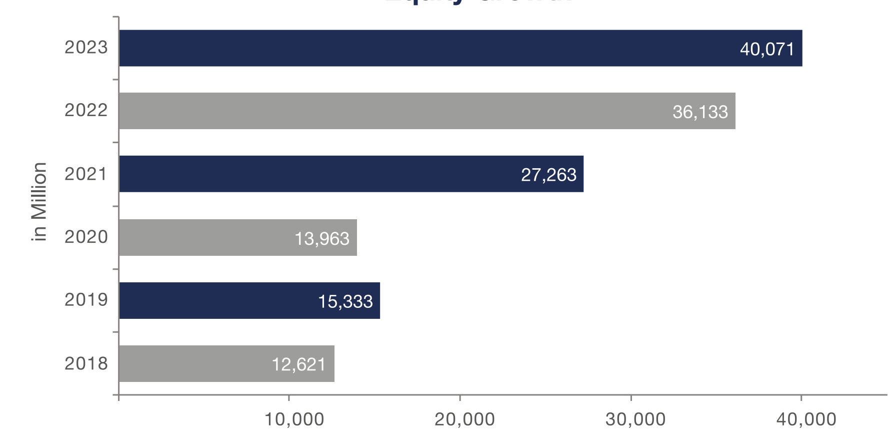
Assets 2022



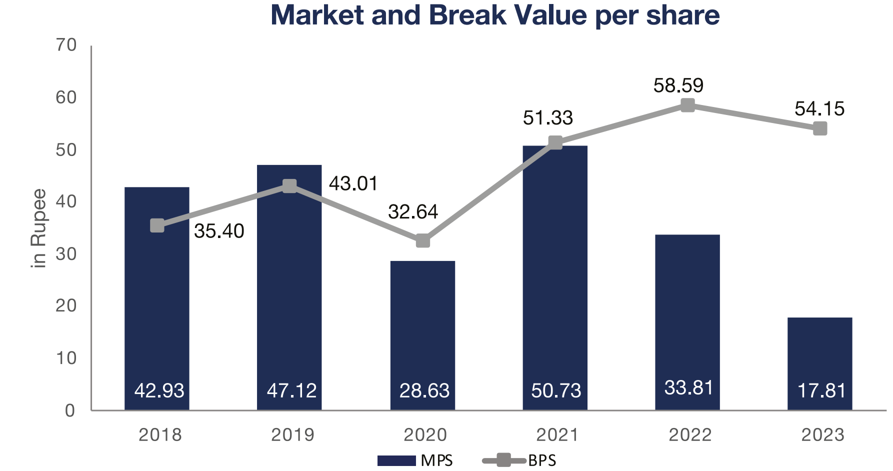
Fixed Assets Growth



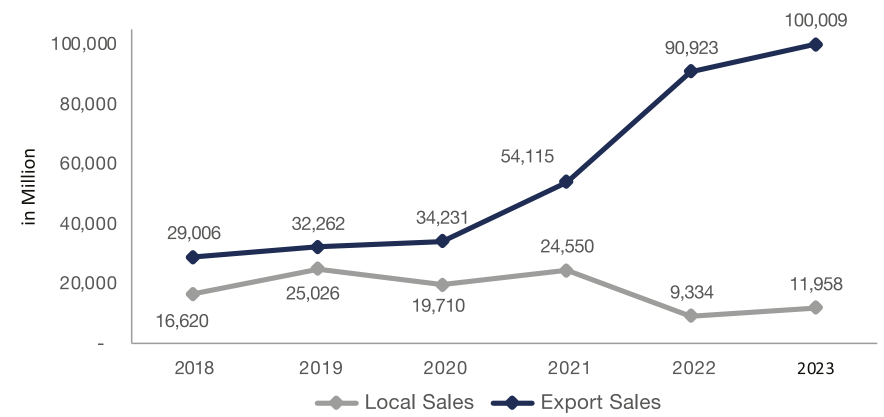
Equity Growth



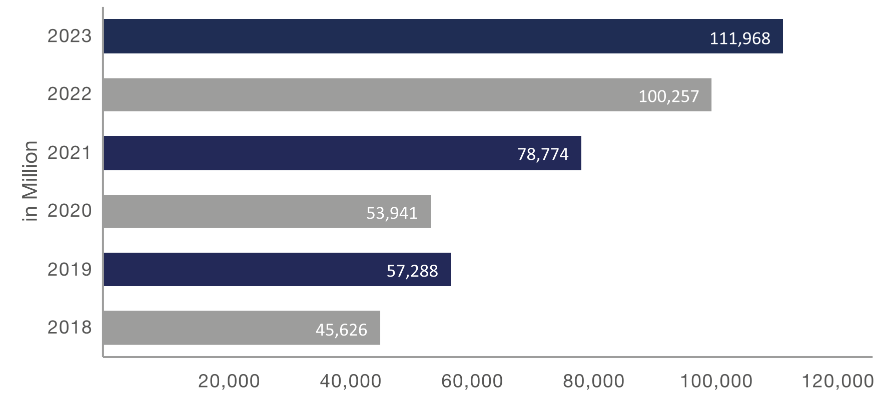
Market and Break Value per share



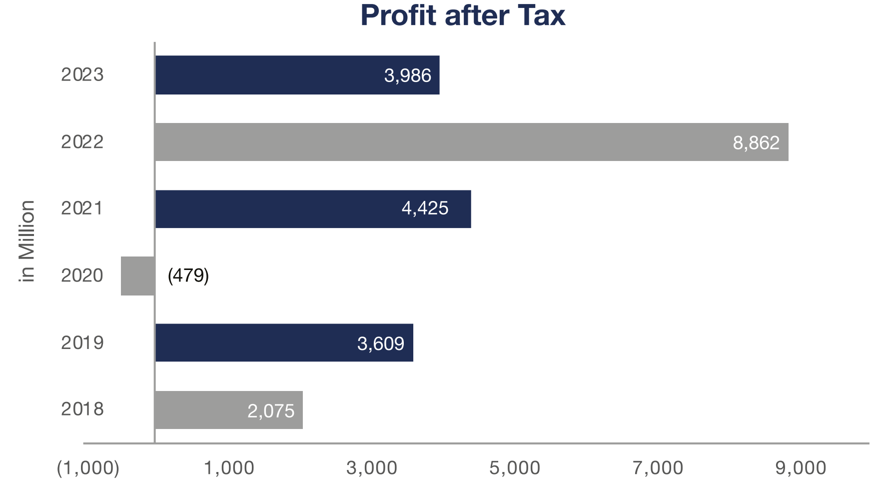
Local and Export Sales



Sales Growth



Profit after Tax

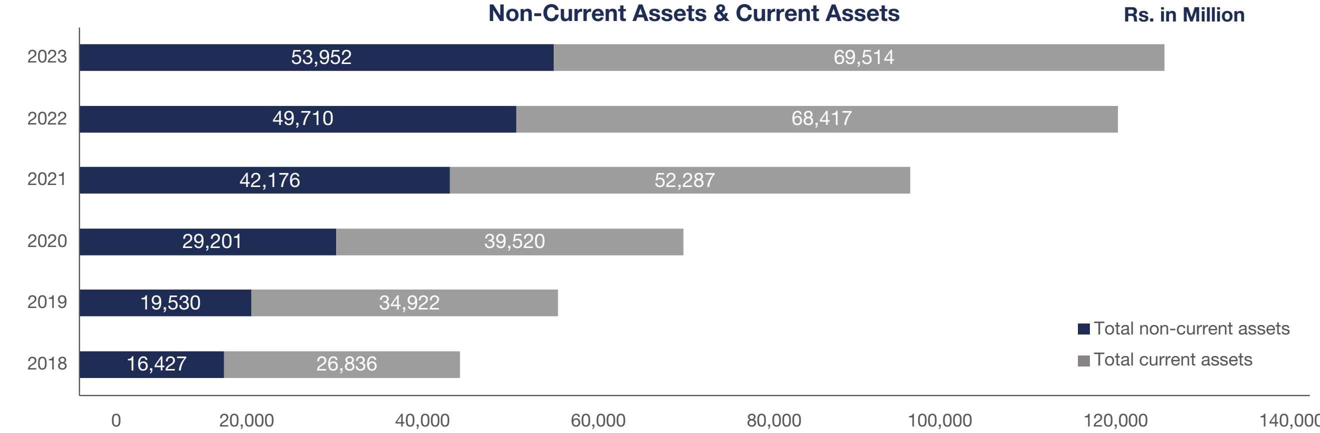


HORIZONTAL ANALYSIS OF FINANCIAL STATEMENTS

	2023	2022	2021	2020	2019	2018
	Rupees in '000					
Balance sheet						
Total equity	**40,071,377**	36,133,299	27,263,246	13,963,200	15,333,213	12,620,727
Total non-current liabilities	**20,806,330**	22,324,425	20,451,900	15,844,450	9,014,948	6,998,726
Total current liabilities	**62,588,232**	59,669,012	46,748,788	38,913,545	30,104,046	23,643,992
Total equity and liabilities	**123,465,939**	**118,126,736**	**94,463,934**	**68,721,195**	**54,452,207**	**43,263,445**
Total non-current assets	**53,952,143**	49,709,658	42,176,442	29,201,248	19,530,496	16,427,027
Total current assets	**69,513,796**	68,417,078	52,287,492	39,519,947	34,921,711	26,836,418
Total assets	**123,465,939**	**118,126,736**	**94,463,934**	**68,721,195**	**54,452,207**	**43,263,445**
Profit & loss account						
Net sales	**111,967,612**	100,256,957	78,774,072	53,941,017	57,287,837	45,625,872
Cost of sales	**(95,288,630)**	(82,889,287)	(65,905,464)	(44,871,541)	(45,305,673)	(36,049,884)
Gross profit	**16,678,982**	17,367,670	12,868,608	9,069,476	11,982,164	9,575,988
Distribution expenses	**(2,200,949)**	(1,957,801)	(3,329,125)	(4,528,465)	(4,648,383)	(3,940,730)
Administrative expenses	**(3,428,329)**	(2,220,600)	(2,375,413)	(2,712,937)	(2,677,242)	(2,310,347)
Other expenses	**(432,181)**	(860,379)	(519,122)	(264,192)	(311,783)	(208,043)
Other income	**679,374**	809,089	860,899	367,679	1,137,104	198,601
Operating profit	**11,296,897**	13,137,979	7,505,847	1,931,561	5,481,860	3,315,469
Financial expenses	**(5,347,543)**	(2,669,400)	(1,944,058)	(2,007,673)	(1,473,407)	(987,076)
Profit / (loss) before taxation	**5,949,354**	10,468,579	5,561,789	(76,112)	4,008,453	2,328,393
Income tax expense	**(1,963,335)**	(1,606,932)	(1,137,249)	(403,253)	(399,233)	(253,420)
Profit / (loss) after taxation	**3,986,019**	**8,861,647**	**4,424,540**	**(479,365)**	**3,609,220**	**2,074,973**

Non-Current Assets & Current Assets

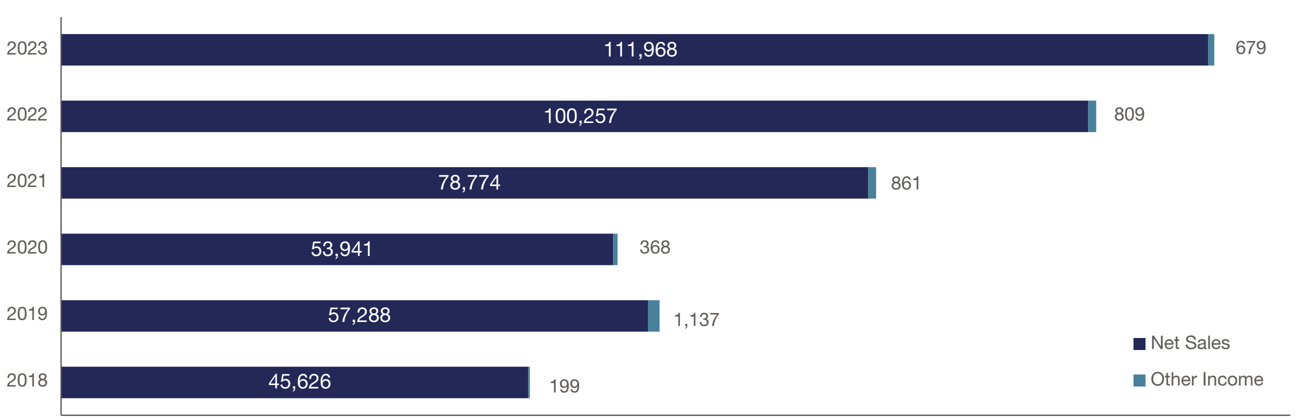
Rs. in Million



	2023	2022	2021	2020	2019	2018
	Variance in %					
Balance sheet						
Total equity	**10.90**	32.53	95.25	(8.93)	21.49	15.64
Total non-current liabilities	**(6.80)**	9.16	29.80	75.76	28.81	(6.29)
Total current liabilities	**4.89**	27.64	20.14	29.26	27.32	28.95
Total equity and liabilities	**4.52**	**25.05**	**37.46**	**26.20**	**25.86**	**17.82**
Total non-current assets	**8.53**	17.86	44.43	49.52	18.89	0.82
Total current assets	**1.60**	30.85	32.31	13.17	30.13	31.39
Total assets	**4.52**	**25.05**	**37.46**	**26.20**	**25.86**	**17.82**
Profit & loss account						
Net sales	**11.68**	27.27	46.04	(5.84)	25.56	13.88
Cost of sales	**14.96**	25.77	46.88	(0.96)	25.67	9.71
Gross profit	**(3.97)**	34.96	41.89	(24.31)	25.13	32.87
Distribution expenses	**12.42**	(41.19)	(26.48)	(2.58)	17.96	13.11
Administrative expenses	**54.39**	(6.52)	(12.44)	1.33	15.88	0.24
Other expenses	**(49.77)**	65.74	96.49	(15.26)	49.86	256.38
Other income	**(16.03)**	(6.02)	134.14	(67.67)	472.56	(39.09)
Operating profit	**(14.01)**	75.04	288.59	(64.76)	65.34	96.61
Financial expenses	**100.33**	37.31	(3.17)	36.26	49.27	12.48
Profit / (loss) before taxation	**(43.17)**	88.22	(7,407.37)	(101.90)	72.16	187.90
Income tax expense	**22.18**	41.30	182.02	1.01	57.54	(2,723.40)
Profit / (loss) after taxation	**(55.02)**	**100.28**	**(1,023.00)**	**(113.28)**	**73.94**	**153.53**

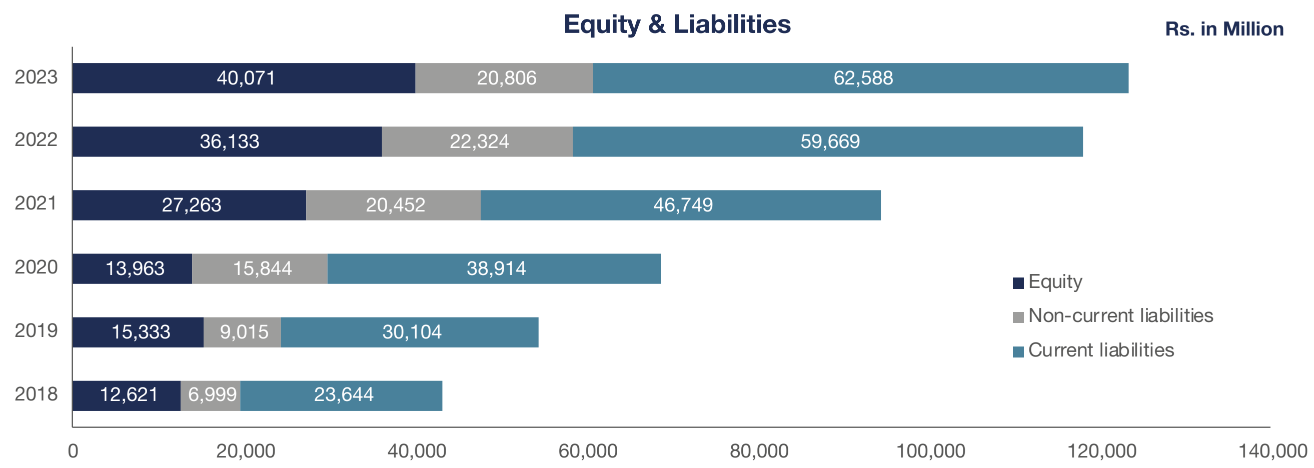
Sales and Other Income

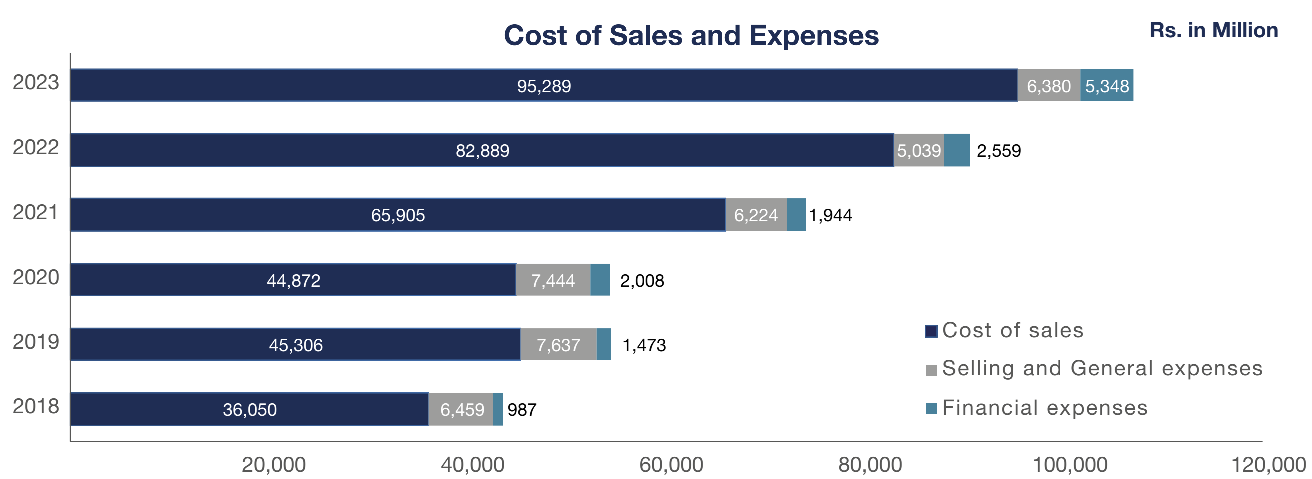
Rs. in Million



VERTICAL ANALYSIS OF FINANCIAL STATEMENTS

	2023		2022		2021		2020		2019		2018	
	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%
Balance sheet												
Total equity	**40,071,377**	**32.46**	36,133,299	30.59	27,263,246	28.86	13,963,200	20.32	15,333,213	28.16	12,620,727	29.17
Total non-current liabilities	**20,806,330**	**16.85**	22,324,425	18.90	20,451,900	21.65	15,844,450	23.06	9,014,948	16.56	6,998,726	16.18
Total current liabilities	**62,588,232**	**50.69**	59,669,012	50.51	46,748,788	49.49	38,913,545	56.63	30,104,046	55.29	23,643,992	54.65
Total equity and liabilities	123,465,939	100.00	**118,126,736**	**100.00**	**94,463,934**	**100.00**	**68,721,195**	**100.00**	**54,452,207**	**100.00**	**43,263,445**	**100.00**
Total non-current assets	**53,952,143**	**43.70**	49,709,658	42.08	42,176,442	44.65	29,201,248	42.49	19,530,496	35.87	16,427,027	37.97
Total current assets	**69,513,796**	**56.30**	68,417,078	57.92	52,287,492	55.35	39,519,947	57.51	34,921,711	64.13	26,836,418	62.03
Total assets	123,465,939	100.00	**118,126,736**	**100.00**	**94,463,934**	**100.00**	**68,721,195**	**100.00**	**54,452,207**	**100.00**	**43,263,445**	**100.00**
Profit & loss account												
Net sales	**111,967,612**	**100.00**	100,256,957	100.00	78,774,072	100.00	53,941,017	100.00	57,287,837	100.00	45,625,872	100.00
Cost of sales	**(95,288,630)**	**(85.10)**	(82,889,287)	(82.68)	(65,905,464)	(83.66)	(44,871,541)	(83.19)	(45,305,673)	(79.08)	(36,049,884)	(79.01)
Gross profit	**16,678,982**	**14.90**	17,367,670	17.32	12,868,608	16.34	9,069,476	16.81	11,982,164	20.92	9,575,988	20.99
Distribution expenses	**(2,200,949)**	**(1.97)**	(1,957,801)	(1.95)	(3,329,125)	(4.23)	(4,528,465)	(8.40)	(4,648,383)	(8.11)	(3,940,730)	(8.64)
Administrative expenses	**(3,428,329)**	**(3.06)**	(2,220,600)	(2.21)	(2,375,413)	(3.02)	(2,712,937)	(5.03)	(2,677,242)	(4.67)	(2,310,347)	(5.06)
Other expenses	**(432,181)**	**(0.39)**	(860,379)	(0.86)	(519,122)	(0.66)	(264,192)	(0.49)	(311,783)	(0.54)	(208,043)	(0.46)
Other income	**679,374**	**0.61**	809,089	0.81	860,899	1.09	367,679	0.68	1,137,104	1.98	198,601	0.44
Operating profit	**11,296,897**	**10.09**	13,137,979	13.10	7,505,847	9.53	1,931,561	3.58	5,481,860	9.57	3,315,469	7.27
Financial expenses	**(5,347,543)**	**(4.78)**	(2,669,400)	(2.66)	(1,944,058)	(2.47)	(2,007,673)	(3.72)	(1,473,407)	(2.57)	(987,076)	(2.16)
Profit / (loss) before taxation	**5,949,354**	**5.31**	10,468,579	10.44	5,561,789	7.06	(76,112)	(0.14)	4,008,453	7.00	2,328,393	5.10
Income tax expense	**(1,963,335)**	**(1.75)**	(1,606,932)	(1.60)	(1,137,249)	(1.44)	(403,253)	(0.75)	(399,233)	(0.70)	(253,420)	(0.56)
Profit / (loss) after taxation	**3,986,019**	**3.56**	**8,861,647**	**8.84**	**4,424,540**	**5.62**	**(479,365)**	**(0.89)**	**3,609,220**	**6.30**	**2,074,973**	**4.55**





COMMENTS ON FINANCIAL ANALYSIS

Equity and Liabilities

- **Shareholders' Equity**

The Company has experienced a significant increase in total equity, amounting to Rs. 3.94 billion when compared to the previous year. As of June 30, 2023, the total equity reached Rs. 39.78 billion, representing an impressive growth rate of approximately 218% over the past six years. In 2021, the company bolstered its reserves through both profitability and the creation of reserves during the implementation of a merger scheme. Additionally, in 2023, the share capital saw an increase of Rs. 1.23 billion due to the issuance of bonus shares. It's worth noting that the rise in reserves for the current year is primarily attributable to higher profits earned.

- **Non-current Liabilities**

The management's strategic decision to address rising interest rates led to a reduction in financing. In the current year, the Company secured additional long-term financing of Rs. 2.40 billion depicting a decrease from the Rs. 6.11 billion obtained in 2022. The servicing of medium-term financing, which was acquired under the SBP scheme to support employment, was done promptly. After initially deferring repayment as permitted by the State Bank of Pakistan, the company began repaying the loan, with Rs. 3.09 billion repaid during the year according to the agreed terms. While long-term loans have grown significantly over the years, this increase has greatly benefited the Company, leading to enhanced capacity, the adoption of the latest technology, operational excellence, and notable improvements in both top-line and bottom-line performance. Deferred liabilities, encompassing deferred taxation, deferred government grant and staff retirement benefits decreased by Rs. 198.99 million to reach Rs. 689.32 million at year-end.

- **Current Liabilities**

At the reporting date, the current liabilities stood at Rs. 62.59 billion, reflecting a notable increase of Rs. 2.92 billion or 4.89% in comparison to 2022, marking the highest level observed over the past six years. This surge in current liabilities primarily results from a significant rise in trade and other payables, largely attributed to increased business volume and inflation. However, it's important to note that the growth in current liabilities corresponds with an increase in inventory and trade debts included in the current asset category. Over the past six years, there has been a substantial Rs. 38.94 billion increase in current liabilities due to the aforementioned factors. Short-term bank borrowings amounted to Rs. 30.20 billion, showing a reduction from the Rs. 35.36 billion reported in June 2022, achieved through focused efforts to lower borrowing costs. Additionally, the current maturity of long-term loans decreased by Rs. 0.20 billion due to the full repayment of wage loans.

Assets

- **Non-current Assets**

The Company's non-current assets, encompassing property, plant, and equipment, intangible assets, and long-term investments, have witnessed an increase of Rs. 4.27 billion compared to the previous year. In 2022, there was a substantial increase of Rs. 7.46 billion, primarily due to the expansion of capacities and the initiation of new projects. The cost associated with assets disposed of during this period was lower than in 2022, while the depreciation charge for the year was higher by Rs. 0.69 billion in comparison to 2022. The value of investments remained consistent throughout the year, although there was a bonus issuance by Ideas (Private) Ltd. Over the past six years, non-current assets have experienced remarkable growth, amounting to Rs. 37.53 billion, signifying more than a three-fold increase. This steady expansion reflects the Company's enhanced operational capabilities, with tangible results validating this progress.

- **Current Assets**

The current assets of the Company comprise trade debts, stock in trade, short-term prepayments, cash and bank balances, and loans and advances, among others. These have seen an increase of Rs. 1.10 billion compared to 2022 and a significant growth of Rs. 42.68 billion over the past six years, primarily driven by higher inventory levels and trade debtors. Government refunds have decreased by Rs. 0.05 billion, while trade debtors have decreased by Rs. 2.16 billion, and inventories have increased by Rs. 4.02 billion in comparison to the previous year. As of 30 June 2023 the current assets are at their highest level in the past six years, and the management aims to reduce them in the upcoming year. This reduction in current assets is expected to lead to a decrease in the current level of current liabilities, especially bank borrowings. However, it's important to note that the key components of current assets, namely inventory and debtors, are dollarized, and any further weakening of the PKR against the US dollar will automatically increase the value of these assets.

Profit and Loss

- **Revenue and Cost of Sales**

  Despite the continuous reduction in Pakistan's textile exports, the Company's direct export sales in US dollar value remained relatively stable compared to 2022, attributed to customer satisfaction, increased production capacity, and changes in geographical markets. However, in terms of PKR, direct export sales reached Rs. 72.94 billion, a significant increase from Rs. 56.30 billion in the previous year. This growth of Rs. 16.64 billion is a result of shifts in the PKR/Dollar exchange rate and the management's strategy to explore new markets and focus on profitable orders.

  Local sales, including indirect exports, amounted to Rs. 48.51 billion, reflecting a decrease of Rs. 4.67 billion compared to the previous year. This decline can be attributed to a sluggish yarn market and higher cotton prices. Cotton price spikes in 2023 with limited sales growth, but the decrease in indirect sales by Rs. 7.78 billion was also influenced by the aforementioned factors and a decision to reduce sales to non-exporters.

  Over the past six years, total sales have increased significantly by approximately 145.40%, equivalent to Rs. 66.34 billion.

- **Gross Profit**

  In the current year, there has been a commendable 11.68% increase in sales. However, it's important to note that the gross profit margin has declined by 2.43%, dropping from 17.32% in the previous year. Several factors have contributed to this limitation in the gross profit margin, including:

  - **Unprecedented Raw Material Costs**

    The cost of raw materials surged significantly due to a short crop and international demand for cotton. These increased costs couldn't be fully passed on to consumers, impacting profitability.

  - **Sluggish Local Yarn Market**

    A reduced demand for yarn in the local market resulted in a less favorable pricing environment, affecting profit margins.

  - **Currency Exchange Fluctuations**

    The volatile changes in the PKR/US$ exchange rate throughout the year added another layer of complexity to the financial landscape.

  - **Competitive Export Market**

    A highly competitive export market, coupled with a reduction in export volume, put pressure on profit margins.

  - **Inflation**

    Higher inflation rates likely affected overall operational costs.

  - **Intense Competition in Local Market**

    Fierce competition in the local market led to a reduction in margins.

  - **Higher Full Cost**

    Increased overall costs, including gas charges and depreciation due to investments in property, plant, and equipment, impacted profitability.

    Despite these challenges, the Company managed to achieve significant sales growth, showcasing its resilience in a demanding business environment.

- **Profit Before Tax**

  The Company's Profit Before Tax for the current year stands at Rs. 5.95 billion, a noticeable decrease from the previous year's figure of Rs. 10.47 billion. This reduction in profit amounting to Rs. 4.52 billion can be attributed to several key factors:

  - **Reduced Margin on Yarn Sales**

    A decrease in profit margins on yarn sales contributed to the decline in overall profitability.

  - **Limited Increase in Export Sales Volume in US$**

    Despite the sales increase, there was almost no growth in export sales volume denominated in US dollars, which impacted profit levels.

  - **High Finance Costs**

    A significant increase in finance costs, driven by rising market interest rates, resulted in a substantial financial burden.

  - **Higher Depreciation Costs**

    An increase of Rs. 0.69 billion in depreciation expenses due to further capitilization amounting to Rs. 14.99 billion during the year contributed to the reduction in profit.

  - **Inflation Impact**

    Higher inflation, increased fuel costs, and extensive travel expenses collectively amounted to Rs. 1.21 billion, affecting the overall profitability.

    These factors, combined, have led to a notable decrease in Profit Before Tax compared to the previous year's performance.

- **Profit After Tax**

  The Profit After Tax for the current year includes a prior-year charge of Rs. 0.56 billion. This charge is a result of:

  - **Reversal of Tax Credit**

    There was a reversal of tax credits recorded in prior years for investments in machinery. This occurred because the Company lost the case for retrospective amendment, leading to the reversal of previously claimed tax credits.

  - **Addition of Provisions**

    The Profit After Tax also includes the addition back of provisions that were more than three years old. These provisions include items such as the provision for Gas Infrastructure Cess and Sindh Infrastructure Development Cess.

    These adjustments have impacted the overall Profit after Tax for the current year, reflecting the impact of tax-related reversals and provisions on the company's financial performance.

Cash Flows

As of June 30, 2023, the Company's cash and cash equivalents amounted to Rs. (1.41) billion, as compared to the previous year's figure of Rs. (0.345) billion. This reduction is attributed to decrease in net income during the year and changes to working capital management.

Additionally, the Company exercised control over its capital expenditures (CAPEX) during the year, resulting in a reduction of CAPEX by one-fourth compared to the prior year. This cautious approach to investments likely contributed to the improved cash position.

When comparing bank borrowings, there has been a notable reduction of approximately Rs. 4 billion when compared to June 2022 figures. However, if we compare the bank borrowings with figures from March 2023, the reduction is even more substantial, amounting to approximately Rs. 9 billion. This indicates a significant reduction in the Company's reliance on bank borrowings over the specified time frames.

Ratio Analysis

- **Profitability Ratios**

  The Company's strategic investments in CAPEX, timely management of inventories, and improved operational efficiencies have contributed to achieving a Gross Profit ratio of 14.90%. However, there has been a decrease of approximately 2.43% in Gross Profit compared to the prior year. This decline can be attributed to factors such as rising raw material prices, a sluggish local and export market, exceptionally high finance costs, and general inflation.

  The decrease in Gross Profit has also impacted the Net Profit after Tax to sales ratio, reducing it to 3.56% from 8.84% compared to the previous year. Although administrative costs were effectively controlled, the substantial increase in sales, driven by very high inflation and continuously rising fuel costs, contributed to this change. Additionally, an increase in selling and distribution costs can be attributed to shifts in the PKR/US$ exchange rate, along with inflation.

  The Return on Capital Employed (ROCE) stands at 18.93%, a decrease from the previous year's figure of 24.75%, marking a decline of 5.82%. This decrease in ROCE reflects the challenges faced in maintaining profitability and efficiency amid changing market conditions and inflationary pressures.

- **Liquidity Ratios**

  Efficient fund management has led to relatively minor changes in both the current ratio and the acid test ratio, despite a reduction of Rs. 2.57 billion in working capital investment. The Company's cash flow from operations has notably improved, increasing to Rs. 16.29 billion from Rs. 5.47 billion in the previous year. Receivables from the Government have also decreased during this period.

However, there has been an increase in the stock in trade, which has resulted in a marginal reduction in overall financial ratios. Nonetheless, the effective management of funds and the improvement in cash flow from operations indicate a positive trend in the Company's financial performance and liquidity position.

- **Turnover Ratios**

The inventory turnover has increased, primarily due to the higher value of inventories, largely influenced by the weakening PKR. On the other hand, the debtors' turnover ratio has also increased, indicating a reduction in debtors. This can be attributed to higher sales volumes of yarn in the local market with shortened credit periods and a strategic decision not to offer discounts on export bills, which has accelerated debt collections.

The inventory turnover remains relatively consistent with the figures observed over the last six years, while the debtors' turnover days have decreased, reflecting faster recovery of outstanding payments.

The creditors' turnover ratio is consistent with the figures over the last six years, although it has decreased compared to the previous year due to extended credit terms provided by suppliers.

The fixed asset turnover ratio has improved in the current year, primarily because the net value of property, plants, and equipment was higher at the end of the year due to additional CAPEX investments. However, when examining the data over the last six years, the ratio falls within a similar range, indicating steady asset turnover.

- **Investment/Market Ratios**

The Earnings per Share (EPS) has decreased significantly, dropping from Rs. 11.97 to Rs. 5.39, which can be primarily attributed to lower profits resulting from a decrease in gross profit and an increase in administrative and finance costs.

The Price-Earnings (P/E) ratio has decreased from 2.82 times to 3.31 times. This decrease is due to changes in the market price of the shares. The market price was Rs. 17.81, compared to Rs. 33.81 at the end of FY 2022. The average price during the year stood at Rs. 24.42, with the highest observed during any month being Rs. 32.94.

These changes in EPS and P/E ratio reflect shifts in the Company's financial performance and the market's valuation of its shares over the specified time frame.

- **Capital Structure Ratios**

During the year, the Company obtained fresh long-term loans to undertake Balancing, Modernization and Replacement (BMR) and new projects, with the aim of expanding its presence in the market and introducing new products. The total long-term borrowing amounted to Rs. 23.21 billion, compared to Rs. 23.85 billion in the previous year. This change is the result of additional borrowings of Rs. 2.40 billion and repayments of Rs. 3.09 billion.

In the prior year, the Company had obtained new loans of Rs. 6.11 billion and repaid Rs. 3.39 billion.

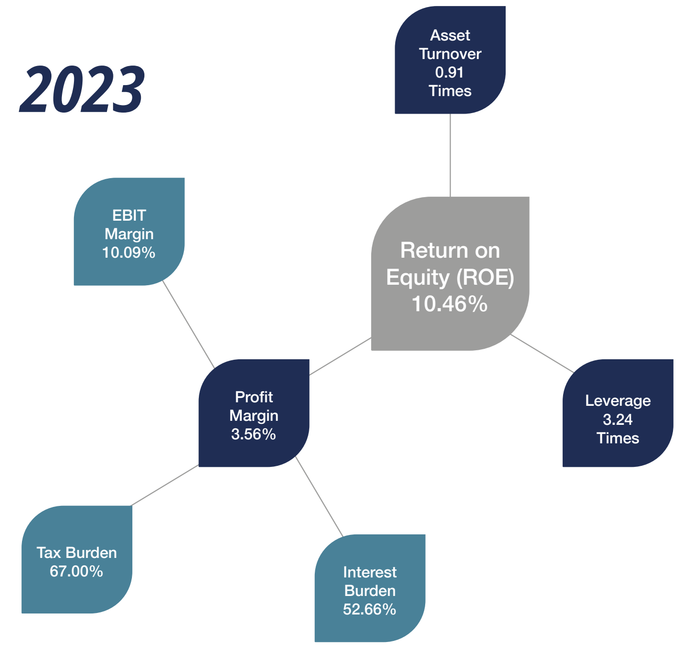
While the high volume of borrowings has increased the debt portion, the debt-to-equity ratio has improved to 34:66 as compared to 36:64 at the end of the previous year. This suggests a more favorable debt-equity mix despite the increased borrowing.

The financial leverage ratio has decreased to 1.33 times, down from 1.64 times in the previous year, even with a considerable increase in equity. This indicates improved financial stability and less reliance on debt.

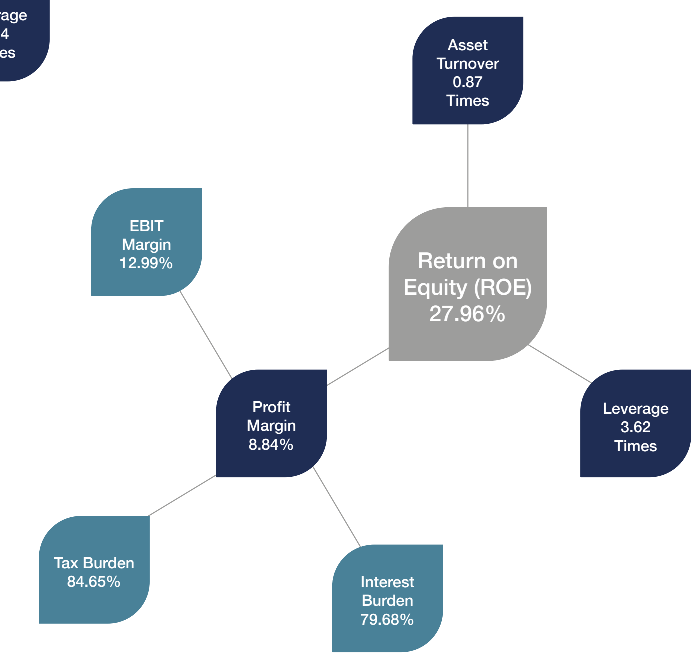
However, it's important to note that the high level of debt and lower profits during the year have led to a decrease in the interest coverage ratio, which stands at 2.11 compared to 4.92 in the previous year. This suggests that the Company's ability to cover its interest expenses from its earnings has decreased, which should be monitored closely for financial health.

DUPONT ANALYSIS

2023



2022

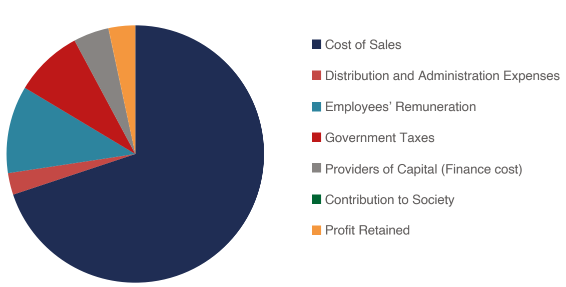


		2023	2022	2021	2020	2019	2018
Return on Equity (ROE)	Percent	**10.46**	27.96	21.46	-3.27	25.82	17.63
Asset Turnover	Times	**0.91**	0.85	0.83	0.81	1.05	1.05
Leverage	Times	**3.24**	3.73	4.58	4.69	3.90	3.68
Net Profit Margin	Percent	**3.56**	8.84	5.62	-0.89	6.30	4.55
Interest Burden	Percent	**52.66**	79.68	74.10	-3.94	73.12	70.23
Tax Burden	Percent	**67.00**	84.65	79.55	629.82	90.04	89.12
EBIT Margin	Percent	**10.09**	13.10	9.53	3.58	9.57	7.27

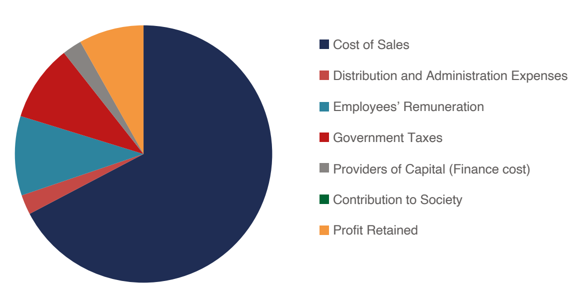
OUR VALUE ADDITION AND ITS DISTRIBUTION

	2023		2022	
	Rs. '000s	**%**	**Rs. '000s**	**%**
Value addition				
Net sales including sales tax	**119,044,884**	**99.43**	107,830,745	99.26
Other operating income	**679,374**	**0.57**	809,089	0.74
	119,724,258	**100.00**	108,639,834	100.00
Value distribution				
Cost of sales (excluding employees' remuneration, duties and taxes)	**83,669,553**	**69.89**	73,111,946	67.30
Distribution and administration expenses (excluding employees' remuneration and taxes)	**3,271,151**	**2.73**	2,705,228	2.49
Employees' remuneration	**13,148,448**	**10.98**	10,839,067	9.98
Government taxes (includes income tax, WPPF, WWF, duties, federal & provincial taxes, sales tax etc.)	**10,267,304**	**8.58**	10,456,564	9.62
Providers of capital (Finance cost)	**5,337,306**	**4.46**	2,644,203	2.43
Contribution to society - Donations	**44,477**	**0.04**	21,179	0.02
Profit retained	**3,986,019**	**3.33**	8,861,647	8.16
	119,724,258	**100.00**	108,639,834	100.00

Distribution of wealth 2023



Distribution of wealth 2022



QUARTERLY ANALYSIS

1st Quarter - 30 September 2022				
	Current	**Prior**	**Change**	
	Rupees in Million		**Amount**	**%**
Sales	27,497	20,509	6,988	34.07%
Gross Profit	3,641	3,438	203	5.90%
Profit before Tax	1,698	1,612	86	5.33%
Profit after tax	1,372	1,216	156	12.83%
Tax	325	396	(71)	-17.93%
Depreciation	751	490	261	53.27%
Amortisation	6	7	(1)	-14.29%
Markup	699	479	220	45.93%
EBITDA	3,153	2,588	565	21.83%
EPS	1.85	1.64	0.21	12.83%

The first quarter was marked by a multitude of risks and concerns, primarily stemming from the global economic situation, which led to reduced disposable income in many economies. Escalating finance costs and surging energy expenses exerted substantial pressure on both gross profit and profit before tax. Furthermore, extreme volatility in the value of the PKR (local currency), elevated raw material costs, increased finance expenses, and a higher inflation rate all presented formidable challenges to the management's efforts.

In terms of export sales during the 1st quarter, the Company achieved a total of Rs. 19.5 billion, a significant increase compared to Rs. 11.7 billion during the same period last year (SPLY) and Rs. 17.4 billion in the preceding quarter ending in June 2022. This increase in sales was attributed to both higher sales volume and the depreciation of the PKR. However, local sales saw a decline of Rs. 0.5 billion compared to SPLY and a Rs. 2.7 billion drop compared to the immediately preceding quarter. The increased prices of raw materials, which could not be passed on to customers, resulted in lower sales volume and lower gross profit on local sales, although the overall gross profit was higher by 5.9% when compared to SPLY. As a result of this improved gross profit, both net profit before and after tax were higher when compared to SPLY.

During the quarter, the Company invested Rs. 2.9 billion in CAPEX, with Rs. 1.6 billion financed from loans and the remaining amount financed from internal generation.

Additionally, the Company repaid Rs. 0.78 billion in long-term loans during the quarter. Policy rates and Export Re-finance Rates (ERF) increased in July, resulting in a rate hike from 3 percent to 10%, representing a 2.5% increase. This led to a 45.93% rise in the Company's finance costs, even though the investment in working capital was minimal. Despite these challenges, the Company managed to keep short-term borrowings at approximately the same level.

It is evident that despite facing these significant obstacles, the Company employed a strategic approach that considered all foreseeable risks. This approach enabled the Company to achieve higher revenue and a modest increase in net income, although both gross and net profit percentages declined due to the challenges mentioned.

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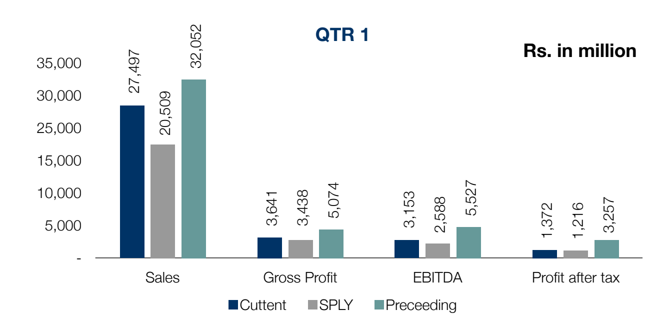

2nd Quarter - 31 December 2022				
	Current	Prior	Change	
	Rupees in Million		Amount	%
Sales	23,511	26,417	(2,906)	-11.00%
Gross Profit	2,799	4,415	(1,616)	-36.60%
Profit before Tax	828	2,567	(1,739)	-67.74%
Profit after tax	64	2,140	(2,076)	-97.01%
Tax	764	427	337	78.92%
Depreciation	853	907	(54)	-5.95%
Amortisation	7	7	-	0.00%
Markup	1,141	690	451	65.36%
EBITDA	2,829	4,171	(1,342)	-32.17%
EPS	0.09	2.89	(2.81)	-97.01%

During this period, the country started to experience a decline in textile exports across various categories. The Company's export sales amounted to Rs. 14.8 billion, compared to Rs. 13.7 billion in the same period last year (SPLY) and Rs. 19.5 billion in the preceding quarter ending in September 22. This decline in export prices was primarily attributed to a decrease in despatch volumes and unfavorable PKR-to-US$ exchange rates.

To strategically manage this situation, the Company reduced the volume of local yarn sales and increased internal consumption by minimizing external yarn purchases. Additionally, market pressures on prices, existing sales contracts, the PKR's valuation against the US Dollar, and a sluggish demand for yarn due to reduced textile exports all contributed to lower gross profit, which declined by 36.6% compared to SPLY.

Due to the sluggish yarn market, the Company extended higher credit periods, resulting in a Rs. 2.4 billion increase in working capital. After a 2.5% increase in the Export Re-finance Rate (ERF) in July 2022, the rate was further raised by 1% in December 22 and 2% in January 23. Consequently, short-term borrowings increased by Rs. 2.6 billion to Rs. 36.1 billion. Additionally, the Company incurred an additional Rs. 2.3 billion in capital expenditures (CAPEX), of which only Rs. 0.4 billion was financed from long-term loans, while Rs. 1.0 billion in long-term loans were repaid. The finance cost consequently rose to Rs. 1.1 billion, representing an increase compared to both SPLY and the preceding quarter.

The combination of lower gross profit and higher costs significantly reduced both pre and post-tax profits compared to SPLY and the preceding quarter. Post-tax profit was further impacted by prior-year tax obligations due to unfavorable court decisions related to rebates on machinery investments.

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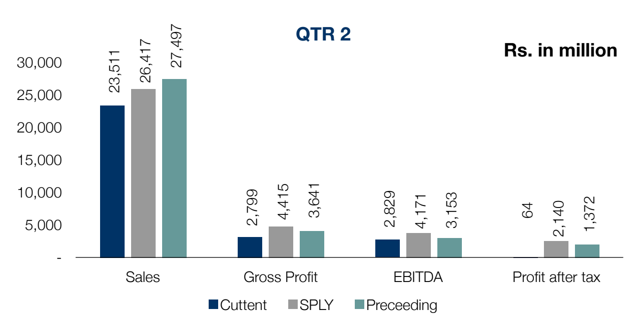


3rd Quarter - 31 March 2023				
	Current	Prior	Change	
	Rupees in Million		Amount	%
Sales	29,428	21,279	8,149	38.30%
Gross Profit	4,450	4,441	9	0.20%
Profit before Tax	1,394	2,699	(1,305)	-48.35%
Profit after tax	1,009	2,249	(1,240)	-55.14%
Tax	385	450	(65)	-14.44%
Depreciation	956	713	243	34.08%
Amortisation	7	5	2	40.00%
Markup	1,375	649	726	111.86%
EBITDA	3,732	4,066	(334)	-8.21%
EPS	1.36	3.04	(1.68)	-55.14%

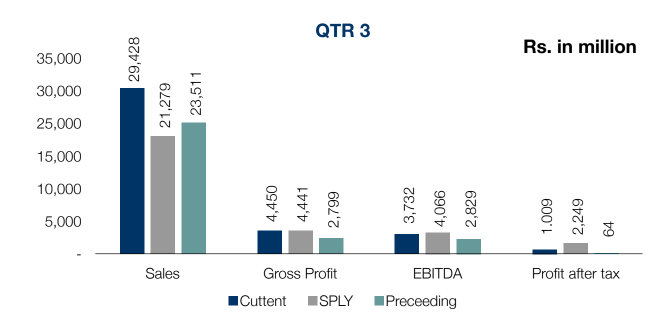
The Company's performance during quarter 3 improved compared to quarter 2 of the year. Net sales for this quarter were higher than the same period last year (SPLY) as well as the preceding quarter. However, there was a decline in local sales due to a reduction in cotton prices from the very high levels seen in the second quarter, along with a decrease in exports.

Export sales amounted to Rs. 18.2 billion, a substantial increase from Rs. 13.5 billion in SPLY and Rs. 14.8 billion in the previous quarter ending in September 22. Local sales reached Rs. 11.3 billion, compared to Rs. 10.6 billion in SPLY and Rs. 9.0 billion in the preceding quarter ending in December 22. The average US$ rate was Rs. 262.13, significantly higher than Rs. 180.22 in SPLY and Rs. 222.82 in the last quarter ending in September 22. While the PKR appreciated during the quarter, market pressures kept sales prices either the same or even lower in the current quarter.

The Company made an additional CAPEX investment of Rs. 1.6 billion during the quarter, with Rs. 0.6 billion financed from long-term financing and the remainder from internal generation. Additionally, the Company repaid borrowings of Rs. 0.72 billion, bringing the total borrowings to Rs. 39.2 billion, representing a further increase of Rs. 3.1 billion. The Export Re-finance Rates (ERF) were increased by 1% and 3% in January 23 and March 23, respectively.

Despite these factors, particularly raw material prices and increased utility costs, the gross profit remained unchanged when compared to SPLY, although it was approximately double when compared to the preceding year. However, there was a reduction in both pre and post-tax profits due to the very high finance costs and higher inflation compared to SPLY, but the figures were higher than the preceding quarter. Tax provisions continued to include prior-year tax provisions made in December 2022.

A graphic view of above is as follows:

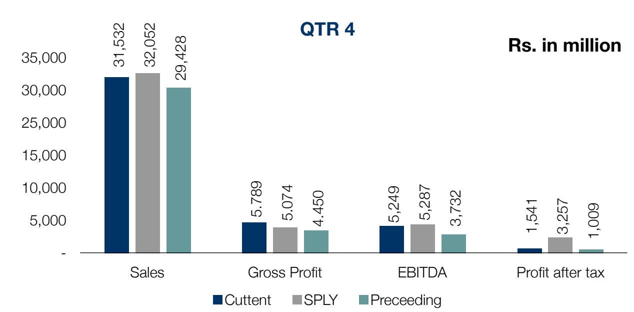


4th Quarter - 30 June 2023				
	Current	Prior	Change	
	Rupees in Million		Amount	%
Sales	31,532	32,052	(520)	-1.62%
Gross Profit	5,789	5,074	715	14.09%
Profit before Tax	2,029	3,591	(1,562)	-43.50%
Profit after tax	1,541	3,257	(1,716)	-52.69%
Tax	489	334	155	46.41%
Depreciation	1,080	837	243	29.03%
Amortisation	6	8	(2)	-25.00%
Markup	2,133	851	1,282	150.65%
EBITDA	5,249	5,287	(38)	-0.72%
EPS	2.09	4.40	(2.31)	-52.51%

The fourth quarter demonstrated improved sales and gross profit compared to all three previous quarters. The average US$ rate stood at Rs. 285.7, a significant increase from Rs. 220.78 billion in the same period last year (SPLY) and Rs. 261.13 billion in the preceding quarter ending on March 23. This devaluation of the currency led to export sales of Rs. 21.5 billion, surpassing Rs. 17.4 billion in SPLY and Rs. 18.2 billion in the preceding quarter ending on March 23. The volume of local sales remained close to both SPLY and the preceding quarter. This increase in sales resulted in a 14.32% improvement in gross profit compared to SPLY, and it was also higher by Rs. 1.3 billion when compared to the preceding quarter.

During the quarter, the Export Re-finance Rate (ERF) was further increased by 3%, reaching 19%, as compared to the policy rate of 22%. In response to this trend, the management adjusted its strategy and focused on reducing the volume of short-term borrowings. Consequently, short-term borrowings, which were at Rs. 39.2 billion in the preceding quarter, reduced to Rs. 29.8 billion by June 30, 2023. However, due to the higher cost of borrowings, the financing cost increased by Rs. 0.8 billion compared to the preceding quarter. Profit before and after tax were lower when compared to SPLY for the reasons mentioned above.

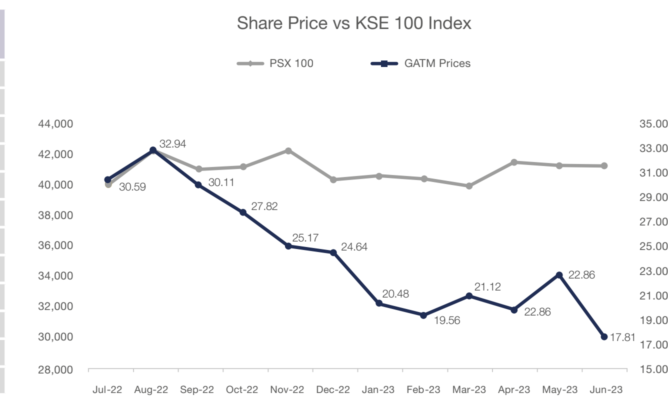
A graphic view of above is as follows:



SHARE PRICE SENSITIVITY ANALYSIS

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

Month	Company's Share Price	PSX 100 Index
July-22	30.59	40,150
Aug-22	32.94	42,351
Sep-22	30.11	41,129
Oct-22	27.82	41,265
Nov-22	25.17	42,349
Dec-22	24.64	40,420
Jan-23	20.48	40,673
Feb-23	19.56	40,510
Mar-23	21.12	40,001
Apr-23	19.98	41,581
May-23	22.86	41,338
Jun-23	17.81	41,326



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

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

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

STAKEHOLDER ENGAGEMENT AND INVESTOR RELATIONS

Stakeholder Engagement

Effective stakeholder relationships are vital for the Company's sustainable development. The management recognizes that organizations thrive when they consider the needs of the stakeholders impacted by their operations.

Employees

The Company places great importance on its employees, recognizing them as valuable resources. It fosters a pleasant working environment and considers their feedback as crucial for achieving success and growth at all levels of performance. This approach not only motivates employees but also brings new and innovative ideas to the Company.

Effective communication between management and staff is a priority for the Company. It ensures that employees feel fairly treated and have a clear understanding of the Company's overall mission, objectives, and values. This helps in securing maximum cooperation from employees and motivates them to give their best.

As a responsible employer, the Company prioritizes staff welfare and provides recreational facilities to maintain high staff morale and encourage active participation. The Company also contributes to various funds and retirement plans, including the Workers Profit Participation Fund, Workers Welfare Fund, Provident Fund, Gratuity, Health Insurance, Employees Old Age Benefits Institution, and Social Security Institution, to support its employees.

The Company has established employee relationships that enhance staff commitment, facilitate dispute resolution, and address grievances effectively. It provides a platform for employees to raise their concerns, complaints, and grievances, ensuring their voices are heard and addressed appropriately.

Customers

It was well said by the American author Michael LeBoeuf; “A satisfied customer is the best business strategy of all”. Accordingly:

- Customer satisfaction is a top priority.
- Quality products and on-time deliveries are ensured.
- Specialized services are provided based on customer requirements.
- The Company engages with customers through events and exhibitions to gather feedback.

Suppliers and Partners

The quality of products which goes into what we manufacture has a direct impact on the quality of our output that goes to the market bearing our brand. Therefore,

- Two-way, mutually beneficial relationships are developed with suppliers and partners.
- Collaborative goals, visions, and strategies are established.
- Compliance with legal and ethical standards is essential.
- Quality of products from suppliers directly impacts the Company's output.

Government Authorities

- Regular coordination with government authorities on trade-related matters.
- Compliance with all legal requirements and ethical business practices.
- Timely payment of duties and taxes as a responsible corporate citizen.

General Public and Local Community

- Contribution to the betterment of the local community.
- Environmentally conscious operations with hazard-free procedures.
- Initiatives for employment opportunities, waste water treatment, and security measures.

Investor Relations

Shareholders

Safeguarding the interest and adding value for our shareholders are among our key objectives. We do ensure:

- Protecting shareholder interests and adding value are key objectives.

- Protecting shareholder interests and adding value
- Timely and accurate reporting to shareholders.
- Prompt attention to shareholder inquiries and feedback.
- Transparent and open communications to maintain corporate reputation.

Annual General Meeting (AGM)

- Convening AGMs in compliance with regulatory requirements.
- A platform for engaging with shareholders and listening to their views.

Financial Reporting

- Regular publication of financial statements to shareholders and stock exchanges.
- Making financial reports accessible on the Company's website.

Stock Exchange Notifications

Timely notifications to stock exchanges about financial results, board meetings, and shareholders' meetings.

Media

Dissemination of information through various media channels.

Website

Maintenance of a corporate website with comprehensive information.

User-friendly interface for access to corporate details, career portal, and financial and sustainability reports.

SWOT ANALYSIS

Strengths:

- **Strong Image and Branding:** enjoys a strong reputation and brand recognition in the textile industry.
- **Pioneer of Apparel Fabrics:** is a pioneer in producing apparel fabrics for both men and women.
- **Established Relationships:** has well-established relationships with international customers.
- **Competent Workforce:** a competent, experienced, and loyal staff and workers.
- **Global Presence:** With wholly-owned setups in the UAE, Europe, and the USA, has a global presence for marketing its products.
- **Technological Advancement:** uses state-of-the-art plant and machinery, staying technologically advanced.
- **In-house Power Generation:** has in-house power generation capabilities.
- **Vertical Integration:** It operates a composite mill, covering the entire process from cotton to made-ups.
- **Employee Relations:** maintains a cordial relationship with its workforce.
- **Raw Material Base:** Pakistan's status as the fourth-largest cotton producer provides with a strong raw material base.
- **Quality Control:** implements coherent quality control measures at its manufacturing facilities.
- **Social Responsibility:** is committed to sustainability and aims to become a green company.
- **Retail Network:** has an extensive retail network with well-designed outlets.
- **Reputation:** is renowned as a quality apparel manufacturer in local and international markets.
- **Waste Management:** The company has a well-designed waste management system, including effluent water treatment and steam recovery processes.

Weaknesses:

- **Customer Dependency:** Export relies heavily on a few major customers.
- **Labor-Intensive Industry:** The textile industry is highly labor-intensive, affecting productivity.
- **Utility Requirements:** The industry demands high utility usage.
- **High Debt Leverage:** Gul Ahmed has a high level of debt leverage.
- **Multiple Locations:** Operating across multiple locations can present management challenges.

Opportunities:

- **Use and recycle of waste:** Capitalize on each opportunity to reduce waste and use as well as recycle the wastes
- **Growing Market:** Expanding non cotton and knitted products.
- **Product Range Expansion:** Adding more products and ranges in fiber bleaching and knit products.
- **Market Dominance:** Capitalizing on dominance textile sector presence in country.
- **Export Growth:** Expanding exports by diversifying the range of apparel.
- **International Markets:** Exploring less-explored markets like the USA, Canada, Australia, and the Middle East.
- **Reduction in Energy Consumption:** Replacing old machinery with newest version needing lower energy as well as generating and converting steam and heat for internal use.

Threats:

- **Security Issues:** Internal and external security concerns can disrupt operations.
- **Geopolitical Risks:** Potential actions by dominant nations can pose threats.
- **Economic Challenges:** Deteriorating economic conditions, increasing debt, and circular debt are risks.
- **Taxation Policies:** Irrational taxation policies can impact profitability.
- **Competition:** Facing competition from numerous competitors, including informal setups and retail chains.
- **Employee Attrition:** Key employees being lured away by competitors.
- **Raw Material Shortages:** Natural disasters and price fluctuations can lead to cotton shortages.
- **Price Wars**: Worldwide surplus production capacity can result in price wars.
- **Exchange Rate Volatility:** Fluctuations in exchange rates can affect international trade.
- **Technological Advancements:** Not keeping pace or not prioritizing investment in new technologies

ENVIRONMENTAL OVERVIEW

The environmental overview provided here outlines various political, economic, social, technological, environmental, and legal factors that can influence Gul Ahmed, as well as the textile industry in Pakistan. These factors are essential to consider when assessing the Company's business environment and formulating strategies. Here's a summary of the key points:

Political Factors

- The political situation in the country is unstable, with frequent anti-government movements.
- Concerns about law and order conditions, especially in two provinces and along the borders with India and Afghanistan.
- Challenges related to bureaucracy, corruption, and inefficient systems.

Economic Factors

- Stable markup and discount rates have a positive impact on financial costs.
- No significant volatility in oil prices.
- Unfavorable PKR/USD exchange rate affects export competitiveness.
- Existence of facilities for exporters like Export Refinance Facility and Long Term Financing Facilities.
- Issues with policy rate reduction and its impact on public borrowing.
- Energy crisis leading to business shrinkages/ shutdowns, especially in spinning.
- Delayed payments of tax refunds from the government.
- Pakistan is the 25th largest country in the world in terms of purchasing power parity.

Social Factors

- Reduction in disposal income requires more economical products.
- Climate change also requires most suitable product
- Fashion-oriented customers require a wide variety of new and trendy products.
- Rapid changes in fashion trends and consumer preferences make the market highly competitive.
- Focus on consumer safety and health compliance.
- Population growth outpaces annual economic growth.
- Strengthening customer loyalty requires businesses to make continuous efforts.

Technological Factors

- Gul Ahmed prioritizes staying up to date with the latest technological advancements.
- Adoption of integrated systems for data management and storage, including the use of cloud technology.
- Utilization of social media for interactive engagement with consumers.

Embracing online marketing and the increasing trend of online shopping, both locally and internationally.

Environmental Factors

- Climatic factors such as heavy rains, floods, and other changes necessitate contingency planning, given poor infrastructure maintenance.
- Environmental control requirements result in additional investments in manufacturing facilities, impacting the bottom line.

Legal Factors

- Increasing indirect taxes, cess, duties, and charges, including the Gas Infrastructure Development Cess.
- Challenges related to trade and textile policies, with delays in policy implementation and promised benefits/compensation.
- These factors collectively create a complex and dynamic business environment that Gul Ahmed and other textile companies in Pakistan must navigate. Understanding and responding to these factors effectively is crucial for sustainable growth and success in the industry.

RISK MANAGEMENT

In the rapidly changing and complex global economy, effective risk management is essential to ensure the viability and success of a company. Managing risk is not a new challenge, but the contemporary market, customer, regulatory, employee, and shareholder demands have made it a crucial aspect of business strategy.

In today's world, it's not about avoiding risk entirely but intelligently assuming and managing it to create value for the Company. Risk management has transitioned from being a discretionary practice to an essential one in navigating the complexities and speed of modern business.

To maximize the benefits of risk management, it requires commitment from the top leadership, a robust methodology, and disciplined application. At Gul Ahmed, we approach risk management through various strategies:

Identify: We identify potential risks within our operations and the broader business environment.

Handle: We take proactive steps to handle risks effectively, ensuring they don't escalate into significant issues.

Avoid: We strive to avoid unnecessary risks that could harm the Company's performance or reputation.

Reduce: We implement measures to reduce the impact or likelihood of identified risks.

Retain: In some cases, we choose to retain certain risks, either because they are manageable or because they are inherent to our business model.

Transfer: When appropriate, we transfer certain risks through mechanisms like insurance or contractual arrangements.

By applying these risk management strategies, we aim to navigate the challenges and uncertainties of the business environment while ensuring the continued success and sustainability of Gul Ahmed.

Risk Identified				
Strategic Risks	**Commercial Risks**	**Operational Risks**	**Financial Risks**	**Compliance Risks**
• High Competition	• Shortage of Raw Material	• Production break down	• Foreign Currency Risk	• Non-Compliance of Applicable Laws
• Technological Advancement	• Reduction in market demand	• HSE Risk	• Liquidity Risk	• Non-Compliance of Policies
• Demographic Changes	• Dependence on few customers	• Turnover of skilled staff	• Interest Risk	• Non-Compliance of Product Standards
• Changes in industry and market	• Shifting of customers to our competitors both in country and in region	• Risk not being identified by our team whenever changing processes or acquiring technology or merging or dividing facilities	• Credit Risk	• Non-Compliance of customers' requirement
• Change in Taxation laws with retrospective effect as well as changes in SBP FOREX Regulations	• Asking for more favorable credit terms and unsecured credit			

Risk Mitigation Activities				
Strategic Risks	**Commercial Risks**	**Operational Risks**	**Financial Risks**	**Compliance Risks**
• Compete through improved quality of product	• Entering into running and long-term contracts with suppliers and improved and extended storage facilities	• Well trained maintenance and operational staff	• Using various financial instruments such as Forward Contracts, Bill discounting etc.	• Audit Committee and internal audit department to review adequacy and effectiveness of controls over compliance and Financial Reporting
• Upgrade manufacturing facilities	• Product research and development	• Standby and backup facilities	• Committed Credit Facilities Committed Credit Facilities	• Regular social audits
• Continuously assess product demand by consumer surveys, attending exhibitions and fashion shows	• Focus on innovation	• Continuous training, workshops on HSE matters and HSE Audit	• Prepayment and rollover options	• Effective checks over product quality controls
• Keeping buffer to cope with changes in laws	• Expanding customer base by exploring new export markets and through investment in retail and wholesale business	• Market based remuneration package, clear career path sharing and continuous mentoring for career development to retain skilled staff.	• Sales on credit after customer due diligence as well as continuous monitoring of receivables	• Strict assurance of requirements and engagement with customers on regular basis to avoid any gap
	• Continuous credit evaluation both internally and by engaging credit managers and obtaining insurance covers wherever found prudent	• Succession planning		
		• Engaging consultants prior to execution to identify any risk and suggesting solution and also yearly insurance audit		

IGNITING PASSION

At Gul Ahmed, we welcome every opportunity to grow, leveraging them as catalysts for innovation and progress.

HUMAN RESOURCE

Successful companies and brands are the fruit of the hard work and efforts of their employees, therefore, they prove to be the greatest asset of a company. At Gul Ahmed, our employees uphold the Company's goodwill and brand. We attract, develop and retain talented people who possess all the attributes necessary to propel the Company forward - helping it to achieve its current and future objectives.

Succession Planning

The Company has established a formal succession plan that encompasses performance assessment and the identification of necessary training for nurturing and promoting potential future leaders.

A comprehensive Succession Planning Policy is implemented, taking into account various criteria such as an individual's potential, qualifications, length of service, and professional demeanor. This ensures that competent personnel are assigned to each department within the organization.

Employee Benefits

The Company is committed to providing fair treatment to all employees and offers compensation packages in line with industry standards. In addition to contributing to various funds such as Employees Old Age Benefit, Social Security, Workers Profit Participation, and Worker's Welfare funds, the Company provides a range of benefits to its employees. These benefits encompass annual leave, transportation services, health insurance, group insurance, dining facilities, and a safe and conducive working environment.

Training and Development

Training is a crucial aspect of employee performance, and the Company places significant importance on providing timely and efficient training to its employees to enhance their effectiveness. The Company offers training modules that cover ethical practices, health, safety, and environmental practices, as well as opportunities to develop operational, management, and technological skills. This commitment to training helps employees grow and contribute effectively to the Company's success.

Managing Employee Grievances

The Company maintains an open-door policy that encourages employees to raise their concerns without fear of judgment or criticism. Employees can approach their supervisors, senior management, or the human resources department, or use the help desk software to report their concerns. These matters are then addressed by trained professionals within the Company, who work to resolve them fairly and provide prudent justifications for their actions. This approach helps create a supportive and transparent work environment where employees feel comfortable addressing issues and seeking resolution.

Employee Privacy

The Company places a strong emphasis on honesty and trust when it comes to maintaining employee privacy. Personal information about employees is collected only when it is necessary for legitimate business purposes. Access to this information is restricted to individuals who have a legitimate business need for it, ensuring that employee privacy is respected and upheld. This commitment to safeguarding employee information contributes to a culture of trust and confidentiality within the organization.

Exclusive Rooms for Female Staff

The Company has taken measures to provide a comfortable and inclusive working environment for its female staff. Separate rooms have been designated for various purposes such as prayers, feeding, and dining, exclusively for the use of female employees. This initiative ensures privacy and convenience for female staff members, contributing to their overall well-being and comfort in the workplace.

Harassment Policy

Maintaining a harassment-free work environment is crucial to fostering a diverse and inclusive workforce. The Company has implemented a zero-tolerance policy against harassment, which is clearly outlined in its Code of Conduct. This policy ensures that all employees are aware of the Company's stance on harassment and the serious consequences that come with any violations. By enforcing this policy, the Company aims to create a safe and respectful workplace where every employee can perform to their fullest potential, regardless of their background or identity.

Diversity

Having a diverse workforce that encompasses various genders, ethnicities, thoughts, and skills is a valuable asset for the Company. Diversity brings different perspectives and experiences to the workplace, which can be instrumental in understanding and connecting with customers, suppliers, and communities effectively. Additionally, fostering diversity promotes a culture of respect and tolerance among employees, contributing to a more inclusive and harmonious work environment. This inclusive atmosphere can lead to enhanced creativity, innovation, and problem-solving capabilities, ultimately benefiting the Company's overall success and growth.

Special Persons

It's commendable that the Company recognizes the importance of providing equal opportunities to individuals with special needs. By hiring and training these individuals, the Company not only supports their livelihoods but also contributes to their dignity and well-being. This inclusive approach benefits not only the individuals themselves but also their families and society as a whole. It showcases the Company's commitment to social responsibility and diversity, creating a more inclusive and compassionate work environment.

Pandemic

Gul Ahmed, faced various pandemic-related issues such as:

Supply Chain Disruptions: Lockdowns and restrictions on international trade disrupted the supply of raw materials, affecting production schedules.

Labor Shortages: With restrictions on movement and health concerns, there were labor shortages and reduced productivity.

Consumer Behavior: Changing consumer behavior, including reduced spending on non-essential items like fashion, affected sales and revenue.

Financial Challenges: Economic uncertainties, increased borrowing costs, and reduced consumer demand created financial challenges.

Health and Safety Measures: Ensuring the health and safety of employees became a priority, leading to additional costs for protective equipment and sanitation measures.

Remote Work and Digital Transformation: The pandemic accelerated the need for digital transformation and remote work solutions.

Businesses had to adapt quickly, implement safety measures, and pivot their strategies to navigate these challenges successfully. Those that could innovate and adapt to changing circumstances have been more resilient during this global crisis. To ensure that our Human Capital stay safe we made, we take follwing Precautionary Measures and Education:

- Presence with mask made compulsory, whenever required
- All staff members vaccinated at Company's cost
- Places sanitizer at each entrance and exist and in working areas
- Hand wash facilities created with pedal tap
- Material providing awareness as to risk, taking precaution at work, during trove and while at home placed at numerous places

Vaccination

Gul Ahmed made arrangements for COVID-19 vaccinations for its employees and even extended this effort to include staff from contractors, whether they were involved in construction or maintenance services. Vaccination is a critical measure in controlling the spread of COVID-19 and ensuring the safety of the workforce.

Mandatory vaccination, along with education and persuasion for those who may have been initially reluctant, is a responsible approach to protect the health and well-being of all individuals on the Company's premises. By ensuring that not only employees but also those who regularly attend the premises are vaccinated, Gul Ahmed has taken important steps to create a safe and secure environment during the ongoing pandemic.

This commitment to vaccination and health measures aligns with the Company's efforts to maintain a harassment-free and safe working environment for its diverse workforce. It's important for businesses to prioritize the health and safety of their employees and contractors, especially during challenging times like the COVID-19 pandemic.

HEALTH SAFETY AND ENVIRONMENT (HSE)

The Company follows strict adherence to HSE policy and the same is ensured by way of integration of same into our operation and culture. The key beliefs observed are:

HSE policy has been well integrated into our operations and culture and strict adherence is maintained. Our key beliefs are:

- Nothing is more important than protecting human life, health, ensuring safety, and the protecting environment.
- All incidents can be prevented or at least minimized
- Management is accountable for HSE performance
- Working safely and in an environmentally responsible manner are conditions of employment.
- Preventing incidents and managing environmental impacts are fundamental to good business

We aim to protect our people, the public, our property and the environment in which they work and live. It is a commitment that is in the best interests of our employees and other stakeholders.

The HSE Management System established by the Company operates with a strong commitment of the top leadership to address HSE concerns with well-defined policies and objectives. All the divisions are responsible to evaluate the HSE risks and their mitigation while planning various operational activities. HSE and Internal Audit Departments of the Company also independently review and audit the HSE risks and their mitigation both at the time of planning of various operational activities by the departments as well subsequently on periodical basis.

WHISTLE BLOWING POLICY

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

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

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

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

Guiding Principles

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

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

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

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

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

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

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

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

Whistle Blowing Committee

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

i Chief Financial Officer

ii Head of Human Resource

iii Head of Internal Audit

Procedure – Raising Protected Disclosure

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

i Confidential Call

ii Email: whistleblowing@gulahmed.com

bol@gulahmed.com

iii Whistle Blower Drop Box

Handling Protected Disclosures

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

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

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

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

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

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

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

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

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

SHAREHOLDERS' INFORMATION

Annual General Meeting

The Annual General Meeting of the shareholders' will be held on October 27, 2023 at 10:30 a.m at Moosa D. Dessai ICAP Auditorium, Institute of Chartered Accountants of Pakistan, G-31/8, Chartered Accountants Avenue, Clifton, Karachi and via Video Call. Shareholders as of October 20, 2023 are encouraged to participate and vote.

Any shareholder may appoint a proxy to vote on his or her behalf. Proxy must be a shareholder of the Company. Proxies should be filed with the Company at least 48 hours before the meeting time. CDC shareholders or their proxies are requested to bring with them copies of their Computerized National Identity Card along with the Participant's ID Number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

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

Ownership

On June 30, 2023 the Company has 7,394 shareholders.

Stock Symbol

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

Transmission of Annual Audited Accounts through QR enabled code/weblink

In terms of S.R.O. 389 (I)/2023 dated 21st March, 2023 issued by Securities Exchange Commission of Pakistan (SECP) to circulate the annual balance sheet and Profit and loss account, auditor's report, etc. ("annual audited financial statements") to its members through QR enabled code and web link.

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

The shareholders who are interested in receiving the annual reports and notice of annual general meeting electronically through email in future are requested to send their email address on the consent form placed on the Company's website.

Any member requiring printed copy of Annual Report 2023 may send a request using a Standard Request Form placed on Company's website.

E-Dividend Mandate (Mandatory)

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

Pakistan Stock Exchange Share Prices 2022-23		
	Price in Rupees	
Period	High	Low
1st Quarter	36.52	28.80
2nd Quarter	30.60	21.51
3rd Quarter	24.65	18.90
4th Quarter	25.68	16.66

Announcement of Financial Results

The tentative dates of the announcement of financial results and payment of cash dividend (if any) for the year 2023-24 are as follows:

Period	Financial Results	Dividend Payment (if any)
1st Quarter	October 28, 2023	---
2nd Quarter	February 26, 2024	---
3rd Quarter	April 25, 2024	---
Annual Accounts	September 18, 2024	November 7, 2024

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

Share Registrar

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

Web Reference

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

Investor Relation Contact

Mr. Salim Ghaffar, Company Secretary

Email: salim.ghaffar@gulahmed.com

UAN: (+92-021) 111-485-485 & 111-486-486

Fax: (+92-021) 35019802

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 71st Annual General Meeting of Gul Ahmed Textile Mills Limited will be held at Moosa D. Dessai ICAP Auditorium, Institute of Chartered Accountants of Pakistan, G-31/8, Chartered Accountants Avenue, Clifton, Karachi and also through video-link facility on Friday, October 27, 2023 at 10:30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and approve the Audited Financial Statements for the year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon.
2. To appoint Auditors for the financial year ending June 30, 2024 and to fix their remuneration.
3. To transact with ~~the~~ the permission of the Chair any other business which may be transacted at an Annual General Meeting.

SPECIAL BUSINESS:

4. To obtain shareholders approval to reclassify a sum of Rs. 23 billion from the revenue reserves to separate capital reserves (un-distributable by way of dividend) to more accurately reflect the nature of these reserves and to pass the following resolution as an Ordinary Resolution, with or without modification:

   Resolved that a sum of. Rs. 23 billion from the revenue reserves to separate capital reserves (un-distributable by way of dividend) to more accurately reflect the nature of these reserves

5. To consider to pass the following resolutions as Special Resolution:

   "RESOLVED that

   a) The transactions carried out in normal course of business with related parties as disclosed in Note No. 40 during the year ended June 30, 2023 be and are hereby ratified and approved,
   b) the Board of Directors of the Company be and are hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with related parties during the ensuing year ending June 30, 2024, and
   c) these transactions by the Board of Directors of the Company shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval."

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

By Order of the Board

Karachi

25 September 2023

Salim Ghaffar
Company Secretary

1. The Share Transfer Books of the Company will remain closed from October 20, 2023 to October 27. 2023 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers received in order at the office of our Share Registrar M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi by the close of the business on October 19, 2023 will be in time for the purpose of attending Annual General Meeting.

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

2. Participation in the AGM in-person or through video conferencing

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

ii) The members / proxies who wish to attend the Annual General Meeting, via Video Link, are requested to get themselves registered by sending their particulars at the designated email address salim.ghaffar@gulahmed.com giving particulars as per below table by the close of business hours (5:00 p.m.) on October 24, 2023:

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

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

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

3. Requirements for appointing Proxies

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

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

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

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

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

4. Updation of shareholder addresses / other particulars

Members holding shares in physical form are requested to promptly notify Shares Registrar (i.e. M/s FAMCO Associates (Pvt) Limited) of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Services.

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all CDC and physical shareholders are requested to have their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

5. Electronic dividend mandate

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

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

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

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

6. Income tax on dividend payments

i) The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:

1. Shareholders appearing in Active Taxpayers List (ATL) 15%
2. Shareholders not appearing in Active Taxpayers List (ATL) 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

ii) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to FAMCO Associates (Private) Limited, before the first day of Book Closure.

iii) The FBR has clarified that where the shares are held in joint accounts/names, each account/ joint holder will be treated individually as either a person appearing on ATL or person not appearing on ATL and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportions to the Share Registrar of the Company latest by October 19, 2023, (if not already provided) in the following format:

Folio / CDC A/c No.	Name of Shareholders (principle / joint holders)	No. of Shares or Percentage (Proportion)	CNIC No.	Signature

If the shareholding proportion is not advised or determined, each joint shareholder will be assumed to hold equal proportion of shares and deduction of withholding tax will be made accordingly.

The required information must reach our Shares Registrar within 10 days of this notice; otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint-holder(s).

iv) Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective CDC participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or FAMCO Associates (Private) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the Company name and their respective folio numbers.

For any query/problem/information, the investors may contact the Company Secretary at phone: (021) 111-485-485 and email address salim.ghaffar@gulahmed.com and/or FAMCO Associates (Private) Limited at phone: (021) 3438 0101-5 and email address: info.shares@famco.com.pk

7. Electronic Transmission Of Annual Reports and Notices

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

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2023, to any Member on their request, at their registered address.

8. Conversion of Physical Shares into CDC Account

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

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

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

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

9. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017

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

An updated list for unclaimed dividend/shares of the Company, which have remained unclaimed or unpaid for a period of three years from the date

these have become due and payable, is available on the Company's website: https://gulahmed.com/list-of-unclaimed-shares-and-unpaid-cash-dividend/

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

10. Postal Ballot

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

11. Non-Resident Shareholders

Non-resident individual shareholders shall submit declaration or undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Shares Register M/s. FAMCO Associates (Private) Limited at 8-F, near Hotel Faran, Nursery Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi or email at info.shares@famco.com.pk at the latest by October 19, 2023. The copy of declaration form can be downloaded from Shares Registrar website: https://famco.com.pk/share-registration-services/.

12. Zakat Exemption

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs. 50.00 to the Shares Register, before the first day of book closure and in case if the shares are held in electronic form then arrange to submit the Form CZ-50 with the concerned participant through whom you are maintaining your account

Statement Under Section 134(3) of the Companies Act, 2017

Pertaining to Special Business

This Statement sets out the material facts pertaining to the Special Business Resolution described in the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 71st AGM of Gul Ahmed Textile Mills Limited ("the "Company") that is scheduled to be held on October 27, 2023.

1. The Board of Directors of Gul Ahmed Textile Mills Limited ("the Company") in their meeting discussed that, over the years the Company has continued with its expansion and diversification strategy and has made significant investments which have enhanced enterprise value for the shareholders. The Board noted that because of these reasons, the unappropriated profits of the Company have been utilized and are not entirely available for distribution as dividend.

   The Board, therefore, decided to reclassify a sum of Rs. 23 billion from the revenue reserves to separate capital reserves (un-distributable by way of dividend) to more accurately reflect the nature of these reserves.

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

The details of such transactions are as under:

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

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

The Shareholders are requested to ratify the transactions with related parties in which the majority of the Directors are interested as disclosed in the Financial Statements for the year ended June 30, 2023 and further to authorize the Company to conduct certain related party transactions in which the majority of Directors are interested for the Financial Year ending June 30, 2024. Shareholders' approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee.

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

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

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

نوٹس برائے سالانہ عام اجلاس

اطلاع دی جاتی ہے کہ گل احمد ٹیکسٹائل ملز لمیٹڈ کا 71 واں سالانہ اجلاس موسٰی ڈی ڈیسائی ICAP آڈیٹوریم واقع انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، G-31/8، چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن، کراچی میں منعقدکیا جائے گا۔ 27 اکتوبر 2023 بروز جمعہ صبح 10:30 بجے سے ویڈیو لنک کی سہولت درج ذیل کے لیے مہیا کر دی جائے گی

عام کاروبار

1 ۔ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ 30 جون 2023 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کو وصول کرنے، ان پر غور کرنے اور منظور کرنے کے لیے مہیا کی جائے گی۔

2 ۔ جون 2024 کو ختم ہونے والے مالی سال کے لیے آڈیٹرز کے 30 تقرر کرنے اور ان کے معاوضے کے تعین کرنے کے لیے۔

3 ۔ چیئر کی اجازت سے کوئی دوسرا کاروبار کرنے کے لیے جو سالانہ جنرل میٹنگ میں کیا جا سکتا ہے۔

خصوصی کاروبار

4 ۔ریوینیو ریزرو سے علیحدہ کیپٹل ریزرو(ڈیویڈنڈ کے ذریعے ناقابل تقسیم) ۔
کے لیے شئیر ہولڈرز کی اپروول برائے کُل رقم جو 23 ارب روپے ہے کے حصول کی قرارداد کو پاس کرنے کے لیے، تاکہ ان ریزرو کی نوعیت کو ترمیم کے ساتھ یا اس کے بغیر درست طریقے سے واضح کیا جاسکے ۔

5 ۔ یہ طے کیا گیا ہے کہ کُل 23 ارب روپے ریوینیو ریزرو سے علیحدہ کیپٹل ریزرو(ڈیویڈنڈ کے ذریعے ناقابل تقسیم)کیے جائیں گے تاکہ ان ریزرو کی نوعیت کو زیادہ درست طریقے سے واضح کیا جاسکے۔

مندرجہ ذیل قراردادوں کو بطور خصوصی قرارداد منظور کرنے پر غور کرنے کے لیے

یہ طے کیا گیا کہ

الف) جون 2023 کو ختم ہونے والے سال کے دوران جیسا کہ نوٹ نمبر 40 میں ظاہر کیا گیا ہے متعلقہ فریقوں کے ساتھ معمول کے کاروبار میں کیے گئے لین دین کی توثیق اور منظوری دی جائے گی۔

ب) کمپنی کے بورڈ آف ڈائریکٹرز کو 30 جون 2024 کو ختم ہونے والے اور آنے والے سال کے دوران تمام لین دین کی منظوری دینے اور متعلقہ فریقوں کے ساتھ معمول کے مطابق کاروبار کرنے کا اختیار ہے۔

اور

پ) کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے ان لین دین کو شئیر ہولڈرز کی طرف سے منظور شدہ سمجھا جائے گا اور ان کی باضابطہ توثیق / منظوری کے لیے انہیں اگلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔

کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت خصوصی قراردادوں سے متعلق بیان ممبران کو نوٹس کے ساتھ ارسال کیا جا رہا ہے۔

بحکم بورڈ

سلیم غفار

کمپنی سیکریٹری

کراچی 25 ستمبر، 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GUL AHMED TEXTILE MILLS LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Gul Ahmed Textile Mills Limited ("the Company") for the year ended 30 June 2023 in accordance with the requirements of Regulation No. 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.

Date: 05 October 2023

Place: Karachi

UDIN: CR202310106MFDL7chbz

KPMG Taseer Hadi & Co.
Chartered Accountants

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

For the year ended June 30, 2023

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

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

   a) Male: Six (6)

   b) Female: One (1)

2. The composition of Board is as follows:

   a) Independent Directors

      Ms. Zeeba Ansar

      Mr. Kamran Y. Mirza

   b) Non-Executive Directors

      Mr. Mohomed Bashir

      Mr. Ziad Bashir

      Mr. Ehsan A. Malik

   c) Executive Directors

      Mr. Zain Bashir

      Mr. Mohammed Zaki Bashir

   d) Female Directors

      Ms. Zeeba Ansar

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

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

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

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

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

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board. However, minutes of five meeting of Board were circulated late due to oversight by 5, 42, 37,18 & 23 days respectively.

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

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

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and

Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

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

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

    a) Audit Committee:

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

    b) HR and Remuneration Committee:

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

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

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

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

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

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

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

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

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

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

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

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

Mohomed Bashir - Chairman

Mohammed Zaki Bashir - Chief Executive Officer

Karachi
25 September 2023

UN-CONSOLIDATED FINANCIAL STATEMENTS 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GUL AHMED TEXTILE MILLS LIMITED

Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Gul Ahmed Textile Mills Limited ("the Company") which comprise the unconsolidated statement of financial position as at 30 June 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter - comparative information

We draw attention to Note 4 to the unconsolidated financial statements which indicates that the comparative information presented as at ended 30 June 2022 and 1 July 2021 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue Recognition**	
	Refer notes 3.17 & 27 to the unconsolidated financial statements. The Company's revenue for the year ended 30 June 2023 was Rs. 111,968 million. The Company's revenue is principally generated from the sale of textile goods and related processing services. We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.	Our audit procedures in this area included, amongst others: • Obtaining an understanding of the process relating to recognition of revenue;respect with regard to the applicable accounting and reporting standards. • Inspecting revenue agreements with customer on sample basis to understand and assess the terms and conditions therein which may affect the revenue recognition; • Performing verification on a sample basis of revenue transactions recorded during the year with underlying documentation including revenue agreement, sales invoices and other relevant documents; • Comparing on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes, Bill of lading, Goods declaration and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Evaluating the appropriateness of disclosure presented in the unconsolidated financial statements in accordance with the requirement of IFRS 15.
2.	**Valuation of Stock-in-trade**	
	Refer notes 2.4 (e and f), 3.15 and 10 to the unconsolidated financial statements. As at 30 June 2023 the company's stock-in-trade amounting to Rs. 38,450 million. Several estimates and judgments are involved in the valuation of stock-in-trade, in determining the net realizable values, and in assessing the appropriate level of provisioning required for the stock-in-trade. This includes the assessment of available facts and circumstances, the physical condition of the stock in trade, market selling prices, and the estimated selling cost of the stock-in-trade. The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock-in-trade being considered as a key audit matter.	Our audit procedures in this area included, amongst others: • Attending management's inventory counts and observed the process, including observing the process implemented by management to identify and monitor obsolete stock; • Assessing the adequacy of the allowance for obsolescence, by taking into consideration the status of the ageing and conditions of the inventories and historical usage pattern; • Comparing the net realizable values, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards; and • Assessing the adequacy of the related disclosures in the notes to the unconsolidated financials statements.

S. No.	Key audit matters	How the matters were addressed in our audit
3.	**Borrowings**	
	Refer notes 3.19.2, 17 and 24 to the unconsolidated financial statements. The Company has significant amounts of borrowings from banks and other financial institutions amounting to Rs. 53,418 million as at reporting date. Given the significant level of borrowings, finance cost and gearing impact, the disclosure given by the management in financial statements and compliance with various loan covenants, has resulted it being a key audit matter.	Our audit procedures in this area included, amongst others: • Reviewing loan agreements and facility letters to ascertain the terms and conditions of repayment, Covenants, rates of markup used and disclosed by management and ensured that the borrowings have been approved at appropriate level; • Verifying the disbursement of loans received during the year to ensure that they are appropriately recorded, and that related finance costs have been correctly accounted for; • Comparing the date of repayments made by the company in respect of borrowing with the dates stipulated in the loan repayment schedules to ensure these were made on agreed time schedule and no default has occurred; • Circulating direct confirmations with the banks and other lenders of the Company for verification of the balances reported in the un-consolidated financial statements • Checking the Company's compliance with the covenants as at the year end, as outlined in the loan agreements; and • Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the un-consolidated financial statements.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023 but does not include the unconsolidated financial statements, the consolidated financial statements and our auditor's reports thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter relating to comparative information

The unconsolidated financial statements of Gul Ahmed Textile Mills Limited as at and for the years ended 30 June 2022 and 30 June 2021 (from which the statement of financial position as at 01 July 2021 has been derived), excluding the adjustments described in Note 4 to the unconsolidated financial statements were audited by another auditor who expressed an unmodified opinion on those unconsolidated financial statements on 5 October 2022.

As part of our audit of the unconsolidated financial statements as at and for the year ended 30 June 2023, we audited the adjustments described in Note 4 that were applied to restate the comparative information presented as at and for the year ended 30 June 2022 and the unconsolidated statement of financial position as at 1 July 2021. We were not engaged to audit, review, or apply any procedures to the unconsolidated financial statements for the years ended 30 June 2022 or 30 June 2021 (not presented herein) or to the unconsolidated statement of financial position as at 1 July 2021, other than with respect to the adjustments described in Note 4 to the unconsolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 4 are appropriate and have been properly applied.

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

Date: 05 October 2023

Karachi

UDIN: AR20231010691VXIcKxN

KPMG Taseer Hadi & Co.
Chartered Accountants

GUL AHMED TEXTILE MILLS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022	(Restated) 01 July 2021
			(Rupees in '000)	
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**50,121,838**	45,841,908	38,351,353
Intangible assets	6	**38,251**	51,720	78,213
Long term investment	7	**3,591,206**	3,591,206	3,594,732
Long term loans	8	**67,901**	127,260	83,057
Long term deposits		**132,947**	97,564	69,087
Total non-current assets		**53,952,143**	49,709,658	42,176,442
CURRENT ASSETS				
Stores and spares	9	**1,762,858**	1,076,152	896,262
Stock-in-trade	10	**38,450,431**	34,430,048	24,567,950
Trade debts	11	**23,421,883**	25,582,554	20,411,855
Loans, advances and other receivables	12	**2,070,610**	2,075,950	2,038,974
Short term prepayments		**172,505**	110,208	28,422
Receivable from government	13	**3,301,038**	3,351,546	4,087,419
Cash and bank balances	14	**334,471**	1,790,621	256,610
Total current assets		**69,513,796**	68,417,079	52,287,492
Total Assets		**123,465,939**	118,126,737	94,463,934

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022	(Restated) 01 July 2021
			(Rupees in '000)	
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share Capital		**7,400,594**	6,167,162	5,311,573
Share Premium		**-**	-	692,424
Unappropriated Profit		**24,418,724**	21,714,078	13,007,190
Amalgamation Reserve	16	**8,252,059**	8,252,059	8,252,059
Total Share Capital and Reserve		**40,071,377**	36,133,299	27,263,246
NON-CURRENT LIABILITIES				
Long term financing	17	**20,117,007**	20,550,890	18,571,409
Gas infrastructure development cess payable	18	**-**	885,219	1,325,299
Deferred taxation	19	**257,699**	542,417	257,699
Deferred income - government grant	20	**102,606**	135,122	142,003
Defined benefit plan - staff gratuity	21	**329,018**	210,777	155,490
Total non-current liabilities		**20,806,330**	22,324,425	20,451,900
CURRENT LIABILITIES				
Trade and other payables	22	**23,062,549**	17,248,922	12,113,616
Accrued mark-up / profit	23	**1,570,154**	614,522	341,473
Short term borrowings	24	**30,205,729**	35,362,069	29,108,282
Current maturity of long term financing		**3,096,186**	3,301,695	2,500,941
Current maturity of deferred income - government grant		**32,388**	54,551	108,416
Current maturity of gas infrastructure development cess payable		**4,157,746**	2,878,521	2,224,653
Unclaimed dividend		**9,931**	10,413	297,702
Unpaid dividend	25	**23,505**	23,505	23,505
Taxation-net		**430,044**	174,815	30,200
Total current liabilities		**62,588,232**	59,669,013	46,748,788
CONTINGENCIES AND COMMITMENTS	26	**-**	-	-
Total Equity and Liabilities		**123,465,939**	118,126,737	94,463,934

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022
		(Rupees in '000)	
Sales - net	27	**111,967,612**	100,256,957
Cost of sales	28	**(95,288,630)**	(82,889,287)
Gross profit		**16,678,982**	17,367,670
Selling and distribution cost	29	**(2,200,949)**	(1,957,801)
Administrative cost	30	**(3,428,329)**	(2,220,600)
Other operating cost	31	**(432,181)**	(860,379)
		(6,061,459)	(5,038,780)
Operating profit		**10,617,523**	12,328,890
Other income	32	**679,374**	809,089
Finance costs	33	**(5,347,543)**	(2,669,400)
Profit before taxation		**5,949,354**	10,468,579
Taxation	34	**(1,963,335)**	(1,606,932)
Profit after taxation		**3,986,019**	8,861,647

	Note	2023	2022 (Restated)
		(Rupees)	
Earnings per share - basic and diluted	35	**5.39**	11.97

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022
		(Rupees in '000)	
Profit after taxation		**3,986,019**	8,861,647
Other comprehensive (loss) / income			
Items that will not be reclassified to unconsolidated statement of profit or loss subsequently			
Remeasurement (loss) / gain on defined benefit plan		**(48,622)**	9,087
Related tax effect		**681**	(681)
		(47,941)	8,406
Total comprehensive income		**3,938,078**	8,870,053

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	30 June 2023	30 June 2022 (Restated)
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**5,949,354**	10,468,579
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	5.1.1	**3,639,522**	2,947,474
Amortisation of intangible assets	6.1	**26,307**	26,615
Expense recognised for defined benefit plan	30.1	**137,038**	125,521
Finance costs	33	**5,347,543**	2,669,400
Provision for slow moving / obsolete stores and spares	9.1	**42,252**	28,508
Provision for slow moving stock-in-trade	10.1	**50,252**	98,829
Unclaimed liabilities written back		**(46,961)**	-
Government Grant recognised in income	32	**(54,679)**	(116,193)
Remeasurement gain on gas infrastructure development cess payable	32	**-**	(110,206)
Loss on disposal of property, plant and equipment	31	**22,743**	228,974
Expected credit loss against doubtful trade debts	11.4	**98,864**	61,695
		9,262,881	5,960,617
Changes in working capital:			
Stores and spares		**(728,958)**	(208,398)
Stock-in-trade		**(4,070,635)**	(9,960,927)
Trade debts		**2,061,807**	(5,232,394)
Loans, advances and other receivables		**5,340**	(36,976)
Short term prepayments		**(62,297)**	(81,786)
Receivable from government		**(510,031)**	757,825
Trade and other payables		**5,858,423**	5,135,306
Net increase / (decrease) in working capital		**2,553,649**	(9,627,350)
Cash generated from operating activities		**17,789,860**	6,801,846
Payment made to defined benefit plan	21.1	**(65,254)**	(61,147)
Income taxes paid		**(1,431,604)**	(1,200,232)
		(1,496,858)	(1,261,379)
Net cash from operating activities		**16,269,026**	5,540,467

GUL AHMED TEXTILE MILLS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	30 June 2023	30 June 2022 (Restated)
		(Rupees in '000)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		**(8,009,860)**	(10,802,127)
Payments for acquisition of intangible assets		**(12,838)**	(122)
Proceeds from disposal of property, plant and equipment		**67,665**	135,124
Proceeds from disposal of long term investments		**-**	3,526
Long term loans		**59,359**	(44,203)
Long term deposits		**(35,383)**	(28,477)
Net cash used in investing activities		**(7,931,057)**	(10,736,279)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		**2,395,568**	6,111,900
Repayment of long term financing		**(3,089,639)**	(3,392,411)
(Decrease) / increase in short term borrowings		**(4,767,385)**	10,158,097
Finance costs paid		**(3,943,226)**	(1,956,164)
Dividend paid		**(482)**	(287,289)
Net cash (used in) / generated from financing activities		**(9,405,164)**	10,634,133
Net (decrease) / increase in cash and cash equivalents		**(1,067,195)**	5,438,321
Cash and cash equivalents at the beginning of the year		**(344,794)**	(5,783,115)
Cash and cash equivalents at the end of the year	38	**(1,411,989)**	(344,794)

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**ABDUL ALEEM**
Chairman	Chief Executive Officer	Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Share Capital	Reserve				Total
		Capital reserve -Share Premium	Capital Reserve - Amalgamation Reserve	Revenue Reserve - Unappropriated Profit	Total Reserves	
	Rs. 000s					
Balance as at 01 July 2021	5,311,573	692,424	8,252,059	13,007,190	21,951,673	27,263,246
Total comprehensive income for the year ended June 30, 2022						
Profit after taxation	-	-	-	8,861,647	8,861,647	8,861,647
Other comprehensive income	-	-	-	8,406	8,406	8,406
	-	-	-	8,870,053	8,870,053	8,870,053
Transaction with owners						
Issuance of bonus shares @ 20%	855,589	(692,424)	-	(163,165)	(855,589)	-
Balance as at 30 June 2022	6,167,162	-	8,252,059	21,714,078	29,966,137	36,133,299
Balance as at 01 July 2022	**6,167,162**	**-**	**8,252,059**	**21,714,078**	**29,966,137**	**36,133,299**
Total comprehensive income for the year ended June 30, 2023						
Profit after taxation	**-**	**-**	**-**	**3,986,019**	**3,986,019**	**3,986,019**
Other comprehensive loss	**-**	**-**	**-**	**(47,941)**	**(47,941)**	**(47,941)**
	-	**-**	**-**	**3,938,078**	**3,938,078**	**3,938,078**
Transaction with owners						
Issuance of bonus shares @ 20%	**1,233,432**	**-**	**-**	**(1,233,432)**	**-**	**-**
Balance as at June 30, 2023	**7,400,594**	**-**	**8,252,059**	**24,418,724**	**32,670,783**	**40,071,377**

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**ABDUL ALEEM**
Chairman	Chief Executive Officer	Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
NOTES TO THE UN-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1 LEGAL STATUS AND ITS OPERATIONS

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

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

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

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

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

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

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

Address
Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.
Plot No. H-17 / A, Landhi Industrial area, Karachi.
Plot # HT/2 Landhi Industrial Area, Karachi.
Plot # HT/8, KDA Scheme 3, Landhi Industrial area, Karachi.
Plot W2/1-14, Western industrial zone, Port Qasim, Karachi
Plot # H19/2-B Bin Qasim, Landhi Industrial area Karachi.
Servey # 613, Deh Jorejee, Bin Qasim town, Karachi.
Servey # 614, Deh Jorejee, Bin Qasim town, Karachi.
Servey # 615, Deh Jorejee, Bin Qasim town, Karachi.

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

2 BASIS OF PREPARATION

2.1 Basis of measurement

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

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

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

2.2 Statement of compliance

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

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

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

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

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

a) Property, Plant and Equipment and Intangibles

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

b) Impairment of investment in subsidiaries

The recoverable amount of Investment in subsidiaries is determined after taking into consideration breakup value per share of the subsidiaries on the basis of latest audited financial statement.

c) Provision for obsolescence and slow moving stores and spares

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

d) Stock-in-trade

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

e) Impairment of financial assets

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

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

f) Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingencies as disclosed in note 26 of these unconsolidated financial statements.

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

g) Defined benefit plan

The present value of defined benefit plans depends on a number of factors and is being calculated on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The present value and the underlying assumptions are disclosed in note 21 of these unconsolidated financial statements.

h) Contingencies

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

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

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

- Reference to the Conceptual Framework – Amendments to IFRS 3 Business Combinations
- Property, Plant and Equipment – Proceeds before Intended Use: Amendments to IAS 16 Property, Plant and Equipment
- Onerous Contracts – Cost of Fulfilling a Contract: Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- Annual Improvements to IFRS Standards 2018–2020 – Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture

Above are certain amendments and interpretations to accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on 01 July 2022; however, these are not considered to be relevant or do not have any significant impact on these unconsolidated financial statements.

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

The following IFRS Standards as notified under the Act and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 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 01 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 Company's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. The Company'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. The Company 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 the Company 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 the 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 01 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 policies;
  - 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 the Company's unconsolidated financial statements.

  The Board also amended IFRS Standard 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 01 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 the Company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 01 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 01 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 01 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 the Company (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the Company 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.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for the Company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the Company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors the Company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 01 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:
  - Once tax law is enacted but before top-up tax is effective: disclose information that is known or can be reasonably estimated and that help users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then the Company discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
  - After top-up tax is effective: disclose current tax expense related to top-up tax.

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Foreign currency transactions and translation

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

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

3.2 Property, plant and equipment

3.2.1 Operating fixed assets

Initial recognition

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

Measurement

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

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

Subsequent Cost

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

Depreciation

Depreciation is charged using:

- Reducing Balance Method on Plant & Machinery, Office Equipment (other than IT Equipment), Building on Leasehold Land, Vehicles and Furniture & Fixtures; and
- Straight Line Method on IT equipment, structure on leasehold land and major Component of Plant & Machinery identifiable as a separate asset due to different useful life from the Plant & Machinery.

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

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

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

Capital work-in-progress

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

3.3 Right-of-use assets

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

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

3.4 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation of intangible assets is charged to unconsolidated statement of profit or loss applying the straight line method at the rates specified in note 6 of these unconsolidated financial statements after taking into account residual value, if any.

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

3.5 Investments in subsidiaries

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

3.6 Stores and spares

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

3.7 Stock-in-trade

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

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

3.8 Trade and other receivables

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

3.9 Staff retirement benefits

Defined contribution plan

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

Defined benefit plan

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

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

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

3.10 Accumulated employee compensated absences

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

3.11 Provisions and contingencies

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

3.12 Taxation

Current

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

Current tax assets and liabilities are offset only if certain criterias are met.

Deferred

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

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

3.13 Borrowing cost

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

3.14 Lease liabilities

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

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

3.15 Government grant

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

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

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

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

3.16 Trade and other payables

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

3.17 Revenue recognition

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

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

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

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

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

3.18 Other Income

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

- Profit on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and rates applicable thereon.
- Dividend income is recognized when the Company's right to receive the payment is established.
- Interest on loans and advances to employees is recognized on the effective interest method.
- Income from sale of scrap is recorded on delivery of scrap to the customer.
- The grant is recognised in unconsolidated statement of profit or loss, in line with the recognition of interest expense that the grant is compensating, in accordance with IAS 20.
- Income from liabilities written back / provision are recorded when the chances of settlement of liability / provision is remote.
- Income from foreign currency exchange are described in note 3.1 of these unconsolidated financial statements.

3.19 Financial Instruments

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

3.19.1 Financial assets

3.19.1.1 Initial recognition and measurement

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

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

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

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

3.19.1.2 Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVPL).

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets designated at FVOCI (equity instruments)

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

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

Financial assets designated at FVPL

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

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

The Company has not designated any financial asset at FVPL.

3.19.1.3 Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

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

3.19.2 Financial liabilities

3.19.2.1 Initial recognition and measurement

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

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

3.19.2.2 Subsequent measurement

Financial liabilities at FVPL

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

Financial liabilities at amortized cost

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

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

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

3.19.2.3 Derecognition

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

3.19.3 Offsetting of financial assets and liabilities

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

3.20 Cash and cash equivalents

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

3.21 Dividend and appropriation to reserves

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

3.22 Segment reporting

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

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

3.23 Earnings per share

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

3.24 Unclaimed dividend

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

4 RESTATEMENT

4.1 As disclosed in Note 11 of these unconsolidated financial statements, the Company's trade debts includes invoices against which bill discounting facility is availed with certain banks, as they do not meet the criteria for derecognition as per the accounting and reporting standards as applicable in Pakistan.

Previously, such receivables were derecognised from trade debts on receipt of payment from the bank as part of bill discounting arrangement. This correction has been accounted for by recognising the trade receivable and a corresponding liability has also been recognised as bill discounting payable under the financial statement caption "Trade and other payables". This adjustment has been recognised by restating the comparative figures. The related impact of this restatement is disclosed in note 4.5 of these unconsolidated financial statements.

4.2 As disclosed in Note 9 and 10 of these unconsolidated financial statements, the Company's stores & spares and stock-in-trade includes certain portion of stores material and imported raw materials purchased that were in-transit at the reporting date, as the risk associated with these purchases has been transferred to the Company as per the accounting and reporting standards as applicable in Pakistan.

Previously, such purchases were recognized as advance to suppliers. This correction has been accounted for by recognising the stores-in-transit and stock-in-transit and a corresponding reversal has been made by reducing the advance to suppliers under financial statement caption "Loans, advances and other receivables". This adjustment has been recognised by restating the comparative figures. The related impact of this restatement is disclosed in note 4.5 of these unconsolidated financial statements.

4.3 Furthermore, as disclosed in Note 38 of these unconsolidated financial statements, the Company's cash and cash equivalents includes cash in hand, balance with bank, and running finance, as they meet the criteria to be classified as cash and cash equivalents as per the accounting and reporting standards as applicable in Pakistan.

Previously, all short-term borrowings were included in cash and cash equivalents, even those that did not meet the criteria to be classified as cash and cash equivalents. This correction has been accounted for by including in cash and cash equivalent only those short-term borrowings that meet the criteria. This adjustment has been recognised by restating the comparative figures. The related impact of this restatement is disclosed in note 4.5 of these unconsolidated financial statements.

4.4 In addition to the aforementioned restatements, the Company has made certain reclassifications for the purpose of better presentation, which includes reclassifying Rs. 377 million from General deposits to Loans, advances, and other receivables, Rs. 54 million from from Loans, advances, and other receivables to Short-term prepayments and Rs. 1,970 million from cash flow from operating activities to cash flow from financing activities. Furthermore, in 2021 and 2022, the current maturity of Gas Infrastructure Development Cess payable, which previously appeared under trade and other payables, has been reclassified to the face of the unconsolidated statement of financial position, totaling Rs. 2.224 and Rs. 2.878 million, respectively.

4.5 Impacts on the Company's unconsolidated statement of financial position and unconsolidated statement of cash flows.

- Unconsolidated Statement of Financial Position

01 July 2021	As previously reported	Adjustment	Reclassification	As restated
	(Rupees in '000)			
Stores and spares	891,463	4,799	-	896,262
Stock in trade	23,275,250	1,292,700	-	24,567,950
Trade debts	17,685,551	2,726,304	-	20,411,855
Loans, advances and other receivables	3,336,473	(1,297,499)	-	2,038,974
Total asset	45,188,737	2,726,304	-	47,915,041
Trade and other payables	11,611,965	2,726,304	(2,224,653)	12,113,616
Current maturity of Gas Infrastructure Development Cess payable	-	-	2,224,653	2,224,653
Total liability	11,611,965	2,726,304	-	14,338,269
Total equity	33,576,772	-	-	33,576,772

30 June 2022	As previously reported	Adjustment	Reclassification	As restated
	(Rupees in '000)			
Stores and spares	1,071,274	4,878	-	1,076,152
Stock in trade	33,361,826	1,068,222	-	34,430,048
Trade debts	22,098,618	3,483,936	-	25,582,554
Loans, advances and other receivables	2,826,121	(1,073,100)	322,929	2,075,950
Long term deposit	474,709	-	(377,145)	97,564
Short term prepayments	55,992		54,216	110,208
Total asset	59,888,540	3,483,936	-	63,372,476
Trade and other payables	16,643,507	3,483,936	(2,878,521)	17,248,922
Current maturity of Gas Infrastructure Development Cess payable	-	-	2,878,521	2,878,521
Total liability	16,643,507	3,483,936	-	20,127,443
Total equity	43,245,033	-	-	43,245,033

- Unconsolidated Statement of Cash Flows

30 June 2022	As previously reported	Adjustment	Reclassification	As restated
	(Rupees in '000)			
Cash flow from operating activities other than finance cost	5,467,787	-	-	5,467,787
Finance cost reclassification	(1,956,164)	-	1,956,164	-
Cash flow from operating activities	3,511,623	-	1,956,164	5,467,787
Cash flows from investing activities	(10,663,599)	-	-	(10,663,599)
Cash flow from financing activity	2,432,200	-	-	2,432,200
Finance cost reclassification	-	-	(1,956,164)	(1,956,164)
Short term borrowing	-	10,158,097	-	10,158,097
Cash flows from financing activities	2,432,200	10,158,097	(1,956,164)	10,634,133
Net (decrease) / increase in cash and cash equivalents	(4,719,776)	10,158,097	-	5,438,321
Cash and cash equivalents - at the beginning of the year	(28,851,672)	23,068,557	-	(5,783,115)
Cash and cash equivalents - at the end of the year	(33,571,448)	33,226,654	-	(344,794)

4.6 There is no impact of restatements mentioned in note 4.1 and 4.2 on the Company's total operating, investing or financing cash flows for the year ended 30 June 2022.

4.7 There is no impact of restatements mentioned in notve 4.1, 4.2, and 4.3 on the Company's unconsolidated statement of profit or loss and Earnings per share for the year ended 30 June 2022 and 30 June 2021.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	June 2023	June 2022
		(Rupees in '000)	
Operating fixed assets	5.1	**47,869,843**	36,609,500
Capital work in progress (CWIP)	5.2	**2,251,995**	9,232,408
		50,121,838	45,841,908

5.1 Operating fixed assets

	Note	Leasehold land	Buildings and structures on leasehold land	Plant and machinery	Furniture and fixture	Office equipment	Vehicles	Total
		(Rupees in'000)						
As at 01 July 2021								
Cost		7,924,915	8,150,105	29,275,225	119,926	529,346	478,296	46,477,813
Accumulated depreciation		-	(2,733,199)	(10,678,147)	(69,141)	(364,400)	(304,022)	(14,148,909)
Net book value as at 01 July 2021		**7,924,915**	**5,416,906**	**18,597,078**	**50,785**	**164,946**	**174,274**	**32,328,904**
Movement during year ended 30 June 2022								
Transfers during the year		-	2,398,447	4,674,893	146,844	243,172	128,812	7,592,168
Disposals during the year	5.1.2							
Cost		-	-	(871,847)	-	-	(49,263)	(921,110)
Accumulated depreciation		-	-	525,039	-	-	31,973	557,012
Net book value		-	-	(346,808)	-	-	(17,290)	(364,098)
Depreciation charge for the year	5.1.1	-	(639,171)	(2,181,940)	(8,474)	(55,056)	(62,833)	(2,947,474)
Net book value as at 30 June 2022		**7,924,915**	**7,176,182**	**20,743,223**	**189,155**	**353,062**	**222,963**	**36,609,500**
As at 01 July 2022								
Cost		7,924,915	10,548,552	33,078,271	266,770	772,518	557,845	53,148,871
Accumulated depreciation		-	(3,372,370)	(12,335,048)	(77,615)	(419,456)	(334,882)	(16,539,371)
Net book value as at 01 July 2022		**7,924,915**	**7,176,182**	**20,743,223**	**189,155**	**353,062**	**222,963**	**36,609,500**
Movement during year ended 30 June 2023								
Transfers during the year		-	3,862,099	10,703,902	37,243	334,042	52,987	14,990,273
Disposals during the year	5.1.2							
Cost		-	(740)	(270,958)	(4,741)	(219,466)	(19,474)	(515,379)
Accumulated depreciation		-	232	211,032	1,554	197,115	15,038	424,971
Net book value		-	(508)	(59,926)	(3,187)	(22,351)	(4,436)	(90,408)
Reclassifications during the year								
Cost		-	-	3,191	724	5,985	(9,900)	-
Accumulated depreciation		-	-	(686)	(240)	(4,439)	5,365	-
Net book value		-	-	2,505	484	1,546	(4,535)	-
Depreciation charge for the year	5.1.1	-	(893,794)	(2,584,423)	(23,674)	(87,069)	(50,562)	(3,639,522)
Net book value as at 30 June 2023		**7,924,915**	**10,143,979**	**28,805,281**	**200,021**	**579,230**	**216,417**	**47,869,843**
As at 30 June 2023								
Cost		7,924,915	14,409,911	43,514,406	299,996	893,079	581,458	67,623,765
Accumulated depreciation		-	(4,265,932)	(14,709,125)	(99,975)	(313,849)	(365,041)	(19,753,922)
Net book value as at 30 June 2023		**7,924,915**	**10,143,979**	**28,805,281**	**200,021**	**579,230**	**216,417**	**47,869,843**
Depreciation rate % per annum		**-**	**10 to 20**	**10 to 20**	**10 to 12**	**15 to 33**	**20**	

	Note	June 2023	June 2022
		(Rupees in '000)	

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

	Note	June 2023	June 2022
Cost of goods manufactured	28.1	**3,494,369**	2,838,984
Selling and distribution cost	29	**130**	191
Administrative cost	30	**145,023**	108,299
		3,639,522	2,947,474

5.1.2 Details of operating assets sold

Particulars of assets	Cost	Written down value	Sale proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of buyers	Relationship with buyer
	Rs. 000s						
Plant and machinery							
Compressor ZR - 4 Atlas Copco	15,161	1,599	1,610	11	Bidding	Ahmad Rafiq H# 696, Block D, Sir Syed Town, Faisalabad.	Third Party
Stenter Machine	60,544	3,188	8,547	5,359	Bidding	Hina Traders Suit No # 215, Sualeha Chamber, Plot No # B-9/ C-1 S.I.T.E, Karachi West Site Town	Third Party
Air Dryer FD-521 Atlas Copco	4,781	1,330	311	(1,019)	Bidding	Mashallah Plastic Scrap House No.1079, Sher Shah Colony, Jinnah Road, Karachi South.	Third Party
Kohat Water Mangel	22,450	2,900	4,664	1,764	Bidding	Mashallah Plastic Scrap House No.1079, Sher Shah Colony, Jinnah Road, Karachi South.	Third Party
Ager Stork	4,222	608	3,273	2,665	Bidding	Saif Ullah Brothers House No 450, Sector C, Landhi Sherpao Colony, Korangi Landhi Town	Third Party
Cone to Cone Winder	9,660	2,064	495	(1,569)	Bidding	Saif Ullah Brothers House No 450, Sector C, Landhi Sherpao Colony, Korangi Landhi Town	Third Party
Hank to Cone Winder	13,816	2,953	495	(2,458)	Bidding	Saif Ullah Brothers House No 450, Sector C, Landhi Sherpao Colony, Korangi Landhi Town	Third Party
Arioli Washing	10,340	1,875	5,348	3,473	Bidding	Top End Metal Industries (Private) Limited Office No. 101, 1st Floor, Plot No. 26-C, Street No. 7 Badar Commercial Area, Phase - V, DHA, Karachi South Saddar Town	Third Party

Particulars of assets	Cost	Written down value	Sale proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of buyers	Relationship with buyer
	Rs. 000s						
Digital Light Engraver	17,049	5,085	192	(4,893)	Bidding	Top End Metal Industries (Private) Limited Office No. 101, 1st Floor, Plot No. 26-C, Street No. 7 Badar Commercial Area, Phase - V, DHA, Karachi South Saddar Town	Third Party
Machine circular knitting singel Jersey	16,051	12,435	16,214	3,779	Bidding	Utopia Industries (Private) Limited C-16/A, Site, Super Highway Scheme 33, Phase 1, North Karachi Town	Third Party
Emerson 60 Kva Ups	2,515	1,293	1,300	7	Negotiation	Ideas Pvt Ltd Korangi Industrial Area, Karachi.	Direct Subsidiary
Cone to Cone Winder	19,320	3,814	-	(3,814)	Retired being unusable	Write off	
DVS Liquid Dosing System	18,291	3,611	-	(3,611)	Retired being unusable	Write off	
IDK Dyestuff Dissolving System	3,325	656	-	(656)	Retired being unusable	Write off	
	217,525	**43,411**	**42,449**	**(962)**			
Vehicles							
T/Corolla Altis At 1.8 Reg # BFV-840	2,330	512	-	(512)	Negotiation	Ideas Pvt Ltd Korangi Industrial Area, Karachi.	Direct Subsidiary
Suzuki Bolan Hiroof Reg # CY-7768	1,107	595	595	-	Negotiation	Ideas Pvt Ltd Korangi Industrial Area, Karachi.	Direct Subsidiary
	3,437	**1,107**	**595**	**(512)**			
Office equipments / Electric appliance							
Audio Video and Lighting Control System	9,662	4,363	3,541	(822)	Negotiation	Ideas Pvt Ltd Korangi Industrial Area, Karachi.	Direct Subsidiary
	9,662	**4,363**	**3,541**	**(822)**			
Furniture & Fixture							
Paintings	3,756	2,580	2,580	-	Negotiation	Ideas Pvt Ltd Korangi Industrial Area, Karachi.	Direct Subsidiary
	3,756	**2,580**	**2,580**	**-**			
Items with written down value below Rs. 500,000	**280,999**	**38,947**	**18,500**	**(20,447)**	Negotiation	Various	
As on 30 June 2023	**515,379**	**90,408**	**67,665**	**(22,743)**			
As on 30 June 2022	921,110	364,098	135,124	(228,974)			

5.2 Capital work in progress

	Note	June 2023	June 2022
		(Rupees in '000)	
Plant and machinery		**1,641,802**	5,709,475
Buildings and structures on leasehold land		**610,193**	3,294,630
Others		**-**	228,303
	5.2.1	**2,251,995**	9,232,408

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

	Note	June 2023	June 2022
Balance at beginning of the year		**9,232,408**	6,022,449
Capital expenditure incurred during the year			
Plant and machinery	5.2.2	**6,636,229**	7,182,193
Buildings and structures on leasehold land		**1,177,663**	3,101,106
Others		**195,968**	518,827
		8,009,860	10,802,126
Transfers to operating fixed assets during the year			
Plant and machinery		**(10,703,902)**	4,674,893)
Buildings and structures on leasehold land		**(3,862,099)**	(2,398,447)
Others		**(424,272)**	(518,827)
		(14,990,273)	(7,592,167)
Balance at end of the year		**2,251,995**	9,232,408

5.2.2 This includes mark up on long term loan, captalised during the construction period amounting to Rs. 197 million (30 June 2022: Rs. 42.64 million). Effective rate of mark-up capitalized is 14.64% (30 June 2022: 6.47%).

5.3 The cost of fully depreciated Property, plant and equipment still in use

	Note	June 2023	June 2022
		(Rupees in '000)	
Buildings and structures on leasehold land		**114,799**	114,799
Furniture and fixtures		**4,741**	4,741
Office equipment		**301,814**	297,741
Plant and machinery		**809,250**	794,021
Vehicles		**19,583**	19,583
		1,250,187	1,230,886

5.4 Plant and machinery, land and building are subject to first pari passu charge and a equitable mortgage amounting to Rs. 8,999 million as on 30 June 2023 (30 June 2022: Rs. 9,489 million). These charges are against different financing facilities obtained from various banks as disclosed in note 17 of these unconsolidated financial statements.

6 INTANGIBLE ASSETS - ACQUIRED

	Note	June 2023	June 2022
		(Rupees in '000)	
Cost		**197,371**	197,249
Accumulated amortisation		**(145,651)**	(119,036)
Net book value as at 01 July		**51,720**	78,213
Movement during the year			
Additions - cost		**12,838**	122
Amortisation charge for the year	6.1	**(26,307)**	(26,615)
Net book value as at 30 June		**38,251**	51,720
As at 30 June			
Cost		**210,209**	197,371
Accumulated amortisation		**(171,958)**	(145,651)
Net book value as at 30 June		**38,251**	51,720

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

	Note	June 2023	June 2022
		(Rupees in '000)	
Administrative cost	30	**26,307**	26,615

7 LONG TERM INVESTMENT

	Note	June 2023	June 2022
Investment in subsidiary companies at cost			
- Gul Ahmed International Limited	7.1	**58,450**	58,450
- Ideas (Private) Limited	7.2	**3,462,756**	3,462,756
		3,521,206	3,521,206
Investment at amortised cost			
- Term Finance Certificate	7.3	**70,000**	70,000
		3,591,206	3,591,206

7.1 Gul Ahmed International Limited - FZC UAE, an unquoted company incorporated on 11 December 2002 in United Arab Emirates (UAE), is a wholly owned subsidiary (the subsidiary) of the Company. The paid-up share capital of the subsidiary is divided into 10,000 (30 June 2022: 10,000) ordinary shares of USD 100 each. The Company has accounted for the investment in subsidiary at cost as per IAS 27. Aggregate breakup value of the subsidiary as per its financial statements duly consolidated with its five 100% fully owned subsidiary companies including direct and indirect subsidiaries i.e. GTM (Europe) Limited, GTM USA Corp., Sky Home Corporation, Vantona Home Limited and JCCO 406 Limited for the year ended 30 June 2023 is Rs. 1,990 million (30 June 2022: Rs. 754 million).This long term investment has been made in accordance with the requirement of the section 199 of Companies Act, 2017.

7.2 Ideas (Private) Limited, an unquoted company incorporated in Pakistan, is a wholly owned subsidiary of the Company. The company has accounted for the investment in this subsidiary at cost as per IAS 27. Aggregate breakup value of the subsidiary as per its financial statements for the year ended 30 June 2023 is Rs. 4,839 million (30 June 2022: Rs. 4,601 million).

7.3 This represent Rs. 70 million (30 June 2022: Rs.70 million) invested in Term Finance Certificate issued by Habib Bank Limited which carries profit at the rate of KIBOR + 1.6% receivable on quarterly basis. This is of perpetual nature.

8 LONG TERM LOANS

	Note	June 2023	June 2022
		(Rupees in '000)	
Considered good			
- Due from executives (other than CEO and Directors)	8.2	**137,705**	189,579
- Due from non-executives		**5,966**	12,532
		143,671	202,111
Current portion			
- Due from executives		**(71,086)**	(67,430)
- Due from non-executives		**(4,684)**	(7,421)
	12	**(75,770)**	(74,851)
		67,901	127,260

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

Included in these are loans of Rs. 46 million (30 June 2022: Rs. 43 million) to executives and Rs. 3.5 million (30 June 2022 : Rs. 3.8 million) to non-executive which carry no mark-up. The balance amount carries mark-up at rates ranging from 6.5 % to 17.1% (30 June 2022: 6.5% to 11.17%).

8.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 137.7 million (30 June 2022: Rs. 189.58 million).

9 STORES AND SPARES

	Note	June 2023	June 2022
		(Rupees in '000)	
Stores and spares		**1,999,785**	1,315,329
Stores-in-transit		**10,630**	4,878
		2,010,415	1,320,207
Provision for slow moving / obsolete items	9.1	**(247,557)**	(244,055)
		1,762,858	1,076,152

	Note	June 2023	June 2022
		(Rupees in '000)	
9.1 Movement in provision for slow moving / obsolete items			
Opening balance		**244,055**	215,547
Charge for the year - Cost of goods manufactured	28.1	**42,252**	28,508
Stores and spares written off during the year		**(38,750)**	-
Closing balance		**247,557**	244,055

10 STOCK-IN-TRADE

	Note	June 2023	June 2022
		(Rupees in '000)	
Finished goods	28	**13,468,090**	17,366,669
Raw material	28.2	**19,395,222**	14,925,477
Work-in-process	28.1	**5,485,583**	1,210,229
Stock-in-transit		**292,337**	1,068,222
		38,641,232	34,570,597
Provision for slow moving - Stock-in-trade	10.1	**(190,801)**	(140,549)
		38,450,431	34,430,048

10.1 Movement in provision for slow moving

Opening balance	**140,549**	41,720
Charge for the year - Cost of goods manufactured	**50,252**	98,829
Closing balance	**190,801**	140,549

11 TRADE DEBTS

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
Secured			
Export Debtors		**3,877,018**	3,754,746
Local Debtors		**7,885,699**	1,718,679
	11.5	**11,762,717**	5,473,425
Unsecured			
Export Debtors		**4,576,077**	4,636,249
Local Debtors		**7,495,208**	15,786,135
		12,071,285	20,422,384
Expected Credit Loss	11.4	**(412,119)**	(313,255)
	11.6	**23,421,883**	25,582,554

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

	Note	0 to 30 days	31 to 180 days	More than 181 days	Total
		30 June 2023			
		(Rupees in '000)			
Export Debtors					
GTM USA Corp. - indirect wholly owned subsidiary		**226,409**	**5,792**	**7,513**	**239,714**
GTM (Europe) Limited - indirect wholly owned subsidiary		**1,621,267**	**1,741**	**430**	**1,623,438**
Vantona Home Limited - indirect wholly owned subsidiary		**87,633**	**89**	**-**	**87,722**
Sky Home Corporation - USA - indirect wholly owned subsidiary		**48,720**	**-**	**-**	**48,720**
		1,984,029	**7,622**	**7,943**	**1,999,594**
Local Debtors					
Ideas (Private) Limited - wholly owned subsidiary	11.2	**15,703**	**916,373**	**5,721,177**	**6,653,253**
		1,999,732	**923,995**	**5,729,120**	**8,652,847**

	Note	0 to 30 days	31 to 180 days	More than 181 days	Total
		30 June 2022			
		(Rupees in '000)			
Export Debtors					
GTM USA Corp. - indirect wholly owned subsidiary		223,189	-	-	223,189
GTM (Europe) Limited - indirect wholly owned subsidiary		1,552,792	-	4,258	1,557,050
Vantona Home Limited - indirect wholly owned subsidiary		61,397	-	-	61,397
		1,837,378	-	4,258	1,841,636
Local Debtors					
Ideas (Private) Limited - wholly owned subsidiary		-	342,796	5,438,060	5,780,856
		1,837,378	342,796	5,442,318	7,622,492

11.2 The amount outstanding is "Payable on Demand" and is subject to markup at the rate of KIBOR + 0.75%. The markup charged during the year is disclosed in Note 33.3.

11.3 The maximum aggregate month end balance during the year due from related parties was Rs. 8,653 million (30 June 2022: Rs. 7,661 million).

	Note	June 2023	June 2022
		(Rupees in '000)	
11.4 Movement in provision for slow moving / obsolete items			
Opening balance		**313,255**	262,382
Charge for the year	30	**98,864**	61,695
Debts written off		**-**	(10,822)
Closing balance		**412,119**	313,255

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

11.6 This includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rs. 4,029 million (30 June 2022: Rs. 3,483 million).

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
12 LOANS, ADVANCES AND OTHER RECEIVABLES			
Loans and advances - considered good			
Advances to suppliers		**1,213,921**	1,520,096
Current portion of loans to employees		**75,770**	74,851
Others		**-**	4,463
		1,289,691	1,599,410
Other Receivables			
LC and bank guarantee margin	12.1	**728,089**	404,577
Others		**52,830**	71,963
		780,919	476,540
		2,070,610	2,075,950

12.1 The guarantee margin carries mark up at the rate of 14.35% to 19.75% (30 June 2022: 6.65%).

	Note	June 2023	June 2022
		(Rupees in '000)	
13 RECEIVABLE FROM GOVERNMENT			
Sales tax refund		**917,088**	782,368
Income tax refund		**560,553**	1,121,078
Duty drawback, markup subsidy and rebate	13.1	**1,823,397**	1,448,100
		3,301,038	3,351,546

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

	Note	June 2023	June 2022
		(Rupees in '000)	
14 RECEIVABLE FROM GOVERNMENT			
Cash in hand		**9,222**	10,561
Balances with banks in current accounts			
- Local currency		**257,439**	1,761,932
- Foreign currency		**67,810**	18,128
	14.1 & 14.2	**325,249**	1,780,060
		334,471	1,790,621

14.1 Bank balances include balances held with related party, Habib Metropolitan Bank Limited amounting to Rs. 91.36 million (30 June 2022: Rs. 21.16 million).

14.2 This includes an amount of Rs. 153.17 million (30 June 2022: Rs. 741.35 million) held by Shariah compliant banks.

15 SHARE CAPITAL

15.1 Authorized capital

June 2023	June 2022		June 2023	June 2022
(Number of Shares)			(Rupees in '000)	
5,000,000,000	750,000,000	Ordinary shares of Rs.10 each	50,000,000	7,500,000

15.2 Issued, subscribed and paid-up capital

June 2023	June 2022		June 2023	June 2022
(Number of Shares)			(Rupees in '000)	
192,161,738	192,161,738	Ordinary shares of Rs.10 each allotted for consideration paid in cash	1,921,617	1,921,617
108,809,985	108,809,985	Ordinary shares of Rs.10 each allotted as fully paid shares under scheme of arrangement for amalgamation	1,921,617	1,921,617
439,087,735	315,744,492	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	4,390,877	3,157,445
740,059,458	616,716,215		7,400,594	6,167,162

15.2.1 As at 30 June 2023, Gul Ahmed Holdings (Private) Limited, the holding company of Gul Ahmed Textile Mills Limited, held 413,383,760 (30 June 2022: 344,486,467) ordinary shares of Rs. 10 each, constituting 55.86% (30 June 2022: 55.86%) of total paid-up capital of the Company. Number of shares held by the associated companies and undertakings, other than holding company, aggregated to 99,476,824 (30 June 2022: 82,897,355) ordinary shares of Rs. 10 each.

15.2.2 As per the Honorable Sindh High Court's order, the Company held 3,471,541 (30 June 2022: 2,892,953) out of the total bonus shares issued for the year 2015, 2019 and 2021 to Gul Ahmed Holdings (Private) Limited, an associated company and other parties respectively, as these shareholders are part of the suit filed against the tax on bonus shares imposed through Finance Act, 2014.

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

	Note	June 2023	June 2022
		(Rupees in '000)	
15.3 Reconciliation of the number of shares outstanding			
Number of shares outstanding at the beginning of the year		616,716,215	531,157,289
Add: 20% Bonus shares issued during the year		123,343,243	85,558,926
		740,059,458	616,716,215

16 AMALGAMATION RESERVE

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

	Note	June 2023	June 2022
		(Rupees in '000)	
17 LONG TERM FINANCING			
From Banking Companies - Secured	17.1	14,731,792	14,342,422
From Non-Banking Financial Institutions - Secured	17.2	4,746,816	4,929,328
Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant	17.3	3,734,585	3,878,688
Financing for payment of salaries and wages under State Bank of Pakistan Re-finance Scheme - net of Government Grant	17.4	-	702,147
		23,213,193	23,852,585
Current portion shown under current liabilities		(3,096,186)	(3,301,695)
	17.11	20,117,007	20,550,890

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up profit rate per annum	June 2023	June 2022
				(Rupees in'000)			
17.1 Banking Companies - Secured							
Askari Bank Limited Under LTFF scheme	17.6 & 17.9	20 quarterly	12 August 2027	47,205	2.75% - 5.00% p.a. payable quarterly	**687,692**	840,086
Dubai Islamic Bank Under LTL scheme	17.6 & 17.9	20 quarterly	22 January 2030	16,934	Three months KIBOR ask rate + 1.50% payable quarterly	**541,882**	-
Bank Al-Habib Limited Under LTFF scheme	17.8	16 half yearly	22 October 2027	13,519	2.75 % p.a. payable half yearly	**135,184**	162,222
Bank Al-Falah Limited Under LTFF and LTL scheme	17.5 & 17.9	16 half yearly	26 December 2032	58,964	3.00 % - 17.50% p.a. payable half yearly	**1,568,194**	855,787
The Bank of Khyber Under LTL scheme	17.5	07 half yearly and 32 quarterly	17 August 2032	26,812	3.50 % - 8.50% p.a. payable quarterly	**517,143**	360,839
The Bank of Punjab Under LTFF scheme	17.5 & 17.9	28 quarterly	02 December 2030	71,428	2.00% - 3.00% p.a. payable quarterly	**1,253,121**	1,538,835
Faysal Bank Limited Under ILTFF scheme - Diminishing Musharaka	17.6, 17.8 & 17.10	32 quarterly	01 November 2030	28,125	2.75% - 3.90% p.a. payable quarterly 75,114	**724,282**	830,742
Habib Bank Limited Under LTL and LTFF scheme	17.7 & 17.8	10 half yearly and 32 quarterly	18 January 2025	66,604	2.25% - 18.70% p.a. payable half yearly and quarterly	**1,866,275**	1,523,101
MCB Bank Limited Under LTL scheme	17.7 & 17.9	32 quarterly	23 February 2031	36,685	2.50% - 4.00% p.a. payable half yearly and quarterly	**278,092**	333,184
Meezan Bank Limited Under LTL and ILTFF scheme - Diminishing Musharaka	17.7, 17.9 & 17.10	32 quarterly	13 September 2032	91,730	3.25% - 16.48% p.a. payable quarterly	**2,829,444**	2,924,968
National Bank of Pakistan Under LTFF scheme	17.5,17.6, 17.7 & 17.9	32 quarterly	26 May 2030	151,602	2.75% - 2.80% p.a. payable half yearly and quarterly	**2,078,565**	2,482,395
Soneri Bank Limited Under LTFF scheme	17.5 & 17.9	16 half yearly and 32 quarterly	14 April 2032	40,395	3.50% - 5.00% p.a. payable half yearly and quarterly	**931,197**	960,111
United Bank Limited Under LTFF scheme	17.6 & 17.9	10 and 16 half yearly 32 quarterly	21 March 2032	88,837	2.75% - 8.00% p.a. payable half yearly and quarterly	**1,106,418**	1,244,847
Samba Bank Limited Under LTFF scheme	17.5 & 17.9	10 and 16 half yearly	27 December 2028	35,501	3.00% p.a. payable half yearly	**214,303**	285,305
						14,731,792	14,342,422

Particulars	Note	Number of installments	Maximum Maturity Date	Aggregate Installment amount	Mark-up profit rate per annum	June 2023	June 2022
				(Rupees in'000)			
17.2 Non-Banking Financial Institutions - Secured							
Pair Investment Company Limited Under LTFF scheme	17.5, 17.7 & 17.9	12 and 16 half yearly	15 October 2029	65,392	3.00%- 3.50% p.a. payable half yearly	**549,203**	680,909
Pak Kuwait Investment Pvt. Limited Under LTFF scheme	17.5, 17.6 &17.9	32 quarterly	25 September 2032	65,615	2.50%- 18.55% p.a. payable quarterly	**1,884,200**	1,753,236
Pak China Investment Pvt. Limited Under LTFF scheme	17.5, 17.6 & 17.9	32 quarterly	22 November 2031	44,763	2.50% - 8.96% p.a. payable quarterly	**1,417,950**	1,432,414
Pak Brunei Investment Company Limited Under LTFF scheme	17.5, 17.6 & 17.9	16 half yearly	28 July 2027	36,524	2.50% p.a payable quarterly	**334,200**	378,610
Pak Oman Investment Company Limited Under LTFF scheme	17.6 & 17.9	32 quarterly	13 September 2027	30,724	2.75% p.a payable quarterly	**561,263**	684,159
						4,746,816	4,929,328
17.3 Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant							
Habib Bank Limited	17.6 & 17.9	16 half yearly	18 January 2025	59,375	2.25 % p.a. payable half yearly	**861,496**	912,572
MCB Bank Limited	17.7 & 17.9	32 quarterly	23 February 2031	13,841	3.00% p.a. payable quarterly	**401,206**	425,128
MCB Islamic Bank Limited	17.7 & 17.9	32 quarterly	19 January 2031	9,375	2.50% p.a. payable quarterly	**272,079**	288,249
Bank of Punjab	17.5, 17.6 & 17.9	32 quarterly	02 December 2030	31,250	2.00 % p.a. payable quarterly	**961,022**	952,324
Pak Kuwait Investment Pvt. Limited	17.5, 17.6 & 17.9	32 quarterly	25 September 2032	9,464	2.50% p.a. payable quarterly	**259,112**	284,298
Pak China Investment Pvt. Limited	17.5, 17.6 & 17.9	32 quarterly	22 November 2031	17,738	2.50% p.a. payable quarterly	**519,958**	545,350
Saudi Pak Industrial And Agricultural Investment Company Limited	17.5, 17.6 & 17.9	32 quarterly	27 April 2031	15,357	2.50% p.a payable quarterly	**459,712**	470,767
						3,734,585	3,878,688
17.4 Financing for payment of salaries and wages under State Bank of Pakistan Re-finance Scheme - net of Government Grant							
Finance obtained from Faysal Bank Limited	17.5 & 17.10	8 quarterly	Matured	120,297	1.00% p.a. payable quarterly	**-**	353,975
Finance obtained from Bank of Punjab	17.5 & 17.10	8 quarterly	Matured	120,297	0.50% p.a. payable quarterly	**-**	348,172
						-	702,147

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

17.6 These loans are secured by charge over specified machinery.

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

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

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

17.10 These loans are obtained under Shariah Compliant Arrangements.

17.11 These loans are subject to compliance of certain covenants including Debt Service Coverage Ratio, Current Ratio, Debt to Equity Ratio, Interest Cover, Maximum Gearing, Debt to EBITDA, Debt to Sales and are secured against the charge over assets of the company.

18 GAS INFRASTRUCTURE DEVELOPMENT CESS PAYABLE (GIDC)

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening Balance		**3,763,740**	3,549,951
Add: Finance cost on GIDC payable	33	**394,006**	323,995
Less: Gain on remeasurement of GIDC payable	32	**-**	(110,206)
		4,157,746	3,763,740
Less: Current maturity of Gas Infrastructure Development Cess payable		**(4,157,746)**	(2,878,521)
		-	885,219

18.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. The contingency in respect to this has been disclosed in note 26.6.

19 DEFERRED TAXATION

	June 2023	June 2022
	(Rupees in '000)	
Opening balance	**542,417**	257,699
(Reversal) / charged to unconsolidated statement of profit or loss	**(284,037)**	284,037
(Reversal) / charged to unconsolidated statement of other comprehensive income	**(681)**	681
Closing balance	**257,699**	542,417
Deferred tax arises due to:		
Taxable temporary difference in respect of Accelerated tax depreciation allowance	**482,845**	390,557
Deductible temporary differences in respect of:		
Provision for gratuity	**(16,742)**	(17,969)
Expected credit loss against trade debts	**(28,252)**	(26,706)
Provision for slow moving items / obsolete items of stores and spares	**(23,209)**	(20,807)
	(68,203)	(65,482)
Disallowance of provision due to three years limitation	**-**	217,342
Tax credit on account of Minimum Tax	**(156,943)**	-
	257,699	542,417

19.1 During the year June 2021, deferred taxation was computed for temporary differences related to income chargeable under Normal Tax Regime of the Income Tax Ordinance, 2001. However from 2022 and onwards, the Company is subject to Final Tax Regime under section 169 of Income Tax Ordinance, 2001 since majority of the Company's income falls under the ambit of presumptive tax regime. The calculation and maintenance of deferred tax liability were executed using a ratio of three years' local and export sales, as outlined by the Institute of Chartered Accountants of Pakistan (ICAP) guidelines.

20 DEFERRED INCOME - GOVERNMENT GRANT

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening balance		**189,673**	250,419
Fair value differential of loan at subsidized rate treated as government grant		**-**	55,447
Government grant recognized as income during the year	32	**(54,679)**	(116,193)
		134,994	189,673
Current maturity of deferred income - government grant		**(32,388)**	(54,551)
		102,606	135,122

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

21 DEFINED BENEFIT PLAN - STAFF GRATUITY

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

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening balance		**210,777**	155,490
Charge for the year	21.2	**137,038**	125,521
Remeasurement losses / (gain charged / credited) in unconsolidated statement of other comprehensive income	21.3	**48,622**	(9,087)
Benefits paid during the year		**(65,254)**	(61,147)
Benefits due but not paid during the year		**(2,165)**	-
Closing balance		**329,018**	210,777

21.2 Charge for the year recognized in unconsolidated statement of profit or loss

	Note	June 2023	June 2022
Current service cost		**113,577**	101,311
Past service cost	21.2.1	**-**	11,719
Markup cost		**23,461**	12,491
		137,038	125,521

21.2.1 Past service cost related to employees employed in preceding year but became eligible for gratuity during the current year.

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

	June 2023	June 2022
	(Rupees in '000)	
Actuarial losses from changes in financial assumptions	**14,775**	83
Experience adjustments	**33,847**	(9,170)
	48,622	(9,087)

21.4 Significant actuarial assumptions used

Following significant actuarial assumptions were used for the valuation:

	June 2023	June 2022
Discount rate used for year end obligation	**16.25%**	13.25% p.a
Rate used for markup cost	**13.25%**	10.00%
Expected increase in salary	**22.50%**	12.25%
Mortality rates	**SLIC 2001-2005 Set back 1 Year**	SLIC 2001-2005 Set back 1 Year
Withdrawal rates	**Age-Based**	Age-Based
Retirement assumption	**Age 60**	Age 60

21.5 Associated Risks

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

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

(b) Demographic Risk

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

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

21.6 General Description

The scheme provides retirement benefits to all its eligible employees of the company who are not part of the provident fund scheme and who have completed the minimum qualifying period of service. Actuarial valuation of the scheme is carried out periodically and latest actuarial valuation was carried out at 30 June 2023. The disclosure is based on information included in that actuarial report. The gratuity is measured on last drawn salary multiplied by number of years of service.

21.7 Sensitivity Analysis

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

	June 2023	June 2022
	(Rupees in '000)	
Discount Rate + 100 bps	**324,604**	208,047
Discount Rate - 100 bps	**333,592**	213,607
Salary increase + 100 bps	**333,464**	213,607
Salary increase - 100 bps	**324,654**	207,999

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

	June 2023	June 2022
	(Rupees in '000)	

21.8 Maturity Profile

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

	June 2023	June 2022
FY 2023	**N/A**	131,678
FY 2024	**204,034**	108,924
FY 2025	**171,407**	76,274
FY 2026	**122,115**	52,219
FY 2027	**85,504**	35,838
FY 2028	**60,657**	24,892
FY 2029	**44,148**	17,924
FY 2030	**32,013**	12,804
FY 2031	**24,189**	9,614
FY 2032	**16,981**	6,486
FY 2033	**13,412**	18,013
FY 2034 onwards	**39,388**	N/A

The average duration of the defined benefit obligation is 1.4 years.

21.9 Estimated expenses to be charged to unconsolidated statement of profit or loss in financial year 2024:

	June 2023
Current service cost	**163,897**
Mark up on defined benefit obligation	**36,887**
	200,784

22 TRADE AND OTHER PAYABLES

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
Creditors		**10,707,791**	6,996,332
Due to related parties	22.1	**131,279**	68,792
Accrued expenses		**6,900,904**	5,652,900
Advance from customers		**683,630**	114,077
Workers' profit participation fund	22.2	**317,940**	549,607
Workers' welfare fund	22.4	**91,498**	81,798
Taxes withheld		**153,186**	218,300
Payable to employees' provident fund trust		**46,400**	36,157
Liability under forward cover	22.5	**-**	32,220
Payable to bank under bill discounting arrangement		**4,029,546**	3,483,936
Others		**375**	14,803
		23,062,549	17,248,922

	Note	June 2023	June 2022
		(Rupees in '000)	

22.1 Due to related parties

	June 2023	June 2022
Win Star (Private) Limited	**9,292**	3,151
Swisstex Chemicals (Private) Limited	**88,019**	17,084
Grand Industries (Private) Limited	**3,511**	-
TPL Properties Limited	**29,677**	29,677
Gul Ahmed International Limited (FZC) - UAE	**780**	-
Sky Home Corp. - USA	**-**	18,880
	131,279	68,792

22.2 Workers' profit participation fund

	Note	June 2023	June 2022
Opening balance		**549,607**	316,944
Allocation for the year	31	**317,940**	549,607
Reversal of excess provision of WPPF		**-**	(14,659)
Markup for the year	33 & 22.3	**11,386**	17,430
		878,933	869,322
Payments made during the year		**(560,993)**	(319,715)
Closing balance		**317,940**	549,607

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

22.4 Workers' welfare fund

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening balance		**81,798**	162,237
Allocation for the year		**91,498**	81,798
Reversal of excess provision of WWF		**-**	(93,190)
		173,296	150,845
Payments made during the year		**(81,798)**	(69,047)
Closing balance		**91,498**	81,798

22.5 This represents forecasted loss on forward cover obtained under the policy of State bank of Pakistan from various banks.

23 ACCRUED MARK-UP / PROFIT

	Note	June 2023	June 2022
		(Rupees in '000)	
Long term financing		**266,056**	222,252
Short term borrowings		**1,304,098**	392,270
	23.1 & 23.2	**1,570,154**	614,522

23.1 This includes profit of Rs. 57.5 million and Rs. 360.6 million (30 June 2022: Rs. 39.1 million and Rs. 30.87 million) accrued in long term financing and short term borrowings respectively under Shariah Compliant arrangements.

23.2 Accrued markup includes markup due to Habib Metropolitan Bank Limited, an associated company, amounting to Rs. 14.54 million (30 June 2022: Rs. 7.53 million).

24 SHORT TERM BORROWINGS

	Note	June 2023	June 2022
		(Rupees in '000)	
Local currency			
Running Finance		**1,746,460**	2,135,415
Export Refinance Scheme		**22,755,600**	22,055,600
Other Short Term Finances		**5,703,669**	6,855,554
		30,205,729	31,046,569
Foreign currency			
Export Finance Scheme		**-**	4,315,500
	24.1 to 24.3	**30,205,729**	35,362,069

24.1 This includes Istisna (Shariah Compliant) amounting to Rs. 6,379 million (30 June 2022: Rs. 6,156 million) in local currency.

24.2 Short term borrowings are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. Unavailed facility at the year end was Rs. 7,122 million (30 June 2022: Rs. 6,505 million). Short term borrowings include amount due to Habib Metropolitan Bank Limited, an associated company, of Rs. 3,505 million (30 June 2022: Rs. 2,488 million).

24.3 Local currency mark-up / profit rates range from 11% to 25% (30 June 2022: 3% to 16.16%) per annum.

25 UNPAID DIVIDEND

Dividend payable includes the dividend amount Rs.23.5 million (30 June 2022: Rs. 23.5 million) held by the Company pertaining to the Petitioners of the suit filed in the Honourable High Court of Sindh against the tax on bonus shares imposed through Finance Act 2014. The amount includes Rs.18 million and Rs. 0.8 million (30 June 2022: Rs. 18 million and Rs. 0.8 million) of Gul Ahmed Holdings (Private) Limited and an associated company respectively.

26 CONTINGENCIES AND COMMITMENTS

26.1 The Company owns and possesses a plot of land measuring 44.04 acres in Deh Khanto which is duly registered in its name and appearing in the books at a cost of Rs. 83.86 million (30 June 2022: Rs. 83.86 million). Ownership of the land has been challenged in the Honourable Sindh High Court by Messrs. Karim Bux, Iqbal Rasheed and Mansoor Munawar who claim to be the owners, as this land was previously sold to them and subsequently resold to the Company. The legal counsel of the Company is of the view that the Company has a reasonable case and management is expecting favourable outcome, therefore, no provision has been made there against. In respect of the same land, the Company has filed a suit in January 2021 for declaration and permanent injunction in the Honourable High Court of Sindh, seeking the declaration that the Company is lawful owner of the said property and that the undated notice issued by the Pakistan Railways for sealing and taking over the possession of the said property is of no legal effect. The matter is at hearing stage and the legal counsel of the Company is of the view that the title of the Company stands clear and there is no likelihood of unfavourable outcome.

26.2 The Company has filed a Petition in the Honourable Sindh High Court, dated 30 March 2008, against order passed by the Board of Trustees, Employees' Old-Age Benefits Institution (EOBI) for upholding the unjustified additional demand of payment raised by EOBI for accounting years 2000-2001 and 2001-2002 amounting to Rs. 50.83 million (30 June 2022: Rs. 50.83 million). This demand was raised after lapse of more than two years although the records and books of the Company were verified by the EOBI to their entire satisfaction and finalization of all matters by EOBI. The Honourable Sindh High Court has restrained EOBI from taking any action or proceedings against the Company. The legal counsel of the Company is of the view that the Company has a reasonable case and management is expecting favourable outcome therefore, no provision has been made there against.

26.3 The Company along with several other companies has filed a Constitution Petition No. 2206 of 2016 on 18 April 2016 against Employment Old Age Benefits Institution and others in the Honourable Sindh High Court against the notice issued by the EOBI to the Company to pay contribution at the revised rate of wages with retrospective effect. The Honourable Sindh High Court has restrained EOBI from taking any coercive action against the Company. The matter is now pending before the court for final outcome and the legal counsel of the Company do not foresee any claim/losses that are likely to arise therefrom. Therefore, the Company has not made provision to the extent of Rs. 64.59 million out of expected liability of Rs. 467.58 million. (30 June 2022: Rs.467.58 million)

26.4 The Company has filed a Constitution Petition in the Honourable Sindh High Court against the City District Government of Karachi for striking down the unjustified demand of payment of Ground Rent on 17 October 2011 and against which part payment of Rs. 2.6 million has been made. The Honourable Sindh High Court has already restrained the City District Government of Karachi from taking any coercive action against the Company. The legal counsel of the Company is of the view that the Company has a reasonable case and management is expecting favourable outcome, however a provision is made for the difference unpaid amount of Rs. 7.4 million (30 June 2022: 7.4 million).

26.5 The Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated 30 June 2016 made amendments in SRO 1125(I)/2011 dated 31 December 2011 for disallowance of input tax adjustment on packing material. The Company has challenged the disallowance of input tax adjustments on packing material in the Sindh High Court through suit No. 2381/2016 dated 10 November 2016 against Federation of Pakistan and others. The matter is pending before the Honourable Court for final outcome and the legal counsel of the Company do not foresee any liability that is likely to arise, however provision has been made amounting to Rs.431.88 million (30 June 2022: Rs. 431.88 million) in these unconsolidated financial statements.

26.6 The Company's review petition challenging the decision of High Courts against the GIDC Act, 2015 had been dismissed by Supreme Court of Pakistan while also suspending the billing of levy from August, 2020. The court had ordered to pay the GIDC dues under the GIDC Act, 2015 with retrospective effect from 15 December 2011, in 48 monthly installments starting from August 2020. Total amount of the cess works out to Rs. 3.69 billion on the basis that Company has both Industrial and Captive connections having different GIDC rates. However, Oil and Gas Development Authority has ruled out that the consumers having supply of natural gas for industrial use and having in-house electricity generation facility for self-consumption do not fall under the definition of Captive as well as the Honourable Sindh High Court has also decided in favor of the Company on the issue of Captive connections for self consumption. Therefore, management, based on the legal advice believes that maximum liability of the Company in respect of GIDC will be Rs. 2.3 billion. The Company in September, 2020 filed a suit in Honourable Sindh High Court challenging the chargeability of GIDC. The Honourable Sindh High Court granted stay order and restrained Sui Southern Gas Company (SSGC) from taking any coercive action against non-payment of installments of GIDC. However, the management on prudent basis has maintained a liability of Rs. 3.7 billion (30 June 2022: Rs. 3.7 billion) in these unconsolidated financial statements. This liability was discounted using risk free rate and is being carried in accordance with the guidelines issued by the Institute of Chartered Accountants of Pakistan in respect of accounting of GIDC.

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

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

26.9 The Federal Government vide Finance Act, 2019 made amendments in Section 65(B) of the Income Tax Ordinance, 2001 whereby restricted the percentage of tax credit from 10% to 5% on amount invested in extension, expansion, balancing, modernization and replacement (BMR) of the plant and machinery for the tax year 2019, as well as the period for tax credit was also restricted to 30 June 2019 whereas the Law before amendment was allowing the same upto June 2021. The Company along with other petitioners had challenged the amendment in the Honourable Sindh High Court through three constitutional petitions for tax year 2019, 2020 and 2021 and the Honourable Sindh High Court has passed an interim order allowing the petitioners to file the income tax returns as per unamended provisions of Section 65(B) of income tax ordinance, 2001, hence the Company had claimed tax credit on BMR @10% in the income tax returns for the tax year 2019, 2020 and 2021 The amount of credit involved for tax year 2019, 2020 and 2021 is Rs. 1,112 million. (30 June 2022: Rs. 1,112 million).

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

26.10 The Company along with several other petitioners had filed a Constitution Petition on 16 January 2020 against Karachi Water & Sewerage Board (KWSB) and others in the Honourable Sindh High Court against notification dated 30 October 2019 issued by the KWSB whereby water charges were increased from Rs. 242 to Rs. 313 per 1000 gallons. The Honourable Sindh High Court has restrained KWSB from taking any coercive action against the Company and allowed the Company to pay the bills as per old rates. As required under the Order, the Company provides banker's verified Cheques each month aggregating to Rs. 160.86 million (30 June 2022: Rs. 113.43 million) being the difference between Rs. 313 and Rs. 242 per 1000 gallons and also, as a matter of prudence, maintained full provision in these unconsolidated financial statements.

26.11 The Company along with several other petitioners has filed a Constitution Petition on 30 April 2020 in the Honourable Sindh High Court against the K-Electric, NEPRA and others for charging Industrial Support Package Adjustment (ISPA), based on corrigendum issued by Federation of Pakistan, in the electricity bill to Industrial consumers for the month of April 2020. The Honourable Sindh High Court has restrained K-Electric from taking any action against the Company and ordered to pay the Bills without ISPA charges at banks. The Company has provided banker's verified Cheque of aggregate amount of Rs. 1.77 million (30 June 2022 Rs. 1.77 million) being the amount of ISPA charges as security to Nazir of High Court Sindh for the month of April 2020 bill. As a matter of prudence, Company has maintained full provision in these unconsolidated financial statements. Subsequently, the Honourable Sindh High Court decided the case in favor of the Company and K-Electric has filed an appeal in the Supreme Court against the decision which is still pending.

26.12 The Company along with other petitioners had challenged the imposition of Infrastructure Cess by the relevant Excise and Taxation Officer, Karachi through petition dated 28 May 2011. Furthermore, the Company has also filed petition against Sindh Infrastructure Cess levied through the Sindh Finance Act, 1994. During the year end 30 June 2018 the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Act) was also enacted by the Province of Sindh against which the Company also had filed constitutional petition dated 14 October 2017 and Honourable High Court of Sindh had allowed interim relief to the Company till final judgment has been allowed in other similar petitions. However, being prudent, full amount has been provided in these unconsolidated financial statements. During the year, no progress was made in court proceedings. The Bank Guarantee of Rs. 1.377 billion as a security was given (30 June 2022 Rs. 1.077 billion)

26.13 The Company along with several other companies filed a suit in the Honourable Sindh High Court challenging the Notification via SRO No. (I) / 2015 dated 31 August 2015 regarding increase in the Gas tariff, on 16 November 2015 which was decided by the Honourable Sindh High Court in favor of the Company and thereafter the Government filed an appeal in the Divisional Bench of the Honourable Sindh High Court against the decision which has also been decided in favor of the Company. OGRA issue further notifications on 30 December 2016, 17 September 2018, 23 October 2020 enhancing the rates. The Company along with others have filed petition in the Honourable Sindh High Court against the notification and the Honourable Court granted interim relief and instructed SSGC to revise the bills at previous rate and instructed the Company to deposit the differential amount cheques with Nazir Sindh High Court as security. As a matter of prudence full provision has been made in unconsolidated financial statements. The amount of cheques so deposited with Nazir is Rs. 250.67 million (30 June 2022: Rs. 250.67 million). On 15 February 2023 OGRA issued another notification revising the gas tariff with retrospective effect from 01

January 2023. The Company along with several other companies has filed a suit in the Honourable Sindh High Court challenging the increase in the gas rate tariff with retrospective effect. The Honourable Sindh High Court has restrained from taking no coercive action against the Company. As a matter of prudence, the Company has maintained a full provision amounting to Rs. 174.4 million (30 June 2022: Nil)

26.14 The Company along with several other companies has filed a suit in the Honourable Sindh High Court challenging the Notifications dated 30 December 2016, 17 September 2018 and 23 October 2020, challenging the charging of captive power tariff instead of Industry tariff rate to the Company, since the Company is producing electricity entirely for its own consumption. The Honourable Sindh High Court has passed the interim orders for not charging the Captive power tariff rates and consequently restrained from taking any coercive action against the Company. The Oil and Gas Regulatory Authority (OGRA) has issued another notification dated 04 October 2018 revising the tariff effective 27 September 2018, subsequent to this notification the Company paid the bills accordingly at the specified rates. Upto September 2018 the Company has provided banker's verified cheques of Rs. 388.57 million (30 June 2022: Rs. 388.57 million) as security to Nazir of High Court of Sindh and also, as a matter of prudence, maintained provision amounting to Rs. 626.23 million (30 June 2022: Rs. 626.23 million) accrued upto September 2018 in the unconsolidated financial statements. The Honourable Sindh High Court vide its judgment dated 27 February 2020 decided the case in favor of the Company pertaining to Notification dated 01 January 2013, however considering the Government's right to appeal, the Company, being prudent, has maintained the provision as stated above.

26.15 Guarantees and others

(a) Guarantees of Rs. 2,733 million (30 June 2022: Rs. 1,983 million) have been issued by banks on behalf of the Company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 1,104 million (30 June 2022: Rs. 1,102 million).

(b) Post dated cheques of Rs.25,199 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. 11,730 million (30 June 2022: Rs. 8,947 million), including bills discounted from Habib Metropolitan Bank Limited, an associated company, amounting to Rs. 2,337 million (30 June 2022: Rs. 4,852 million).

(d) Corporate guarantee of Rs. 248 million (30 June 2022: Rs. 170 million), Rs. 1,149 million (30 June 2022: 825 million) and Rs. 258 million (30 June 2022: Rs. 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 Corp- USA respectively.

	Note	June 2023	June 2022
		(Rupees in '000)	
26.16 Commitments			
Capital expenditure for plant and machineries		**1,234,621**	3,696,733
Other than capital expediture	26.16.1	**3,921,495**	7,282,845

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

	Note	June 2023	June 2022
		(Rupees in '000)	
27 SALES-NET			
Export sales			
Direct		**72,941,222**	56,298,849
Indirect		**34,034,984**	41,817,854
		106,976,206	98,116,703
Export rebate		**579,739**	354,764
Trade and other discount		**(661,632)**	(704,459)
Commission		**(1,965,940)**	(888,120)
Sales tax		**(4,919,257)**	(5,956,174)
		100,009,116	90,922,714
Local sales	27.1	**14,473,280**	11,357,155
Brokerage		**(356,769)**	(405,297)
Sales tax		**(2,158,015)**	(1,617,615)
		11,958,496	9,334,243
		111,967,612	100,256,957

27.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 716 million (30 June 2022: Rs. 764.9 million).

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

	Note	June 2023	June 2022
		(Rupees in '000)	
28 COST OF SALES			
Opening stock of finished goods		**17,366,669**	13,813,941
Cost of goods manufactured	28.1 & 28.3	**91,390,051**	86,442,015
		108,756,720	100,255,956
Closing stock of finished goods	10	**(13,468,090)**	(17,366,669)
		95,288,630	82,889,287

	Note	June 2023	June 2022
		(Rupees in '000)	

28.1 Cost of goods manufactured

	Note	June 2023	June 2022
Raw materials consumed	28.2	**63,431,216**	56,146,389
Other material and conversion cost		**8,150,452**	10,689,837
Stores and spares consumed		**527,291**	650,112
Salaries, wages and benefits	30.1	**11,602,376**	9,634,900
Fuel, power and water		**5,870,266**	5,090,785
Insurance		**150,129**	126,469
Repair and maintenance		**1,556,830**	1,332,974
Depreciation	5.1.1	**3,494,369**	2,838,984
Provision for slow moving / obsolete items	9.1	**42,252**	28,508
Provision for slow moving stock-in-trade	10.1	**50,252**	98,829
Other manufacturing expenses		**789,972**	572,319
		95,665,405	87,210,106
Work-in-process			
Opening		**1,210,229**	442,138
Closing	10	**(5,485,583)**	(1,210,229)
		(4,275,354)	(768,091)
		91,390,051	86,442,015

28.2 Raw materials consumed

	Note	June 2023	June 2022
Opening stock		**14,925,477**	9,060,892
Purchases during the year		**67,900,961**	62,010,974
Closing stock	10	**(19,395,222)**	(14,925,477)
		63,431,216	56,146,389

28.3 The manufacturing cost is exclusive of amount of Rs. 42.56 million (30 June 2022: Rs. 31.95 million) attributed to Ideas (Private) Limited, a subsidiary company.

29 SELLING AND DISTRIBUTION COST

	Note	June 2023	June 2022
		(Rupees in '000)	
Salaries, wages and benefits	30.1	**649,243**	575,313
Freight and shipment expenses		**1,018,661**	1,095,435
Advertisement and publicity		**249,438**	85,929
Depreciation	5.1.1	**130**	191
Export development surcharge		**206,561**	145,585
Other expenses		**76,916**	55,348
		2,200,949	1,957,801

30 ADMINISTRATIVE COST

	Note	June 2023	June 2022
		(Rupees in '000)	
Salaries, wages and benefits	30.1	**1,284,825**	976,700
Rent and ancillary charges	30.2	**121,266**	85,075
Repairs and maintenance		**41,310**	21,509
Vehicle up keep and maintenance		**510,514**	298,478
Utilities		**1,162**	759
Traveling and conveyance		**394,753**	182,161
Printing and stationery		**81,192**	52,060
Communication		**201,660**	120,027
Legal and consultancy fees		**89,040**	108,024
Depreciation and amortisation	5.1.1 & 6.1	**171,330**	134,914
Auditor's remuneration	30.4	**15,478**	7,313
Donations	30.5 & 30.6	**44,477**	21,179
Insurance		**43,917**	33,517
Expected credit loss against doubtful trade debts	11.4	**98,864**	61,695
Other expenses		**328,541**	117,189
		3,428,329	2,220,600

30.1 Salaries, Wages & Benefits

	Cost of sales		Distribution costs		Administrative costs		Total	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
	(Rupees in '000)							
Salaries, wages and benefits	**11,152,876**	9,262,805	**622,771**	550,655	**1,245,638**	945,528	**13,021,285**	10,758,988
Retirement benefits								
Gratuity	**137,038**	125,521	**-**	-	**-**	-	**137,038**	125,521
Contribution to provident fund	**231,483**	179,716	**26,445**	24,641	**39,074**	31,172	**297,002**	235,529
	368,521	305,237	**26,445**	24,641	**39,074**	31,172	**434,040**	361,050
Staff compensated absences	**80,979**	66,858	**27**	17	**113**	-	**81,119**	66,875
	11,602,376	**9,634,900**	**649,243**	**575,313**	**1,284,825**	**976,700**	**13,536,444**	**11,186,913**

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

30.3 The administrative expenses are exclusive of amount of Rs. 115.97 million (30 June 2022: Rs. 115.55 million) attributed to Ideas (Private) Limited, a subsidiary company.

30.4 Auditor's remuneration

	June 2023	June 2022
	(Rupees in '000)	
Audit fee	**9,000**	3,450
Special audit fee	**-**	1,750
Fee for review of condensed interim financial statements	**1,800**	575
Fee for audit of consolidated financial statements	**1,300**	575
Review fee of statement of compliance with code of corporate governance	**400**	115
Other certification fee	**500**	200
Out of pocket expenses	**2,478**	648
	15,478	7,313

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

Name of Donee	Interest in Donee	Name of Director		
Habib University Foundation	Common Directorship	Mr. Mohomed Bashir	**1,435**	8,000
Landhi Association of Trade & Industry	Patron in Chief	Mr. Ziad Bashir	**1,100**	800

30.6 Donations to following Organizations and Trusts exceed 10% of total amount of donations made or Rs.1 million whichever is higher:

Name of Donee	Note	June 2023	June 2022
		(Rupees in '000)	
Nigahban Welfare Association Civil Hospital		**-**	5,000
Pakistan Textile Council		**-**	3,750
Saylani Welfare International Trust		**17,221**	-
Karwan-e-Hayat		**-**	5,400

31 OTHER OPERATING COST

	Note	June 2023	June 2022
		(Rupees in '000)	
Workers' profit participation fund (WPPF)	22.2	**317,940**	549,607
Workers' welfare fund (WWF)		**91,498**	81,798
Loss on sale of property, plant and equipment	5.1.2	**22,743**	228,974
		432,181	860,379

32 OTHER INCOME

	Note	June 2023	June 2022
		(Rupees in '000)	
Income from non-financial assets and others			
Scrap sales		**16,501**	8,423
Government grant	20	**54,679**	116,193
Unclaimed liabilities written back		**46,961**	26,751
Reversal of excess provision for WPPF and WWF		**-**	107,849
Others		**3,938**	70,928
		122,079	330,144
Income from financial assets			
Mark-up income on Term Finance Certificates		**13,446**	7,691
Other markup income		**76,063**	14,011
Gain on remeasurement of Gas Infrastructure Development Cess (GIDC) payable		**-**	110,206
Foreign currency exchange gain - Net	32.1	**467,786**	347,037
		557,295	478,945
		679,374	809,089

32.1 This includes Rs. 27.6 million (30 June 2022: Rs. 53.5 million) in respect of export receivables.

	Note	June 2023	June 2022
		(Rupees in '000)	

33 FINANCE COSTS

	Note	June 2023	June 2022
Mark-up on short term borrowings	33.1, 33.2 & 33.3	**3,808,127**	1,335,571
Mark-up on long term financing		**888,988**	824,809
Bank and other charges		**245,036**	167,595
Markup on workers' profit participation fund		**11,386**	17,430
Finance cost on GIDC payable		**394,006**	323,995
		5,347,543	2,669,400

33.1 Finance cost includes Rs. 1,012.67 million and Rs. 667.92 million (30 June 2022: Rs. 100.4 million and Rs. 193.09 million) in long term financing and short term borrowing respectively under Shariah Compliant mode of financing.

33.2 Finance cost includes Rs. 337.63 million (30 June 2022: Rs. 158.86 million) on financing from Habib Metropolitan Bank, an associated company.

33.3 The finance cost is exclusive of amount of Rs. 1,126.58 million (30 June 2022: Rs. 638.35 million) attributed to Ideas (Private) Limited, a subsidiary company.

34 TAXATION

	Note	June 2023	June 2022
		(Rupees in '000)	
Current tax		**1,686,833**	1,375,047
Prior tax		**560,539**	(52,152)
		2,247,372	1,322,895
Deferred tax		**(284,037)**	284,037
	34.1	**1,963,335**	1,606,932

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

35 EARNINGS PER SHARE - basic and diluted

	Note	June 2023	June 2022
		(Rupees in '000)	
Profit after taxation		**3,986,019**	8,861,647
		(Number of shares)	
Weighted average number of shares			
Issued subscribed and paid up capital		**740,059,458**	740,059,458
		(Rupees)	
Earnings per share - basic and diluted	35.1 & 35.2	**5.39**	11.97

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

35.2 Weighted average number of shares for the year ended 30 June 2022 have been restated due to issuance of bonus shares as stated in note 15 of these unconsolidated financial statements.

36 SEGMENT INFORMATION

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

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

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

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

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

Transactions among the business segments are recorded at cost.

36.1 Segment Profitability

	Spinning		Apparel		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Sales	**33,953,033**	38,143,979	**12,399,533**	6,766,937	**71,939,156**	59,772,430	**10,857,588**	9,366,549	**(17,181,698)**	(13,792,938)	**111,967,612**	100,256,957
Cost of sales	**(28,339,167)**	(25,663,808)	**(10,887,242)**	(6,499,316)	**(63,641,252)**	(56,101,695)	**(9,602,667)**	(8,417,406)	**17,181,698**	13,792,938	**(95,288,630)**	(82,889,287)
Gross profit	**5,613,866**	12,480,171	**1,512,291**	267,621	**8,297,904**	3,670,735	**1,254,921**	949,143	**-**	-	**16,678,982**	17,367,670
Distribution and administrative costs	**(532,709)**	(494,470)	**(707,944)**	(478,711)	**(3,465,503)**	(2,833,194)	**(923,122)**	(372,026)	**-**	-	**(5,629,278)**	(4,178,401)
Profit before tax and before charging following	**5,081,157**	11,985,701	**804,347**	(211,090)	**4,832,401**	837,541	**331,799**	577,117	**-**	-	**11,049,704**	13,189,269
Finance Cost											**(5,347,543)**	(2,669,400)
Other operating cost											**(432,181)**	(860,379)
Other income											**679,374**	809,089
											(5,100,350)	(2,720,690)
Profit before taxation											**5,949,354**	10,468,579
Taxation											**(1,963,335)**	(1,606,932)
Profit after taxation											**3,986,019**	8,861,647
Depreciation & amortisation expense	**1,183,019**	1,108,530	**162,622**	145,128	**911,927**	593,501	**1,408,261**	1,126,930	**-**	-	**3,665,829**	2,974,089

36.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segment		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Assets	**36,506,601**	33,629,328	**5,884,071**	3,962,932	**41,017,970**	42,102,427	**13,595,356**	11,571,907	**26,461,941**	26,860,142	**123,465,939**	118,126,736
Liabilities	**13,875,597**	11,490,737	**3,160,419**	2,434,219	**18,826,945**	17,411,346	**8,396,099**	7,812,352	**39,135,502**	42,844,783	**83,394,562**	81,993,437
Segment Capital & Intangible expenditure	**2,289,143**	2,256,058	**522,778**	312,824	**1,507,131**	4,835,829	**2,373,769**	1,117,459	**1,329,877**	2,280,079	**8,022,698**	10,802,249

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

36.4 Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 28,628 million (30 June 2022: Rs. 21,191 million).

	Revenue		Non-current assets	
	2023	2022	2023	2022
	(Rupees in '000)			
Pakistan	**41,430,992**	45,601,220	**53,893,693**	49,651,208
Germany	**24,975,300**	17,567,609	**-**	-
United States	**11,894,528**	11,681,897	**-**	-
Italy	**6,213,056**	3,423,577	**-**	-
France	**6,206,082**	4,635,985	**-**	-
United Kingdom	**4,941,205**	4,674,586	**-**	-
Netherlands	**4,621,112**	4,712,631	**-**	-
Denmark	**3,187,546**	2,492,259	**-**	-
Poland	**2,587,279**	1,538,267	**-**	-
Spain	**1,885,147**	773,703	**-**	-
Sweden	**1,421,665**	1,599,449	**-**	-
Other Countries	**5,008,302**	3,198,887	**58,450**	58,450
Total	**114,372,214**	**101,900,069**	**53,952,143**	**49,709,658**

37 OTHER OPERATING COST

38 CASH AND CASH EQUIVALENTS

	Note	June 2023	June 2022
		(Rupees in '000)	
Cash and bank balances	14	**334,471**	1,790,621
Running Finance	24	**(1,746,460)**	(2,135,415)
		(1,411,989)	(344,794)

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	June 2023				June 2022			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	(Rupees in '000)							
Managerial remuneration	**16,000**	**12,000**	**891,859**	**919,859**	16,000	12,000	690,273	718,273
Performance bonus	**1,333**	**1,000**	**56,935**	**59,268**	-	-	41,221	41,221
House rent allowance	**6,400**	**4,800**	**356,743**	**367,943**	6,400	4,800	276,109	287,309
Other allowances	**1,600**	**1,200**	**309,374**	**312,174**	1,600	1,200	260,044	262,844
Contribution to provident fund	**1,333**	**1,000**	**70,423**	**72,756**	1,333	1,000	54,106	56,438
	26,666	**20,000**	**1,685,334**	**1,732,000**	25,333	19,000	1,321,753	1,366,086
Number of persons	**1**	**1**	**354**	**356**	1	1	264	266

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

39.2 Aggregate amount charged during the year in respect of meeting fee to Four Non-Executive Directors and the Chairman was Rs. 7.9 million (30 June 2022: Four Non Executive Directors and Chairman Rs. 5.7 million).

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

40 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the related party	Transactions during the year	June 2023	June 2022
		(Rupees in '000)	
Gul Ahmed Holdings (Private) Limited - Parent Company	Dividend Paid	**-**	287,075
	Bonus Shares issued	**688,973**	57,414
Ideas (Private) Limited - Subsidiary Company	Sale of goods and services	**2,041,652**	2,557,396
	Sale of fixed assets	**13,718**	-
	Purchase of fixed assets	**56,246**	-

Name of the related party	Transactions during the year	June 2023	June 2022
		(Rupees in '000)	
Gul Ahmed International Limited (FZC) - UAE - Subsidiary Company	Sale of goods	**11,357**	-
	Commission paid	**3,607**	-
GTM (Europe) Limited -UK - Subsidiary Company	Sale of goods	**990,162**	622,980
	Sales through subsidiaries acting as agents	**3,381,859**	2,203,150
Vantona Home Limited - Subsidiary Company	Sales through subsidiaries acting as agents	**338,697**	129,266
GTM USA Corporation - Subsidiary Company	Sale of goods	**457,600**	256,865
Sky Home Corp. - USA - Subsidiary Company	Sale of goods	**194,499**	57,177
	Commission paid	**322,715**	214,879
Grand Industries (Private) Limited - Associated Company	Rent expense	**4,111**	600
	Bonus shares issued	**96,963**	-
Ghafooria Industries (Private) Limited - Associated Company	Bonus shares issued	**26,791**	-
Swisstex Chemicals (Private) Limited - Associated Company	Purchase of goods	**243,715**	61,328
	Sale of fixed assets	**-**	5,682
	Dividend paid	**-**	15,359
	Bonus Shares issued	**36,863**	-
Win Star (Private) Limited - Associated Company	Purchase of goods	**19,380**	4,769
Arwen Tech. (Private) Limited - Associated Company	Services rendered	**-**	1,319
Haji Ali Mohammad Foundation - Associated Company	Rent paid	**960**	960
The Pakistan Business Council - Associated Company	Fees paid	**2,500**	2,000
Habib Metropolitan Bank - Associated Company	Bills Discounted	**2,351,893**	15,766,349
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Company's contribution to provident fund	**299,239**	235,529
	Dividend paid	-	2,157
	Bonus Shares issued	**5,178**	-
Pakistan Textile Council - Associated Company	Membership fees	**1,500**	-
Landhi Association of Trade & Industry	Donation paid	**1,100**	-
	Fees paid	**30**	-

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

40.2 During the year, Ideas (Private) Limited, a subsidiary company, has issued 3,466,340 bonus shares at rate of 306% to the Company.

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

Company name	Country of Incorporation	Basis of relationship	% of shareholding
Gul Ahmed Holdings (Private) Limited	Pakistan	Holding Company	55.86%
Gul Ahmed International Limited (FZC) - UAE	UAE	Wholly owned subsidiary	100%
GTM (Europe) Limited	UK	Wholly owned ultimate subsidiary	100%
GTM USA Corp.	USA	Wholly owned ultimate subsidiary	100%
Sky Home Corp.	USA	Wholly owned ultimate subsidiary	100%
Vantona Home Limited	UK	Wholly owned ultimate subsidiary	100%
JCCO 406 Limited	UK	Wholly owned ultimate subsidiary	100%
Ideas (Private) Limited	Pakistan	Wholly owned subsidiary	100%
Habib Metropolitan Bank Limited (HMBL)	Pakistan	Common Directorship	-
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%
Arwen Tech. (Private) Limited	Pakistan	Common Directorship	-
Win Star (Private) Limited	Pakistan	Common Directorship	-
TPL Properties Limited	Pakistan	Common Directorship	-
Habib University Foundation	Pakistan	Common Directorship	-
The Pakistan Business Council	Pakistan	Common Directorship	-
Ghafooria Industries (Private) Limited	Pakistan	Group Company & Common Directorship	2.17%
LITE Development and Management Company	Pakistan	Common Directorship	-
Grand Industries (Private) Limited	Pakistan	Group Company & Major Shareholders	7.86%
Haji Ali Mohammad Foundation	Pakistan	Member of Foundation	-
Gul Ahmed Holdings (Private) Limited	Pakistan	Holding Company	-
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Pakistan	Employees Fund	0.42%

41 CAPACITY AND PRODUCTION

	Unit	June 2023 Capacity	June 2023 Production	June 2023 Working	June 2022 Capacity	June 2022 Production	June 2022 Working
		(Rupees in '000)					
Spinning	Kgs. (20 Counts converted)	**95,234**	**88,905**	**3 shifts**	88,432	84,817	3 shifts
Weaving	Sq. meters (50 Picks converted)	**231,059**	**207,469**	**3 shifts**	227,557	203,456	3 shifts

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

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

42 NUMBER OF PERSONS EMPLOYED

Number of persons employed as at year end were 15,624 (30 June 2022: 15,493) and average number of employees during the year were 14,925 (30 June 2022: 15,791).

43 PROVIDENT FUND RELATED DISCLOSURES

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

44 FINANCIAL ASSETS AND LIABILITIES

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

	June 2023						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
	Maturity up to one year	Maturity after one Year	Sub total	Maturity upto one Year	Maturity after one Year	Sub total	
	(Rupees in '000)						
Financial assets							
At amortized cost							
Long term investment	-	70,000	70,000	-	-	-	70,000
Loans, advances and other receivables	43,164	51,490	94,654	813,525	16,411	829,936	924,590
Long term deposits	-	-	-	-	132,947	132,947	132,947
Trade debts	6,653,253	-	6,653,253	16,768,630	-	16,768,630	23,421,883
Cash and bank balances	-	-	-	334,471	-	334,471	334,471
	6,696,417	121,490	6,817,907	17,916,626	149,358	18,065,984	24,883,891
Financial liabilities							
At amortized cost							
Long term financing	3,096,186	20,117,007	23,213,193	-	-	-	23,213,193
Current maturity of gas infrastructure development cess payable	-	-	-	4,157,746	-	4,157,746	4,157,746
Trade and other payables	317,940	-	317,940	21,907,793	-	21,907,793	22,225,733
Accrued mark-up / profit	-	-	-	1,570,154	-	1,570,154	1,570,154
Short term borrowings	30,205,729	-	30,205,729	-		-	30,205,729
Unclaimed dividend	-	-	-	9,931	-	9,931	9,931
Unpaid dividend	-	-	-	23,505	-	23,505	23,505
	33,619,855	20,117,007	53,736,862	27,669,129	-	27,669,129	81,405,991
Off balance sheet items							
Guarantees	-	-	-	4,388,000	-	4,388,000	4,388,000
Bills discounted	-	-	-	7,700,622	-	7,700,622	7,700,622
Commitments	-	-	-	5,156,116	-	5,156,116	5,156,116
	-	-	-	17,244,738	-	17,244,738	17,244,738

Financial assets and liabilities of the Company as at 30 June 2022 were as follows;

	(Restated) June 2022						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
	Maturity up to one year	Maturity after one Year	Sub total	Maturity upto one Year	Maturity after one Year	Sub total	
	(Rupees in '000)						
Financial assets							
At amortized cost							
Long term investment	-	70,000	70,000	-	-	-	70,000
Loans, advances and other receivables	50,864	104,440	155,304	504,990	22,820	527,810	683,114
Long term deposits	-	-	-	-	97,564	97,564	97,564
Trade debts	5,780,856	-	5,780,856	19,801,698	-	19,801,698	25,582,554
Cash and bank balances	-	-	-	1,790,621	-	1,790,621	1,790,621
	5,831,720	174,440	6,006,160	22,097,309	120,384	22,217,693	28,223,853
Financial liabilities							
At amortized cost							
Long term financing	3,301,695	20,550,890	23,852,585	-	-	-	23,852,585
Current maturity of gas infrastructure development cess payable	-	-	-	2,878,521	-	2,878,521	2,878,521
Trade and other payables	549,607	-	549,607	16,916,545	-	16,916,545	17,466,152
Accrued mark-up / profit	-	-	-	614,522	-	614,522	614,522
Short term borrowings	35,362,069	-	35,362,069	-		-	35,362,069
Unclaimed dividend	-	-	-	10,413	-	10,413	10,413
Unpaid dividend	-		-	23,505		23,505	23,505
At fair value							
Liability under forward cover	-	-	-	32,220	-	32,220	32,220
	39,213,371	20,550,890	59,764,261	20,475,726	-	20,475,726	80,239,987
Off balance sheet items							
Guarantees	-	-	-	3,163,000	-	3,163,000	3,163,000
Bills discounted	-	-	-	5,463,401	-	8,947,337	8,947,337
Commitments	-	-	-	10,979,578	-	10,979,578	10,979,578
	-	-	-	19,605,980	-	23,089,915	23,089,915

45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management objectives

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

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

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

45.1 Market risks

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

a) Currency risk

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

Exposure to foreign currency risk

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

	June 2023	June 2022 (Restated)
	(Equivalent USD in 000s)	
Trade debts	**29,494**	23,879
Cash and bank balances	**237**	88
Short term borrowing	**-**	(20,949)
Trade and other payables	**(457)**	(112)
Net exposure	**29,274**	2,906

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

	June 2023	June 2022
	(Rupees in '000)	
Foreign currency commitments and guarantees outstanding at year end are as follows:		
USD	**18,859**	54,499
EURO	**500**	500
AED	**14,600**	14,600
GBP	**250**	250

The following significant exchange rates were applied during the year:

	June 2023	June 2022
Rupee per USD		
Average rate (Selling / Buying)	**248.3 / 247.8**	179.7 / 179.2
Reporting date rate (Selling / Buying)	**287.1 / 286.6**	206.0 / 205.5
Rupee per EURO		
Average rate (Selling / Buying)	**261.5 / 260.9**	201.1 / 200.5
Reporting date rate (Selling / Buying)	**314.3 / 313.7**	215.7 / 215.2
Rupee per GBP		
Average rate (Selling / Buying)	**299.8 / 299.2**	236.8 / 236.1
Reporting date rate (Selling / Buying)	**365.4 / 364.8**	249.9 / 249.3
Rupee per AED		
Average rate (Selling / Buying)	**68.0 / 67.8**	49.0 / 48.9
Reporting date rate (Selling / Buying)	**78.7 / 78.6**	56.5 / 56.3

Foreign currency sensitivity analysis

A five percent strengthening / weakening of the Rs. against the USD at 30 June 2023 would have increased / decreased the equity and profit / loss after tax by Rs. 419.49 million (30 June 2022: Rs. 21.20 million). This analysis assumes that all other variables, in particular markups, remain constant. The analysis is performed on the same basis for 30 June 2022.

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

b) Interest / mark-up rate risk

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

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

Financial assets include balances of Rs. 6,817.91 million (30 June 2022: Rs. 6,383 million) which are subject to interest / mark-up rate risk. Financial liabilities include balances of Rs. 53,736.86 million (30 June 2022: Rs. 59,764 million) which are subject to interest / mark-up rate risk. Applicable interest / mark-up rates for financial assets and liabilities are given in respective notes.

Cash flow sensitivity analysis for variable rate instruments

At 30 June 2023, if markups on long term financing would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 232.1 million (30 June 2022: Rs 169.4 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

At 30 June 2023, if markups on short term borrowings would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 302.05 million (30 June 2022: Rs. 251.1 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. Effect of change in 1% interest rate on financial assets is Rs. 5.8 million.

Fair value sensitivity analysis for fixed rate instruments

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

c) Other Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest or currency rate risk) whether those changes are caused by factors specified to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk.

45.2 Credit risk

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

Exposure to credit risk

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

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
Long term investment	7.3	**70,000**	70,000
Loans, advances and other receivables		**924,590**	683,114
Long term deposit		**132,947**	97,564
Trade debts	11	**23,421,883**	25,582,554
Bank balances	14	**325,249**	1,780,060
		24,874,669	28,213,292

The Company manages credit risk as follows:

Loans, advances and other receivables

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

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

Long Term Deposits

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

Trade debts

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

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

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

	June 2023		June 2022 (Restated)	
	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance
	(Rupees in '000)			
Secured	**11,762,717**	**-**	5,473,425	-
Unsecured				
Current	**7,283,798**	**-**	12,322,841	-
1-30 Days	**3,206,473**	**418**	5,424,760	318
31-60 Days	**408,994**	**3,990**	691,942	3,033
61-90 Days	**922,384**	**158,075**	1,560,503	120,154
More than 90 Days	**249,636**	**249,636**	422,337	189,750
	23,834,002	**412,119**	25,895,809	313,255

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

Long term investment and bank balances

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

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

	Note	June 2023	June 2022
		(Rupees in '000)	
Long term investment			
AAA	7.3	**70,000**	70,000
Bank balances			
AAA		**180,502**	953,591
AA+		**117,972**	300,086
AA		**11,843**	513,048
AA-		**344**	2,004
A+		**188**	9,210
A		**14,400**	2,097
BBB-		**-**	24
		325,249	1,780,060
		395,249	1,850,060

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

Financial assets that are either past due or impaired

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

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

45.3 Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash in hand and at banks and ensuring the fund availability through adequate credit facilities. At 30 June 2023, the Company has Rs. 37,328 million (30 June 2022: Rs. 38,269 million) available borrowing limit from financial institutions. Unutilized borrowing facilities of Rs. 7,122 million (30 June 2022: Rs. 6,505 million) and also has Rs. 334.47 million (30 June 2022: Rs. 1,791 million) being cash in hand and balances at banks. Based on the above, management believes the liquidity risk is insignificant.

	Carrying amount	Contractual cash flow	Less than one year	More than one year
	(Rupees in '000)			
As at 30 June 2023				
Long term financing	**23,213,193**	**23,213,193**	**3,096,186**	**20,117,007**
Gas infrastructure development cess payable	**4,157,746**	**4,157,746**	**4,157,746**	**-**
Trade and other payables	**22,225,733**	**22,225,733**	**22,225,733**	**-**
Accrued markup	**1,570,154**	**1,570,154**	**1,570,154**	**-**
Short term borrowings	**30,205,729**	**30,205,729**	**30,205,729**	**-**
Unclaimed dividend	**9,931**	**9,931**	**9,931**	**-**
Unpaid dividend	**23,505**	**23,505**	**23,505**	**-**
	81,405,991	**81,405,991**	**61,288,984**	**20,117,007**
Total as at 30 June 2022	75,593,338	78,724,043	55,684,410	23,039,633

45.4 Capital risk management

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

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

The Company's strategy is to maintain leveraged gearing. The gearing ratios as at 30 June 2023 and 30 June 2022 were as follows;

	June 2023	June 2022
	(Rupees in '000)	
Total borrowings	**53,418,922**	59,214,654
Cash and bank	**(334,471)**	(1,790,621)
Net debt	**53,084,451**	57,424,033
Total equity	**40,071,377**	36,133,299
Total equity and debt	**93,155,828**	93,557,332
Gearing ratio (%)	**57**	61

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

46 FAIR VALUES

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

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

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

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

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

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

47 SUBSEQUENT EVENT

The Board of Directors, in their meeting held on 25 September 2023, approved the creation of a reserve, for the purpose of Business Modernization and capacity expansions, by transferring an amount of Rs. 23 billion from Unappropriated profit to this reserve. The financial statements for the year ended 30 June 2023, do not include the effect of this allocation, which will be accounted for in the unconsolidated financial statements for the year ending 30 June 2024.

48 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 25 September 2023.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer

ATTENDANCE AT BOARD MEETINGS

For the year ended 30 June 2023

Name of Directors	Board		Audit Committee		Human Resource & Remuneration Committee	
	Required	Attended	Required	Attended	Required	Attended
Mohomed Bashir	5	5	5	5	1	1
Zain Bashir	5	5	--	--	1	1
Mohammed Zaki Bashir	5	5	--	--	--	--
Ziad Bashir	5	5	--	--	--	--
Dr. Amjad Waheed	3	3	4	4	--	--
Ehsan A. Malik	5	5	5	5	--	--
Zeeba Ansar	5	5	--	--	1	1
Kamran Y. Mirza	2	2	1	1	--	--

CATEGORIES OF SHAREHOLDING

As at 30 June 2023

S.No	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Individuals	7,220	140,394,933	18.97
2	Investment Companies & Mutual Funds	119	474,410,440	64.10
3	Insurance Companies	6	20,732,978	2.80
4	Joint Stock Companies	35	103,647,484	14.01
5	Modaraba Companies	1	90	-
6	Financial Institutions	3	13,222	-
7	Charitable Institutions	7	533,020	0.07
8	Government Departments	3	327,291	0.05
		7,394	**740,059,458**	**100.00**

PATTERN OF SHAREHOLDING

As at 30 June 2023

No of shareholders	No. of sharesholdings		Total shares
	From	To	
1,051	1	100	33,155
1,243	101	500	303,614
1,074	501	1,000	761,411
2,432	1,001	5,000	5,458,041
624	5,001	10,000	4,356,682
288	10,001	15,000	3,539,096
131	15,001	20,000	2,303,382
98	20,001	25,000	2,244,544
73	25,001	30,000	2,040,046
35	30,001	35,000	1,134,968
43	35,001	40,000	1,580,176
24	40,001	45,000	1,014,430
24	45,001	50,000	1,162,419
23	50,001	55,000	1,220,273
28	55,001	60,000	1,666,136
6	60,001	65,000	372,064
9	65,001	70,000	606,300
11	70,001	75,000	790,042
9	75,001	80,000	701,534
8	80,001	85,000	667,115
9	85,001	90,000	797,397
4	90,001	95,000	369,831
8	95,001	100,000	780,625
2	100,001	105,000	202,800
6	105,001	110,000	647,960
5	110,001	115,000	563,557
11	115,001	120,000	1,311,695

No of shareholders	No. of sharesholdings		Total shares
	From	To	
1	120,001	125,000	120,835
4	125,001	130,000	512,640
4	130,001	135,000	530,214
1	135,001	140,000	139,111
3	140,001	145,000	429,000
3	145,001	150,000	445,492
3	150,001	155,000	454,036
4	160,001	165,000	645,417
2	170,001	175,000	345,600
5	175,001	180,000	895,640
2	180,001	185,000	365,994
2	190,001	195,000	382,737
1	200,001	205,000	202,965
1	210,001	215,000	214,176
1	215,001	220,000	216,000
1	225,001	230,000	227,922
1	230,001	235,000	233,400
5	235,001	240,000	1,200,000
1	240,001	245,000	243,600
1	245,001	250,000	247,632
3	250,001	255,000	757,108
2	255,001	260,000	516,000
4	285,001	290,000	1,153,080
2	305,001	310,000	613,452
1	310,001	315,000	313,596
1	325,001	330,000	326,958
2	335,001	340,000	674,104

No of shareholders	No. of sharesholdings		Total shares
	From	To	
3	355,001	360,000	1,076,640
2	370,001	375,000	745,144
1	375,001	380,000	379,936
1	385,001	390,000	387,936
1	415,001	420,000	420,000
1	430,001	435,000	432,000
1	445,001	450,000	447,897
1	455,001	460,000	457,500
4	475,001	480,000	1,917,685
1	495,001	500,000	498,700
1	505,001	510,000	506,400
1	555,001	560,000	558,601
3	595,001	600,000	1,797,744
1	605,001	610,000	609,176
1	635,001	640,000	638,283
1	670,001	675,000	674,090
1	700,001	705,000	704,581
1	715,001	720,000	720,000
1	810,001	815,000	813,290
1	940,001	945,000	945,000
1	960,001	965,000	960,510
1	1,065,001	1,070,000	1,069,920
1	1,185,001	1,190,000	1,185,120
1	1,190,001	1,195,000	1,194,500
1	1,195,001	1,200,000	1,200,000
1	2,285,001	2,290,000	2,286,144
1	2,995,001	3,000,000	3,000,000

No of shareholders	No. of sharesholdings		Total shares
	From	To	
1	3,105,001	3,110,000	3,107,005
1	3,210,001	3,215,000	3,212,744
1	3,485,001	3,490,000	3,471,541
1	3,870,001	3,875,000	3,874,262
1	4,135,001	4,140,000	4,138,849
1	4,295,001	4,300,000	4,298,899
1	4,890,001	4,895,000	4,892,505
1	7,015,001	7,020,000	7,016,056
1	7,950,001	7,955,000	7,951,864
1	10,835,001	10,840,000	10,839,856
1	11,995,001	12,000,000	12,000,000
1	16,070,001	16,075,000	16,074,505
1	16,305,001	16,310,000	16,308,631
1	22,113,001	22,118,000	22,117,519
1	24,730,001	24,735,000	24,731,260
2	24,895,001	24,900,000	49,799,608
1	58,175,001	58,180,000	58,177,795
1	413,379,001	413,384,000	413,383,760
7,394			**740,059,458**

PATTERN OF SHAREHOLDING

For the year ended 30 June 2023

Additional Information

Categories of Shareholders	Number	Shares held
Associated Companies, Undertaking and Related Parties		
GUL AHMED HOLDINGS (PRIVATE) LIMITED	1	413,383,760
SWISSTEX CHEMICALS (PRIVATE) LIMITED	1	22,117,519
GRAND INDUSTRIES (PRIVATE) LIMITED	1	58,177,795
GHAFOORIA INDUSTRIES (PRIVATE) LIMITED	1	16,074,505
TRUSTEE - GUL AHMED TEXTILE MILLS LIMITED		
EMPLOYEES PROVIDENT FUND TRUST	1	3,107,005
NIT and ICP		
IDBP (ICP UNIT)	1	3,565
IDBL (ICP UNIT)	1	764
CDC - TRUST NATIONAL INVESTMENT (UNIT) TRUST	1	21,782
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	10,839,856
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	259,200
CDC - TRUSTEE NIT INCOME FUND - MT	1	3,500
Mutual Funds		
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	4,138,849
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	250,022
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	150,566
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	4
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	48,144
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	178
CDC - TRUSTEE NBP STOCK FUND	1	7,016,056
CDC - TRUSTEE NBP BALANCED FUND	1	247,632
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	372,424
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	638,283
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	307,452
CDC - TRUSTEE ABL STOCK FUND	1	674,090
CDC - TRUSTEE NBP SARMAYA IZAFA FUND	1	252,086
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	2,358
CDC - TRUSTEE AWT STOCK FUND	1	30,600
CDC - TRUSTEE AWT FAYSAL MTS FUND -MT	1	60,000
CDC - TRUSTEE HBL INCOME FUND - MT	1	148,540
CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND	1	52,516
CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	1	30,339
CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLANT I - MT	1	113,960

Categories of Shareholders	Number	Shares held
Associated Companies, Undertaking and Related Parties		
GUL AHMED HOLDINGS (PRIVATE) LIMITED	1	413,383,760
SWISSTEX CHEMICALS (PRIVATE) LIMITED	1	22,117,519
GRAND INDUSTRIES (PRIVATE) LIMITED	1	58,177,795
GHAFOORIA INDUSTRIES (PRIVATE) LIMITED	1	16,074,505
TRUSTEE - GUL AHMED TEXTILE MILLS LIMITED		
EMPLOYEES PROVIDENT FUND TRUST	1	3,107,005
NIT and ICP		
IDBP (ICP UNIT)	1	3,565
IDBL (ICP UNIT)	1	764
CDC - TRUST NATIONAL INVESTMENT (UNIT) TRUST	1	21,782
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	10,839,856
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	259,200
CDC - TRUSTEE NIT INCOME FUND - MT	1	3,500
Mutual Funds		
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	4,138,849
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	250,022
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	150,566
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	4
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CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	307,452
CDC - TRUSTEE ABL STOCK FUND	1	674,090

CONSOLIDATED FINANCIAL STATEMENTS 2023

GROUP DIRECTORS' REPORT

The directors are pleased to present their report together with the audited Consolidated Financial Statements of the Group for the year ended 30 June 2023.

The Group

The Group comprises of;

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

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

Group Results

The Consolidated financial results of the Group are given below:

	(Rupees in '000)
Profit before tax	6,996,301
Taxation	(2,098,816)
Profit after tax	4,897,485
Total reserves brought forward	31,868,582
Amount available for appropriation	**36,766,067**
Appropriation	
Amount carried to other comprehensive income	(47,941)
Exchange difference on transactions of foreign subsidiaries	(319,697)
Issuance of bonus shares	(1,233,432)
Amount available for appropriation	36,766,067
Total reserves carried forward	**35,164,997**
Earnings per share (Rs.)	6.62

Pattern of Shareholding

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

Karachi
25 September 2023

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUL AHMED TEXTILE MILLS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Gul Ahmed Textile Mills Limited and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 30 June 2023, and consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group's affairs as at 30 June 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter - comparative information

We draw attention to Note 4 to the consolidated financial statements which indicates that the comparative information presented as at ended 30 June 2022 and 1 July 2021 has been restated. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue Recognition**	
	Refer notes 3.17 & 30 to the consolidated financial statements. The Group's revenue for the year ended 30 June 2023 was Rs. 138,927million. The Group's revenue is principally generated from the sale of textile goods and related processing services. We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.	Our audit procedures in this area included, amongst others: • Obtaining an understanding of the process relating to recognition of revenue; • Inspecting revenue agreements with customer on sample basis to understand and assess the terms and conditions therein which may affect the revenue recognition; • Performing verification on a sample basis of revenue transactions recorded during the year with underlying documentation including revenue agreement, sales invoices and other relevant documents; • Comparing on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes, Bill of lading, Goods declaration and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Evaluating the appropriateness of disclosure presented in the consolidated financial statements in accordance with the requirement of IFRS 15.
2.	**Valuation of Stock-in-trade**	
	Refer notes 2.4 (c and d), 3.7 and 12 to the consolidated financial statements. As at 30 June 2023 the Group's stock-in-trade amounting to Rs. 47,583 million Several estimates and judgments are involved in the valuation of stock in trade, in determining the net realizable values, and in assessing the appropriate level of provisioning required for the stock in trade. This includes the assessment of available facts and circumstances, the physical condition of the stock in trade, market selling prices, and the estimated selling cost of the stock in trade. The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock in trade being considered as a key audit matter.	Our audit procedures in this area included, amongst others: • Attending management's inventory counts and observed the process, including observing the process implemented by management to identify and monitor obsolete stock; • Assessing the adequacy of the allowance for obsolescence, by taking into consideration the status of the ageing and conditions of the inventories and historical usage pattern; • Comparing the net realizable values, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards; and • Assessing the adequacy of the related disclosures in the notes to the consolidated financial statements.

S. No.	Key audit matters	How the matters were addressed in our audit
3.	**Borrowings**	
	Refer notes 3.19.2, 20 and 27 to the consolidated financial statements. The Group has significant amounts of borrowings from banks and other financial institutions amounting to Rs. 51,308 million as at reporting date. Given the significant level of borrowings, finance cost and gearing impact, the disclosure given by the management in financial statements and compliance with various loan covenants, has resulted it being a key audit matter.	Our audit procedures in this area included, amongst others: • Reviewing loan agreements and facility letters to ascertain the terms and conditions of repayment, covenants, rates of markup used and disclosed by management and ensured that the borrowings have been approved at appropriate level; • Verifying the disbursement of loans received during the year to ensure that they are appropriately recorded, and that related finance costs have been correctly accounted for; • Circulating direct confirmations with the banks and other lenders of the Group for verification of the balances reported in the consolidated financial statements; • Checking the Group's compliance with the covenants as at the year end, as outlined in the loan agreements; and • Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the consolidated financial statements.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023 but does not include the unconsolidated financial statements, the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter relating to comparative information

The consolidated financial statements of Gul Ahmed Textile Mills Limited as at and for the years ended 30 June 2022 and 30 June 2021 (from which the statement of financial position as at 01 July 2021 has been derived), excluding the adjustments described in Note 4 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 5 October 2022.

As part of our audit of the consolidated financial statements as at and for the year ended 30 June 2023, we audited the adjustments described in Note 4 that were applied to restate the comparative information presented as at and for the year ended 30 June 2022 and the consolidated statement of financial position as at 1 July 2021. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 30 June 2022 or 30 June 2021 (not presented herein) or to the consolidated statement of financial position as at 1 July 2021, other than with respect to the adjustments described in Note 4 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 4 are appropriate and have been properly applied.

Other Matter

The audit for Gul Ahmed Textile Mills Limited (the "Component") has been conducted by us, while other components audit has been conducted by the other independent audit firms.

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

Date: 05 October 2023

Karachi

UDIN: AR202310106x4iJ0tHIz

KPMG Taseer Hadi & Co.
Chartered Accountants

GUL AHMED TEXTILE MILLS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022	(Restated) 01 July 2021
		(Rupees in '000)		
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**54,750,180**	50,250,946	42,490,276
Right of use assets	6	**2,860,182**	2,957,461	3,302,289
Intangible assets	7	**197,892**	190,838	210,497
Long term investment	8	**70,000**	70,000	73,526
Long term loans	9	**67,901**	127,260	83,057
Long term deposits		**491,434**	532,553	296,145
Deferred taxation - net	10	**497,001**	-	79,703
Total non-current assets		**58,934,590**	54,129,058	46,535,493
CURRENT ASSETS				
Stores and spares	11	**1,913,060**	1,266,580	996,644
Stock-in-trade	12	**47,583,004**	42,638,798	32,860,168
Trade debts	13	**16,621,547**	20,183,635	14,254,591
Loans, advances and other receivables	14	**3,434,354**	2,835,718	2,431,299
Short term prepayments		**272,534**	289,971	167,726
Receivable from government	15	**3,681,857**	3,351,546	4,087,419
Cash and bank balances	16	**1,200,791**	2,405,709	979,929
Total current assets		**74,707,147**	72,971,957	55,777,776
Total Assets		**133,641,737**	127,101,015	102,313,269

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022	(Restated) 01 July 2021
		(Rupees in '000)		
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	17	**7,400,594**	6,167,162	5,311,573
Share premium		**-**	-	692,424
Statutory reserve	18	**20,845**	20,845	19,827
Reserves	19	**7,993,752**	8,313,449	8,478,701
Unappropriated profit		**27,150,400**	23,534,288	13,845,028
Total Share Capital and Reserve		**42,565,591**	38,035,744	28,347,553
NON-CURRENT LIABILITIES				
Long term financing	20	**20,117,007**	20,550,890	18,571,409
Lease Liabilities against right of use assets	21	**2,991,771**	3,050,093	3,279,224
Gas infrastructure development cess payable	22	**-**	885,219	1,325,299
Deferred taxation - net	10	**-**	63,763	-
Deferred income - government grant	23	**102,606**	135,122	142,003
Defined benefit plan - staff gratuity	24	**337,549**	211,068	156,413
Long term deposits		**31,420**	57,511	82,435
Total non-current liabilities		**23,580,353**	24,953,666	23,556,783
CURRENT LIABILITIES				
Trade and other payables	25	**26,293,998**	20,749,571	14,945,267
Accrued mark-up / profit	26	**1,611,026**	614,522	341,473
Short term borrowings	27	**31,191,367**	35,483,721	29,162,163
Current maturity of long term financing	20	**3,096,186**	3,301,695	2,500,941
Current maturity of lease liabilities against right of use assets	21	**609,749**	602,780	568,220
Current maturity of deferred income - government grant	23	**32,388**	54,551	108,416
Current maturity of gas infrastructure development cess payable	22	**4,157,746**	2,878,521	2,224,653
Unclaimed dividend		**9,931**	10,413	297,702
Unpaid dividend	28	**23,505**	23,505	23,505
Taxation - net		**469,897**	392,326	236,593
Total current liabilities		**67,495,793**	64,111,605	50,408,933
CONTINGENCIES AND COMMITMENTS	29	**-**	-	-
Total Equity and Liabilities		**133,641,737**	127,101,015	102,313,269

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022
		(Rupees in '000)	
Sales - net	30	**138,926,684**	121,812,606
Cost of sales	31	**(110,746,798)**	(94,800,552)
Gross profit		**28,179,886**	27,012,054
Selling and distribution cost	32	**(8,572,834)**	(7,627,180)
Administrative cost	33	**(5,654,620)**	(3,818,849)
Other operating cost	34	**(462,460)**	(934,896)
		(14,689,914)	(12,380,925)
Operating profit		**13,489,972**	14,631,129
Other income	35	**821,871**	986,920
Finance costs	36	**(7,315,542)**	(3,921,064)
Profit before taxation		**6,996,301**	11,696,985
Taxation	37	**(2,098,816)**	(1,851,948)
Profit after taxation		**4,897,485**	9,845,037

	Note	2023	2022 (Restated)
		(Rupees)	
Earnings per share - basic and diluted	35	**6.62**	13.30

The annexed notes from 1 to 51 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
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	30 June 2023	(Restated) 30 June 2022
		(Rupees in '000)	
Profit after taxation		**4,897,485**	9,845,037
Other comprehensive (loss) / income			
Items that will not be reclassified to consolidated statement of profit or loss subsequently			
Remeasurement (loss) / gain on defined benefit plan	24.3	**(48,622)**	9,087
Related tax effect		**681**	(681)
		(47,941)	8,406
Exchange loss on translation		**(319,697)**	(165,252)
Total comprehensive income		**4,529,847**	9,688,191

The annexed notes from 1 to 51 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
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	30 June 2023	30 June 2022 (Restated)
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**6,996,301**	11,696,985
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	5.1.1	**4,162,282**	3,397,212
Depreciation of right of use assets	6	**756,676**	741,376
Amortisation of intangible assets	7.1	**42,579**	39,249
Write-off of intangible assets	7	**15,405**	-
Expense recognised for defined benefit plan	33.1	**144,188**	125,589
Finance costs	36	**7,315,542**	3,919,631
Provision for slow moving / obsolete stores and spares	11.1	**70,944**	47,088
Provision for slow moving stock-in-trade	12.1	**138,554**	-
Unclaimed liabilities written back		**(53,162)**	-
Government grant recognised in income	35	**(54,679)**	(116,193)
Remeasurement gain on gas infrastructure development cess payable	35	**-**	(110,206)
Gain on termination of right of use assets and corresponding lease liabilities	35	**(68,117)**	(76,944)
Loss on disposal of property, plant and equipment	34	**23,145**	222,207
Expected credit loss against doubtful trade debts	13.1	**108,855**	61,695
		12,602,212	8,250,704
Changes in working capital:			
Stores and spares		**(646,480)**	(308,475)
Stock-in-trade		**(5,142,390)**	(9,787,179)
Trade debts		**3,453,233**	(5,990,739)
Loans, advances and other receivables		**(598,636)**	(81,491)
Short term prepayments		**17,437**	(68,029)
Receivable from government		**(891,253)**	699,138
Trade and other payables		**5,595,424**	5,802,871
Net increase / (decrease) in working capital		**1,787,335**	(9,733,904)
Cash generated from operating activities		**21,385,848**	10,213,785
Payment made to defined benefit plan	24.1	**(65,372)**	(61,847)
Income taxes paid		**(2,095,496)**	(1,516,038)
		(2,160,868)	(1,577,885)
Net cash from operating activities		**19,224,980**	8,635,900

GUL AHMED TEXTILE MILLS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	30 June 2023	30 June 2022 (Restated)
		(Rupees in '000)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		**(8,728,844)**	(11,529,897)
Payments for acquisition of intangible assets		**(17,532)**	(19,590)
Increase / (decrease) in long term loans		**59,359**	(44,203)
Increase / (decrease) in long term deposits		**15,028**	(638,477)
Proceeds from disposal of property, plant and equipment		**61,730**	149,807
Proceeds from disposal of long term investments		**-**	3,526
Net cash used in investing activities		**(8,610,259)**	(12,078,834)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		**2,395,568**	6,111,900
Repayment of long term financing		**(3,034,960)**	(3,392,411)
Payments against lease liabilities and corresponding right of use assets		**(1,053,011)**	(912,938)
(Decrease) / increase in short term borrowings		**(4,767,385)**	10,158,097
Finance costs paid		**(5,514,703)**	(2,806,854)
Dividend paid		**(482)**	(287,289)
Net cash (used in) / generated from financing activities		**(11,974,973)**	8,870,505
Exchange loss on foreign currency retranslation		**(319,697)**	(165,252)
Net (decrease) / increase in cash and cash equivalents		**(1,679,949)**	5,262,319
Cash and cash equivalents at the beginning of the year		**148,642**	(5,113,677)
Cash and cash equivalents at the end of the year	41	**(1,531,307)**	148,642

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer

GUL AHMED TEXTILE MILLS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Share Capital	Reserves						Total Equity
		Capital Reserve - Share Premium	Capital Reserve - Statutory reserve	Capital Reserve Amalgamation Reserve	Foreign Currency Translation Reserve	Revenue Reserve - Unappropriated Profit	Total Reserves	
	(Rupees in '000)							
Balances as at 01 July 2021	5,311,573	692,424	19,827	8,252,059	226,642	13,845,028	23,035,980	28,347,553
Total comprehensive income for the year ended 30 June 2022								
Profit after taxation	-	-	-	-	-	9,845,037	9,845,037	9,845,037
Other comprehensive income / (loss)	-	-	-	-	(165,252)	8,406	(156,846)	(156,846)
Transfer to statutory reserve	-	-	1,018	-	-	(1,018)	-	-
	-	-	1,018	-	(165,252)	9,852,425	9,688,191	9,688,191
Transaction with owners								
Issuance of bonus shares @ 20%	855,589	(692,424)	-	-	-	(163,165)	(855,589)	-
Balances as at 30 June 2022	6,167,162	-	20,845	8,252,059	61,390	23,534,288	31,868,582	38,035,744
Balances as at 01 July 2022	**6,167,162**	**-**	**20,845**	**8,252,059**	**61,390**	**23,534,288**	**31,868,582**	**38,035,744**
Total comprehensive income for the year ended 30 June 2023								
Profit after taxation	**-**	**-**	**-**	**-**	**-**	**4,897,485**	**4,897,485**	**4,897,485**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(319,697)**	**(47,941)**	**(367,638)**	**(367,638)**
Transfer to statutory reserve	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**(319,697)**	**4,849,544**	**4,529,847**	**4,529,847**
Transaction with owners								
Issuance of bonus shares @ 20%	**1,233,432**	**-**	**-**	**-**	**-**	**(1,233,432)**	**(1,233,432)**	**-**
Balances as at 30 June 2023	**7,400,594**	**-**	**20,845**	**8,252,059**	**(258,307)**	**27,150,400**	**35,164,997**	**42,565,591**

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**ABDUL ALEEM**
Chairman	Chief Executive Officer	Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1 LEGAL STATUS AND ITS OPERATIONS

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

Holding Company

- Gul Ahmed Textile Mills Limited

Subsidiary Companies

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

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

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

Detail of Subsidiaries	Country of Incorporation	Percentage of Holding	Principal place of business
Direct subsidiaries			
Gul Ahmed International Limited (FZC) - UAE	United Arab Emirates	100%	Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.
Ideas (Private) Limited	Pakistan	100%	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Indirect subsidiaries			
GTM USA Corp.	United States of America	100%	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.

Detail of Subsidiaries	Country of Incorporation	Percentage of Holding	Principal place of business
Sky Home Corporation	United States of America	100%	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Vantona Home Limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
JCCO 406 Limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM (Europe) Limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.

1.2 Geographical locations and addresses of all immoveable properties owned by the Group are as follows:

Area	Address
25.07 Acres	Plot No. HT - 4, Landhi Industrial Area, Karachi
14.9 Acres	Survey No. 82, Deh Landhi, Karachi
18.56 Acres	Plot No. H - 7, Landhi Industrial Area, 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, Karachi
4,023.16 Sq. yards	Plot No. H - 19/1, Landhi Industrial Area, Karachi
6.83 Acres	Plot 368, 369 & 446, Deh Landhi, Karachi
12 Acres	Plot - HT 3/A, Landhi, Karachi
51.1 Acres	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi
1.997 Acres	Plot No. 65/I, Deh Dig, Sector-30, Korangi Industrial Area (Eastern), Karachi
0.306 Acres	24/A, Block C/3, Gulberg-III, Lahore
0.082 Acres	Shop Nos. 5 & 6, Bahadurabad, Karach

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

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

Address
Plot ST-17/1 and ST-17/3, Federal 'B' area, Azizabad, Karachi.
Plot No. H-17 / A, Landhi Industrial area, Karachi.
Plot # HT/2 Landhi Industrial area, Karachi.
Plot # HT/8, KDA Scheme 3, Landhi Industrial area, Karachi.
Plot W2/1-14, Western industrial zone, Port Qasim, Karachi.
Plot # H19/2-B Bin Qasim, Landhi Industrial area, Karachi.
Servey # 613, Deh Jorejee, Bin Qasim town, Karachi.
Servey # 614, Deh Jorejee, Bin Qasim town, Karachi.
Servey # 615, Deh Jorejee, Bin Qasim town, Karachi.
Plot No. 12, Sector 23, Korangi Industrial area, Karachi.

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

1.4 As at 30 June 2023, the Group has 111 retail outlets including 2 franchises. (30 June 2022: 109 retail outlets including 6 franchises).

1.5 Basis of consolidation

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

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

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

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

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

When the Group loses the control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in consolidated profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is asset.

2 BASIS OF PREPARATION

2.1 Basis of measurement

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

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 01 July 2021 is presented in these consolidated financial statements due to the retrospective restatement and reclassification as disclosed in note 4 of these unconsolidated financial statements.

2.2 Statement of compliance

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

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

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

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

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

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

a) Property, Plant and Equipment and Intangibles

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

b) Provision for obsolescence and slow moving stores and spares

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

c) Stock-in-trade

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

d) Impairment of financial assets

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

The amount of ECLs is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 48.2.

e) Taxation

The Group takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group's views differ from the views taken by the income tax department at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingencies as disclosed in note 29 of these consolidated financial statements.

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

f) Defined benefit plan

The present value of defined benefit plans depends upon a number of factors and is being calculated on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of defined benefit plan. The present value and the underlying assumptions are disclosed in note 24 of these consolidated financial statements.

g) Contingencies

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

h) Leases

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

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

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

- Reference to the Conceptual Framework – Amendments to IFRS 3 Business Combinations.

- Property, Plant and Equipment – Proceeds before Intended Use: Amendments to IAS 16 Property, Plant and Equipment.
- Onerous Contracts – Cost of Fulfilling a Contract: Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.
- Annual Improvements to IFRS Standards 2018 – 2020 – Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IAS 41 Agriculture.

Above are certain amendments and interpretations to accounting and reporting standards which are mandatory for the Group's annual accounting period beginning on 01 July 2022; however, these are not considered to be relevant.

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

The following IFRS Standards as notified under the Act and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 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 01 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 Group's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. The Group'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. The Group 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 the Group 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 Group must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Group 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 01 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 policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not to be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Group's consolidated financial statements.

  The Board also amended IFRS Standard 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 01 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 consolidated financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that the Group develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 01 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 Group 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 lease and decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax assets 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 01 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 01 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 the Group (a seller-lessee) applies the amendments arising from Lease Liability in a Sale-and-Leaseback for an earlier period, the Group 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.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for the Group to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Group's liabilities and cash flows, and the Group's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors the Group might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 01 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:
    - Once tax law is enacted but before top-up tax is effective: disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then the Group discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
    - After top-up tax is effective: disclose current tax expense related to top-up tax.

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Foreign currency transactions and translation

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

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

3.2 Property, plant and equipment

3.2.1 Operating fixed assets

Initial recognition

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

Measurement

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

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

Subsequent cost

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

Depreciation

Depreciation is charged using:

- Reducing Balance Method on Plant & Machinery, Office Equipment (other than IT Equipment), Building on Leasehold Land, Vehicles and Furniture & Fixtures; and
- Straight Line Method on IT equipment, structure on leasehold land and major Component of Plant & Machinery identifiable as a separate asset due to different useful life from the Plant & Machinery.

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

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

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

Gains and losses on disposal

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

3.2.2 Capital work-in-progress

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

3.3 Right of use assets

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

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

3.4 Intangible assets

These are stated at cost less accumulated amortisation and any provision for impairment loss. Amortisation of intangible assets is charged to consolidated statement of profit or loss by applying the straight line method at the rates specified in note 7 of these consolidated financial statements after taking into account residual value, if any.

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

3.5 Business combinations and goodwill

The Group uses acquisition method of accounting for acquisition of assets or class of assets, whereby, the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities assumed based on the fair value at the date of acquisition. Acquisition related costs are expensed out as incurred and included in administrative expenses.

Goodwill is initially measured at the acquisition date, being the excess of:

(a) the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and in a business combination achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree; and

(b) the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the consolidated statement of profit or loss at the acquisition date.

Goodwill arising on the acquisition of subsidiaries is subsequently measured at cost less accumulated impairment losses. Goodwill having an indefinite useful life are carried at cost less any impairment in value and are not amortised. However, these are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. However, goodwill having finite useful life are amortized over its estimated useful life over which economic benefits are expected to flow to the Group.

3.6 Stores and spares

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

3.7 Stock-in-trade

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

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

3.8 Trade and other receivables

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

3.9 Staff retirement benefits

Defined contribution plan

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

Defined benefit plan

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

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

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

3.10 Accumulated employee compensated absences

The Group provides for compensated absences for all eligible employees in the period in which these are earned. Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the consolidated statement of profit or loss.

3.11 Provisions and contingencies

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

3.12 Taxation

Current

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

Current Tax assets and liabilities are offsetted only if certain criteria are met.

Deferred

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

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

3.13 Borrowing cost

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

3.14 Lease liabilities

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

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

3.15 Government grant

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

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

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

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

3.16 Trade and other payables

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

3.17 Revenue recognition

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

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

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

  Revenue from services is recognised at the point in time when the performance obligation is satisfied i.e. control of the serviced goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those serviced goods. These services include sanforization and mercerization of fabric.
- Export rebate on export sales is recognized on an accrual basis at the time of export sale.
- Processing charges are recorded when processed goods are delivered to customers.

3.18 Other Income

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

- Profit on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and rates applicable thereon.
- Dividend income is recognized when the Group's right to receive the payment is established.
- Interest on loans and advances to employees is recognized on the effective interest method.
- Income from sale of scrap is recorded on delivery of scrap to the customer.
- The grant is recognised in statement of profit or loss, in line with the recognition of interest expense that the grant is compensating, in accordance with IAS 20.
- Income for liabilities written back / provision are recorded when the chances of settlement of liability / provision is remote.
- Income from foreign currency exchange are described in note 3.1 of these consolidated financial statements.
- Gain on derecognition of right of use asset and corresponding lease liability is recognised in accordance with the requirement of IFRS 16.

3.19 Financial Instruments

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

3.19.1 Financial assets

3.19.1.1 Initial recognition and measurement

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

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

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

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

3.19.1.2 Subsequent measurement

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

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVPL).

Financial assets at amortised cost (debt instruments)

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets designated at FVOCI (equity instruments)

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

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

Financial assets designated at FVPL

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

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

The Group has not designated any financial asset at FVPL.

3.19.1.3 Derecognition

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

- The right to receive cash flows from the asset have expired, or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

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

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

3.19.2 Financial liabilities

3.19.2.1 Initial recognition and measurement

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

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

3.19.2.2 Subsequent measurement

Financial liabilities at FVPL

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

Financial liabilities at amortized cost

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

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

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

3.19.2.3 Derecognition

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

3.19.3 Offsetting of financial assets and liabilities

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

3.20 Cash and cash equivalents

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

3.21 Dividend and appropriation to reserves

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

3.22 Segment reporting

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

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly finance cost, other operating cost, other income and income tax. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill. The detailed results of the reportable segments are disclosed in the note 39 of these consolidated financial statements.

3.23 Earnings per share

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

3.24 Unclaimed dividend

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

4 RESTATEMENT

4.1 As disclosed in Note 13 of these consolidated financial statements, the Group's trade debts includes invoices against which bill discounting facility is availed with certain banks, as they do not meet the criteria for derecognition as per the accounting and reporting standards as applicable in Pakistan.

Previously, such receivables were derecognised from trade debts on receipt of payment from the bank as part of bill discounting arrangement. This correction has been accounted for by recognising the trade receivable and a corresponding liability has also been recognised as bill discounting payable under the financial statement caption "Trade and other payables". This adjustment has been recognised by restating the comparative figures. The related impact of this restatement is disclosed in note 4.5 of these consolidated financial statements.

4.2 As disclosed in Note 11 and 12 of these consolidated financial statements, the Group's stores and spares and stock-in-trade includes certain portion of stores material and imported raw materials purchased that were in transit at the reporting date, as the risk associated with these purchases has been transferred to the Group as per the accounting and reporting standards as applicable in Pakistan.

Previously, such purchases were recognized as advance to suppliers. This correction has been accounted for by recognising the stores in-transit and stock in-transit and a corresponding reversal has been made by reducing the advance to suppliers under financial statement caption "Loans, advances and other receivables". This adjustment has been recognised by restating the comparative figures. The related impact of this restatement is disclosed in note 4.5 of these consolidated financial statements.

4.3 Furthermore, as disclosed in Note 41 of these consolidated financial statements, the Group's cash and cash equivalents includes cash in hand, balance with bank, and running finance, as they meet the criteria to be classified as cash and cash equivalents as per the accounting and reporting standards as applicable in Pakistan.

Previously, all short-term borrowings were included in cash and cash equivalents, even those that did not meet the criteria to be classified as cash and cash equivalents. This correction has been accounted for by including cash and cash equivalent only those short-term borrowings that meet the criteria. This adjustment has been recognised by restating the comparative figures. The related impact of this restatement is disclosed in note 4.5 of these consolidated financial statements.

4.4 In addition to the aforementioned restatements, the Group has made certain reclassifications for the purpose of better presentation, which includes reclassifying Rs. 377 million from General deposits to Loans, advances, and other receivables, Rs. 54 million from Loans, advances, and other receivables to Short-term prepayments and Rs. 1,970 million from cash flow from operating activities to cash flow from financing activities. Furthermore, in 2021 and 2022 , the current maturity of gas infrastructure development cess payable, which previously appeared under trade and other payables, has been reclassified to the face of the consolidated statement of financial position, totaling Rs. 2,224 and Rs. 2,878 million respectively.

4.5 Impacts on the Group's consolidated statement of financial position and consolidated statement of cash flows.

- Consolidated Statement of Financial Position

01 July 2021	As previously reported	Adjustment	Reclassification	As restated
	(Rupees in '000)			
Stores and spares	991,845	4,799	-	996,644
Stock-in-trade	31,567,468	1,292,700	-	32,860,168
Trade debts	11,528,287	2,726,304	-	14,254,591
Loans, advances and other receivables	3,728,798	(1,297,499)	-	2,431,299
Total asset	47,816,398	2,726,304	-	50,542,702
Trade and other payables	14,443,616	2,726,304	(2,224,653)	14,945,267
Current maturity of gas infrastructure development cess payable	-	-	2,224,653	2,224,653
Total liability	14,443,616	2,726,304	-	17,169,920
Total equity	33,372,782	-	-	33,372,782

30 June 2022	As previously reported	Adjustment	Reclassification	As restated
	(Rupees in '000)			
Stores and spares	1,261,702	4,878	-	1,266,580
Stock-in-trade	41,570,576	1,068,222	-	42,638,798
Trade debts	16,699,700	3,483,935	-	20,183,635
Loans, advances and other receivables	3,585,889	(1,073,100)	322,929	2,835,718
Long term deposit	909,698	-	(377,145)	532,553
Short term prepayments	235,755	-	54,216	289,971
Total asset	64,263,320	3,483,935	-	67,747,255
Trade and other payables	20,144,157	3,483,935	(2,878,521)	20,749,571
Current maturity of gas infrastructure development cess payable	-	-	2,878,521	2,878,521
Total liability	20,144,157	3,483,935	-	23,628,092
Total equity	44,119,163	-	-	44,119,163

- Consolidated Statement of Cash Flows

30 June 2022	As previously reported	Adjustment	Reclassification	As restated
	(Rupees in '000)			
Cash flow from operating activities other than finance costs	7,953,220	-	-	7,953,220
Finance costs reclassification	(2,806,854)	-	2,806,854	-
Cash flows from operating activities	5,146,366	-	2,806,854	7,953,220
Cash flows from investing activities	(11,396,154)	-	-	(11,396,154)
Cash flow from financing activity	1,519,262	-	-	1,519,262
Finance costs reclassification	-	-	(2,806,854)	(2,806,854)
Short term borrowing	-	10,158,097	-	10,158,097
Cash flow from financing activities	1,519,262	10,158,097	(2,806,854)	8,870,505
Exchange loss on translation of foreign subsidiaries	(165,252)	-	-	(165,252)
Net (decrease) / increase in cash and cash equivalents	(4,895,778)	10,158,097	-	5,262,319
Cash and cash equivalents - at the beginning of the year	(28,182,234)	23,068,557	-	(5,113,677)
Cash and cash equivalents - at the end of the year	(33,078,012)	33,226,654	-	148,642

4.6 There is no impact of restatements mentioned in note 4.1 and 4.2 on the Group's total operating, investing or financing cash flows for the year ended 30 June 2022.

4.7 There is no impact of restatements mentioned in note 4.1, 4.2, and 4.3 on the Group's consolidated statement of profit or loss and the Group's earnings per share for the year ended 30 June 2022 and 30 June 2021.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	June 2023	June 2022
		(Rupees in '000)	
Operating fixed assets	5.1	**52,340,673**	40,823,078
Capital work in progress (CWIP)	5.2	**2,409,507**	9,427,868
		54,750,180	50,250,946

5.1 Operating fixed assets

	Note	Leasehold land	Buildings and structures on leasehold land	Plant and machinery	Furniture and fixture	Office equipment	Vehicles	Total
		(Rupees in'000)						
As at 01 July 2021								
Cost		9,543,110	11,593,005	29,599,459	250,127	1,250,067	680,320	52,916,088
Accumulated depreciation		-	(4,297,366)	(10,949,081)	(104,930)	(759,732)	(489,658)	(16,600,767)
Foreign currency retranslation		-	1,246	-	3,456	65	3,970	8,737
Net book value as at 01 July 2021		**9,543,110**	**7,296,885**	**18,650,378**	**148,653**	**490,400**	**194,632**	**36,324,058**
Movement during year ended 30 June 2022								
Transfer / additions during the year		-	2,787,589	4,677,606	224,428	435,898	129,426	8,254,947
Disposals during the year	5.1.2							
Cost		-	-	(871,847)	-	-	(67,705)	(939,552)
Accumulated Depreciation		-	-	525,039	-	-	42,499	567,538
Net book value		-	-	(346,808)	-	-	(25,206)	(372,014)
Depreciation charge for the year	5.1.1	-	(984,181)	(2,186,279)	(24,405)	(134,276)	(68,071)	(3,397,212)
Foreign currency retranslation		-	1,897	-	5,260	99	6,043	13,299
Net book value as at 30 June 2022		**9,543,110**	**9,102,190**	**20,794,897**	**353,937**	**792,121**	**236,824**	**40,823,078**
As at 01 July 2022								
Cost		9,543,110	14,380,594	33,405,218	474,555	1,685,965	742,041	60,231,483
Accumulated depreciation		-	(5,281,547)	(12,610,321)	(129,335)	(894,008)	(515,230)	(19,430,441)
Foreign currency retranslation		-	3,143	-	8,716	164	10,013	22,036
Net book value as at 01 July 2022		**9,543,110**	**9,102,190**	**20,794,897**	**353,936**	**792,121**	**236,824**	**40,823,078**
Movement during year ended 30 June 2023								
Transfer / additions during the year		-	4,352,774	10,709,985	96,804	521,427	70,376	15,751,366
Disposals during the year	5.1.2							
Cost		-	-	(273,735)	(83)	(214,027)	(19,476)	(507,321)
Accumulated Depreciation		-	-	213,406	7	193,994	15,039	422,446
Net book value		-	-	(60,329)	(76)	(20,033)	(4,437)	(84,875)
Reclassifications during the year								
Cost		-	-	3,190	725	5,985	(9,900)	-
Accumulated Depreciation		-	-	(686)	(240)	(4,439)	5,365	-
Net book value		-	-	2,504	485	1,546	(4,535)	-
Depreciation charge for the year	5.1.1	-	(1,299,477)	(2,588,857)	(44,895)	(171,597)	(57,456)	(4,162,282)
Foreign currency retranslation		-	-	-	5,147	103	8,136	13,386
Net book value as at 30 June 2023		**9,543,110**	**12,155,487**	**28,858,200**	**411,401**	**1,123,567**	**248,908**	**52,340,673**
As at 30 June 2023								
Cost		9,543,110	18,733,368	43,844,658	572,001	1,999,350	783,041	75,475,528
Accumulated depreciation		-	(6,581,024)	(14,986,458)	(174,463)	(876,050)	(552,282)	(23,170,277)
Foreign currency retranslation		-	3,143	-	13,863	267	18,149	35,422
Net book value as at 30 June 2023		**9,543,110**	**12,155,487**	**28,858,200**	**411,401**	**1,123,567**	**248,908**	**52,340,673**
Depreciation rate % per annum		**-**	**10 to 20**	**10 to 20**	**10 to 12**	**15 to 33**	**20**	

	Note	June 2023	June 2022
		(Rupees in '000)	

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

	Note	June 2023	June 2022
Cost of goods manufactured	31.1	**3,512,895**	2,854,113
Selling and distribution cost	32	**442,027**	357,834
Administrative cost	33	**207,360**	185,265
		4,162,282	3,397,212

5.1.2 Details of operating assets sold

Particulars of assets	Cost	Written down value	Sale proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of buyers	Relationship with buyer
	Rs. 000s						
Plant and machinery							
Compressor ZR - 4 Atlas Copco	15,161	1,599	1,610	11	Bidding	Ahmad Rafiq H# 696, Block D, Sir Syed Town, Faisalabad.	Third Party
Stenter Machine	60,544	3,188	8,547	5,359	Bidding	Hina Traders Suit No # 215, Sualeha Chamber, Plot No # B-9/ C-1 S.I.T.E, Karachi West Site Town	Third Party
Air Dryer FD-521 Atlas Copco	4,781	1,330	311	(1,019)	Bidding	Mashallah Plastic Scrap House No.1079, Sher Shah Colony, Jinnah Road, Karachi South	Third Party
Kohat Water Mangel	22,450	2,900	4,664	1,764	Bidding	Mashallah Plastic Scrap House No.1079, Sher Shah Colony, Jinnah Road, Karachi South	Third Party
Ager Stork	4,222	608	3,273	2,665	Bidding	Saif Ullah Brothers House No 450, Sector C, Landhi Sherpao Colony, Korangi Landhi Town	Third Party
Cone to Cone Winder	9,660	2,064	495	(1,569)	Bidding	Saif Ullah Brothers House No 450, Sector C, Landhi Sherpao Colony, Korangi Landhi Town	Third Party
Hank to Cone Winder	13,816	2,953	495	(2,458)	Bidding	Saif Ullah Brothers House No 450, Sector C, Landhi Sherpao Colony, Korangi Landhi Town	Third Party

Particulars of assets	Cost	Written down value	Sale proceeds	Gain/ (loss) on disposal	Mode of disposal	Particulars of buyers	Relationship with buyer
	Rs. 000s						
Arioli Washing	10,340	1,875	5,348	3,473	Bidding	Top End Metal Industries (Private) Limited Office No. 101, 1st Floor, Plot No. 26-C, Street No. 7 Badar Commercial Area, Phase - V, DHA, Karachi South Saddar Town	Third Party
Digital Light Engraver	17,049	5,085	192	(4,893)	Bidding	Top End Metal Industries (Private) Limited Office No. 101, 1st Floor, Plot No. 26-C, Street No. 7 Badar Commercial Area, Phase - V, DHA, Karachi South Saddar Town	Third Party
Machine circular knitting singel Jersey	16,051	12,435	16,214	3,779	Bidding	Utopia Industries (Private) Limited C-16/A, Site, Super Highway Scheme 33, Phase 1, North Karachi Town	Third Party
Plant and Machinery	2,776	402	-	(402)	Donation	Dar ul Sukoon 59/H/3 Kashmir Road, PECHS Karachi.	Third Party
Cone to Cone Winder	19,320	3,814	-	(3,814)	Retired being unusable	Write off	
DVS Liquid Dosing System	18,291	3,611	-	(3,611)	Retired being unusable	Write off	
IDK Dyestuff Dissolving System	3,325	656	-	(656)	Retired being unusable	Write off	
	217,786	**42,520**	**41,149**	**(1,371)**			
Items with written down value below Rs. 500,000	**289,535**	**42,355**	**20,581**	**(21,774)**	Negotiation	Various	
As on 30 June 2023	**507,321**	**84,875**	**61,730**	**(23,145)**			
As on 30 June 2022	939,552	372,014	149,807	(222,207)			

5.2 Capital work in progress

	Note	June 2023	June 2022
		(Rupees in '000)	
Plant and machinery		**1,641,802**	5,709,476
Buildings and structures on leasehold land		**767,706**	3,473,469
Others		**-**	244,923
	5.2.1	**2,409,508**	9,427,868

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

	Note	June 2023	June 2022
Balance at beginning of the year		**9,427,867**	6,166,217
Capital expenditure incurred during the year			
Plant and machinery	5.2.2	**6,636,229**	7,182,193
Buildings and structures on leasehold land		**1,581,756**	3,534,057
Others		**510,859**	742,294
		8,728,844	11,458,544
Transfers to operating fixed assets during the year			
Plant and machinery		**(10,703,903)**	(4,674,893)
Buildings and structures on leasehold land		**(4,287,519)**	(2,787,588)
Others		**(755,782)**	(734,413)
		(15,747,204)	(8,196,895)
Balance at end of the year		**2,409,507**	9,427,867

5.2.2 This includes mark up on long term loan, capitalised during construction period amounting to Rs. 197 million (30 June 2022: Rs. 42.64 million). Effective rate of mark-up capitalised is 14.64% (30 June 2022: 6.47%).

5.3 The cost of fully depreciated Property, plant and equipment still in use

	Note	June 2023	June 2022
		(Rupees in '000)	
Buildings and structures on leasehold land		**114,799**	114,799
Furniture and fixtures		**4,741**	4,741
Office equipment		**301,814**	297,741
Plant and machinery		**809,250**	794,021
Vehicles		**19,583**	19,583
		1,250,187	1,230,886

5.4 Plant and machinery, land and building are subject to first pari passu charge and a equitable mortgage amounting to Rs 8,999 million as on 30 June 2023 (30 June 2022: Rs. 9,489 million). These charges are against different financing facilities obtained from various banks as disclosed in note 20 of these consolidated financial statements.

	Note	June 2023	June 2022
		(Rupees in '000)	
6 RIGHT OF USE ASSETS			
Balance as at 01 July		**2,957,461**	3,302,289
Assets recognized during the year		**722,285**	853,394
Derecognition		**(64,667)**	(458,535)
Depreciation expense			
- Charged to cost of sales	31.1	**(29,159)**	(24,785)
- Charged to selling and distribution cost	32	**(669,673)**	(667,626)
- Charged to administrative cost	33	**(57,844)**	(48,965)
		(756,676)	(741,376)
Foreign currency retranslation		**1,779**	1,689
Net book value		**2,860,182**	2,957,461
Gross carrying amount as at 30 June			
Cost		**4,085,553**	3,946,984
Accumulated Depreciation		**(1,227,150)**	(991,184)
Foreign currency retranslation		**1,779**	1,661
Balance as at 30 June		**2,860,182**	2,957,461

7 INTANGIBLE ASSETS - ACQUIRED

	Note	Computer software	Trade marks	Goodwill	Total
		(Rupees in '000)			
At 01 July 2021					
Cost		100,228	153,722	37,068	291,018
Accumulated amortisation		(27,129)	(58,839)	-	(85,968)
Foreign currency retranslation		-	5,447	-	5,447
Net book value as at 01 July 2021		**73,099**	**100,330**	**37,068**	**210,497**
Movement during the year ended 30 June 2022					
Additions (at cost)		13,602	-	-	13,602
Amortisation charge for the year	7.1	(29,355)	(9,894)	-	(39,249)
Foreign currency retranslation		-	5,988	-	5,988
Net book value as at 30 June 2022		**57,346**	**96,424**	**37,068**	**190,838**
At 01 July 2022					
Cost		113,830	153,722	37,068	304,620
Accumulated amortisation		(56,484)	(68,733)	-	(125,217)
Foreign currency retranslation		-	11,435	-	11,435
Net book value as at 01 July 2022		**57,346**	**96,424**	**37,068**	**190,838**
Movement during the year ended 30 June 2023					
Reclassification during the year		12,617	9,046	(21,663)	-
		69,963	105,470	15,405	190,838
At 01 July 2022					
Cost		126,447	162,768	15,405	304,620
Accumulated amortisation		(56,484)	(68,733)	-	(125,217)
Foreign currency retranslation		-	11,435	-	11,435
Net book value as at 01 July 2022		**69,963**	**105,470**	**15,405**	**190,838**
Additions (at cost)		**17,532**	**-**	**-**	**17,532**
Write-off		**-**	**-**	**(15,405)**	**(15,405)**
Amortisation	7.1	**(31,723)**	**(10,856)**	**-**	**(42,579)**
Foreign currency retranslation		**1,233**	**46,273**	**-**	**47,506**
Net book value as at 30 June 2023		**57,005**	**140,887**	**-**	**197,892**
Gross carrying value					
Cost		**143,979**	**162,768**	**15,405**	**322,152**
Accumulated amortisation		**(88,207)**	**(79,589)**	**-**	**(167,796)**
Write off		**-**	**-**	**(15,405)**	**(15,405)**
Foreign currency retranslation		**1,233**	**57,708**	**-**	**58,941**
Net book value as at 30 June 2023		**57,005**	**140,887**	**-**	**197,892**

7.1 The intangible assets are being amortised using straight line method over a period of five years and the amortisation charge has been allocated as follows:

	Note	June 2023	June 2022
		(Rupees in '000)	
Selling and distribution cost	32	**2,633**	1,638
Administrative cost	33	**39,946**	37,611
		42,579	39,249

8 LONG TERM INVESTMENT

	Note	June 2023	June 2022
		(Rupees in '000)	
Investment in Term Finance Certificates			
- at amortised cost	8.1	**70,000**	70,000

8.1 This represent Rs. 70 million (30 June 2022: Rs. 70 million) invested in Term Finance Certificates issued by Habib Bank Limited which carries profit at the rate of KIBOR + 1.6% receivable on quarterly basis. This is of perpetual nature.

9 LONG TERM LOANS

	Note	June 2023	June 2022
		(Rupees in '000)	
Considered good			
- Due from executives (other than CEO and Directors)	9.2	**137,705**	189,579
- Due from non-executives		**5,966**	12,532
		143,671	202,111
Current portion being receivable within twelve months following the balance sheet date			
- Due from executives (other than CEO and Directors)		**(71,086)**	(67,430)
- Due from non-executives		**(4,684)**	(7,421)
	14	**(75,770)**	(74,851)
		67,901	127,260

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

Included in these are loans of Rs. 46 million (30 June 2022: Rs. 43 million) to executives and Rs. 3.5 million (30 June 2022: Rs. 3.8 million) to non-executive which carry no mark-up. The balance amount carries mark-up at rates ranging from 6.5% to 17.1% (30 June 2022: 6.5% to 11.17%).

9.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 137.7 million (30 June 2022: Rs. 189.58 million).

10 DEFERRED TAXATION - NET

	Note	June 2023	June 2022
		(Rupees in '000)	
Deferred tax liability		**(257,699)**	(542,417)
Deferred tax asset of direct & indirect subsidiaries	10.2	**754,700**	478,654
		497,001	(63,763)
Deferred tax arises due to:			
Taxable temporary difference in respect of:			
Accelerated tax depreciation allowance		**(482,845)**	(390,557)
Deductible temporary differences in respect of:			
Provision for gratuity		**16,742**	17,969
Expected credit loss against trade debts		**28,252**	26,706
Provision for slow moving items / obsolete items of stores and spares		**23,209**	20,807
		68,203	65,482
Disallowance of provision due to three years limitation		**156,943**	(217,342)
		(257,699)	(542,417)

10.1 During the year June 2021, deferred taxation was computed for temporary differences related to income chargeable under Normal Tax Regime of the Income Tax Ordinance, 2001. However from 2022 and onwards, the Holding Company is subject to Final Tax Regime under section 169 of Income Tax Ordinance, 2001 since majority of the Holding Company's income falls under the ambit of Presumptive Tax Regime. The calculation and maintenance of deferred tax liability were executed using a ratio of three years' local and export sales, as outlined by the Institute of Chartered Accountants of Pakistan (ICAP) guidelines.

10.2 Deferred tax asset of direct & indirect subsidiary companies

	Note	June 2023	June 2022
		(Rupees in '000)	
Deductible temporary differences in respect of:			
Accelerated tax depreciation allowance		**464,618**	203,897
Provisions		**26,045**	45,211
Excess of lease liabilities over carrying value of right of use assets		**264,037**	229,546
		754,700	478,654

10.2.1 Deferred tax asset has been computed using effective rate of 39% consequent to levy of super tax at 10% for tax year 2023 and onwards for Ideas (Private) Limited. For GTM (Europe) Limited and Vantona Home Limited deferred tax has been charged at UK corporate tax rate at 20.45%.

10.3 Movement in deferred taxation

	Liability	Asset	June 2023	June 2022
	(Rupees in '000)			
Opening balance	**(542,417)**	**478,654**	**(63,763)**	79,703
Charged / (credited) to:				
- consolidated statement of profit and loss	**284,037**	**274,328**	**558,365**	(143,442)
- consolidated statement of other comprehensive income	**681**	**-**	**681**	(681)
Foreign currency retranslation	**-**	**1,718**	**1,718**	657
Closing balance	**(257,699)**	**754,700**	**497,001**	(63,763)

11 STORES AND SPARES

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
Stores and spares		**2,205,132**	1,522,742
Stores-in-transit		**10,630**	4,878
Provision for slow moving / obsolete items	11.1	**(302,702)**	(261,040)
		1,913,060	1,266,580

11.1 Movement in provision for slow moving / obsolete items

	Note	June 2023	June 2022
Opening balance		**261,040**	222,501
Charge for the year - cost of goods manufactured	31.1	**70,944**	38,539
Stores and spares written off during the year		**(38,750)**	-
Foreign currency retranslation		**9,467**	-
Closing balance		**302,701**	261,040

12 STOCK-IN-TRADE

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
Finished goods	31	**21,358,442**	20,440,960
Raw material	31.2	**19,918,626**	15,908,344
Work-in-process	31.1	**6,249,994**	5,398,037
Stock-in-transit		**292,337**	1,068,222
		47,819,399	42,815,563
Provision for obsolete / slow moving stock		**(236,395)**	(176,765)
		47,583,004	42,638,798

12.1 Movement in provision for obsolete / slow moving stock-in-trade is as follows:

	Note	June 2023	June 2022
		(Rupees in '000)	
Balance at the beginning of the year		**176,765**	69,387
Provision made during the year - net	31.1	**138,554**	107,378
Written off during the year		**(78,924)**	-
Balance at the end of the year		**236,395**	176,765

13 TRADE DEBTS

	Note	June 2023	June 2022
		(Rupees in '000)	
Secured			
Export debtors		**2,922,579**	3,754,745
Local debtors		**1,232,446**	1,718,679
	13.2	**4,155,025**	5,473,424
Unsecured			
Export debtors		**4,834,478**	4,861,146
Local debtors		**8,089,196**	10,186,455
		12,923,674	15,047,601
Expected credit loss	13.1	**(457,152)**	(337,390)
	13.3	**16,621,547**	20,183,635

13.1 Movement in expected credit loss against doubtful trade debts

	Note	June 2023	June 2022
Opening balance		**337,390**	284,404
Charge for the year	33	**108,855**	61,695
Debts written off		**-**	(10,822)
Foreign currency retranslation		**10,907**	2,113
Closing balance		**457,152**	337,390

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

13.3 This includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rs. 4,029 million (30 June 2022: Rs. 3,483 million).

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
14 LOANS, ADVANCES AND OTHER RECEIVABLES			
Loans and advances - considered good			
Advance to suppliers		**1,507,826**	2,225,359
Current portion of loans to employees	9	**75,770**	74,851
Others		**955,669**	4,463
		2,539,265	2,304,673
Other receivables			
LC and bank guarantee margin	14.1	**728,089**	404,577
Deposits		**31,069**	-
Others		**135,931**	126,468
		895,089	531,045
		3,434,354	2,835,718

14.1 The guarantee margin carries mark up at the rate of 14.35% to 19.75%. (30 June 2022: 6.65%)

	Note	June 2023	June 2022
		(Rupees in '000)	
15 RECEIVABLE FROM GOVERNMENT			
Sales tax refund		**1,297,907**	782,368
Income tax refund		**560,553**	1,121,078
Duty drawback, mark-up subsidy and rebate	15.1	**1,823,397**	1,448,100
		3,681,857	3,351,546

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

	Note	June 2023	June 2022
		(Rupees in '000)	
16 CASH AND BANK BALANCES			
Cash in hand		**233,644**	76,655
Balances with banks in current accounts			
- Local currency		**374,634**	2,102,532
- Foreign currency		**592,513**	226,522
	16.1 & 16.2	**967,147**	2,329,054
		1,200,791	2,405,709

16.1 Bank balances include balances held with related party, Habib Metropolitan Bank Limited amounting to Rs. 91.36 million (30 June 2022: Rs. 21.16 million).

16.2 This includes an amount of Rs. 153.17 million (30 June 2022: Rs. 741.35 million) held by Shariah compliant banks.

17 SHARE CAPITAL

17.1 Authorized capital

June 2023	June 2022		June 2023	June 2022
(Number of Shares)			(Rupees in '000)	
5,000,000,000	750,000,000	Ordinary shares of Rs.10 each	**50,000,000**	7,500,000

17.2 Issued, subscribed and paid-up capital

June 2023	June 2022		June 2023	June 2022
(Number of Shares)			(Rupees in '000)	
192,161,738	192,161,738	Ordinary shares of Rs.10 each allotted for consideration paid in cash	**1,921,617**	1,921,617
108,809,985	108,809,985	Ordinary shares of Rs.10 each allotted as fully paid shares under scheme of arrangement for amalgamation	**1,921,617**	1,921,617
439,087,735	315,744,492	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	**4,390,877**	3,157,445
740,059,458	616,716,215		**7,400,594**	6,167,162

17.2.1 As at 30 June 2023, Gul Ahmed Holdings (Private) Limited, the ultimate holding company of the Group, held 413,383,760 (30 June 2022: 344,486,467) ordinary shares of Rs. 10 each, constituting 55.86% (30 June 2022: 55.86%) of total paid-up capital of the holding company. Number of shares held by the associated companies and undertakings, other than holding company, aggregated to 99,476,824 (30 June 2022: 82,897,355) ordinary shares of Rs. 10 each.

17.2.2 As per the Honourable Sindh High Court's order, the Group held 3,471,541 (30 June 2022: 2,892,953) out of the total bonus shares issued for the year 2015, 2019 and 2021 to Gul Ahmed Holdings (Private) Limited, an associated company and other parties respectively, as these shareholders are part of the suit filed against the tax on bonus shares imposed through Finance Act, 2014.

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

	Note	June 2023	June 2022
		(Number of shares)	
17.3 Reconciliation of the number of shares outstanding			
Number of shares outstanding at the beginning of the year		**616,716,215**	531,157,289
Add: 20% Bonus shares issued during the year		**123,343,243**	85,558,926
		740,059,458	616,716,215

18 STATUTORY RESERVE

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

19 RESERVES

	Note	June 2023	June 2022
		(Rupees in '000)	
Amalgamation reserve	19.1	**8,252,059**	8,252,059
Foreign Currency Translation Reserve	19.2	**(258,307)**	61,390
		7,993,752	8,313,449

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

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

20 LONG TERM FINANCING

	Note	June 2023	June 2022
		(Rupees in '000)	
From Banking Companies - secured	20.1	**14,731,792**	14,342,422
From Non-Banking Financial Institutions - secured	20.2	**4,746,816**	4,929,328
Financing under temporary economic refinance scheme facility - net of government grant	20.3	**3,734,585**	3,878,688
Financing for payment of salaries and wages under State Bank of Pakistan re-finance scheme - net of government grant	20.4	**-**	702,147
		23,213,193	23,852,585
Current portion shown under current liabilities		**(3,096,186)**	(3,301,695)
	20.11	**20,117,007**	20,550,890

Particulars	Note	Maximum maturity date	Number of installments	Aggregate installment amount	Mark-up profit rate per annum	June 2023	June 2022
			(Rupees in'000)				
20.1 From Banking Companies - secured							
Askari Bank Limited Under LTFF scheme	20.6, 20.9	12 August 2027	20 quarterly	47,205	2.75% - 5.00% p.a. payable quarterly	**687,692**	840,086
Dubai Islamic Bank Under LTL scheme	20.6, 20.9	22 January 2030	20 quarterly	16,934	Three months KIBOR ask rate + 1.50% payable quarterly	**541,882**	-
Bank Al-Habib Limited Under LTFF scheme	20.8	22 October 2027	16 half yearly	13,519	2.75% p.a. payable half yearly	**135,184**	162,222
Bank Al-Falah Limited Under LTFF and LTL scheme	20.5, 20.9	26 December 2032	16 half yearly	58,964	3.00% - 17.50% p.a. payable half yearly	**1,568,194**	855,787
The Bank of Khyber Under LTL scheme	20.517	August 2032	07 half yearly and 32 quarterly	26,812	3.50% - 8.50% p.a. payable quarterly	**517,143**	360,839
The Bank of Punjab Under LTFF scheme	20.5, 20.9	02 December 2030	28 quarterly	71,428	2.00% - 3.00% p.a. payable quarterly	**1,253,121**	1,538,835
Faysal Bank Limited Under ILTFF scheme - Diminishing Musharaka	20.6, 20.8, 20.10	01 November 2030	32 quarterly	28,125	2.75% - 3.90% p.a. payable quarterly	**724,282**	830,742
Habib Bank Limited Under LTL and LTFF scheme	20.7, 20.8	18 January 2025 and 32 quarterly	10 half yearly	66,604	2.25% - 18.70% p.a. payable half yearly and quarterly	**1,866,275**	1,523,101

Particulars	Note	Maximum maturity date	Number of installments	Aggregate installment amount	Mark-up profit rate per annum	June 2023	June 2022
			(Rupees in'000)				
MCB Bank Limited Under LTL scheme	20.7, 20.9	23 February 2031	32 Quarterly	36,685	2.50% - 4.00% p.a. payable half yearly and quarterly	**278,092**	333,184
Meezan Bank Limited Under LTL scheme	20.7, 20.9 20.10	13 September 2032	32 quarterly	91,730	3.25% - 16.48% p.a. payable half yearly and quarterly	**2,829,444**	2,924,968
National Bank of Pakistan Under LTFF scheme	20.5,20.6, 20.7,20.9	26 May 2030	32 quarterly	151,602	2.75% - 2.80% p.a. payable half yearly and quarterly	**2,078,565**	2,482,395
Soneri Bank Limited Under LTFF scheme	20.5, 20.9 and 32 quarterly	14 April 2032	16 half yearly	40,395	3.50% - 5.00% p.a. payable half yearly and quarterly	**931,197**	960,111
United Bank Limited Under LTFF scheme	20.6, 20.9	21 March 2032	10 and 16 half yearly	88,837	2.75% - 8.00% p.a. payable half yearly and quarterly	**1,106,418**	1,244,847
Samba Bank Limited Under LTFF scheme	20.5, 20.9	27 December 2028	10 and 16 half yearly	35,501	3.00% p.a. payable half yearly	**214,303**	285,305
						14,731,792	14,342,422
20.2 From Non-Banking Financial Institutions - secured							
Pair Investment Company Limited Under LTFF scheme	20.5,20.7, 20.9	15 October 2029	12 and 16 half yearly	65,392	3.00%- 3.50% p.a. payable half yearly	**549,203**	680,909
Pak Kuwait Investment (Private) Limited Under LTFF scheme	20.5, 20.6, 20.9	25 September 2032	32 quarterly	65,615	2.50%- 18.55% p.a. payable quarterly	**1,884,200**	1,753,236
Pak China Investment (Private) Limited Under LTFF scheme	20.5, 20.6, 20.9	22 November 2031	32 quarterly	44,763	2.50% - 8.96% p.a. payable quarterly	**1,417,950**	1,432,414
Pak Brunei Investment Company Limited Under LTFF scheme	20.5, 20.6, 20.9	28 July 2027	16 half yearly	36,524	2.50% p.a payable quarterly	**334,200**	378,610
Pak Oman Investment Company Limited Under LTFF scheme	20.6, 20.9	13 September 2027	32 quarterly	30,724	2.75% p.a payable quarterly	**561,263**	684,159
						4,746,816	4,929,328

Particulars	Note	Maximum maturity date	Number of installments	Aggregate installment amount	Mark-up profit rate per annum	June 2023	June 2022
			(Rupees in'000)				
20.3 Financing under Temporary Economic Refinance Scheme Facility - net of Government Grant							
Habib Bank Limited	20.6, 20.9	18 January 2025	16 half yearly	59,375	2.25 % p.a. payable half yearly	**861,496**	912,572
MCB Bank Limited	20.7, 20.9	23 February 2031	32 quarterly	13,841	3.00% p.a. payable quarterly	**401,206**	425,128
MCB Islamic Bank Limited	20.7, 20.9	19 January 2031	32 quarterly	9,375	2.50% p.a. payable quarterly	**272,079**	288,249
Bank of Punjab	20.5, 20.6, 20.9	02 December 2030	32 quarterly	31,250	2.00 % p.a. payable quarterly	**961,022**	952,324
Pak Kuwait Investment (Private) Limited	20.5, 20.6, 20.9	25 September 2032	32 quarterly	9,464	2.50% p.a. payable quarterly	**259,112**	284,298
Pak China Investment (Private) Limited	20.5, 20.6, 20.9	22 November 2031	32 quarterly	17,738	2.50% p.a. payable quarterly	**519,958**	545,350
Saudi Pak Industrial And Agricultural Investment Company Limited	20.5, 20.6, 20.9	27 April 2031	32 quarterly	15,357	2.50% p.a payable quarterly	**459,712**	470,767
						3,734,585	3,878,688
20.4 Financing for payment of salaries and wages under State Bank of Pakistan re-finance scheme - net of government grant							
Finance obtained from Faysal Bank Limited	20.5, 20.10	Matured	8 quarterly	120,297	1.00% p.a. payable quarterly	**-**	353,975
Finance obtained from Bank of Punjab	20.5, 20.10	Matured	8 quarterly	120,297	0.50% p.a. payable quarterly	**-**	348,172
						-	702,147

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

20.6 These loans are secured by charge over specified machinery.

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

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

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

20.10 These loans are obtained under Shariah Compliant Arrangements.

20.11 These loans are subject to compliance of certain covenants including Debt Service Coverage Ratio, Current Ratio, Debt to Equity Ratio, Interest Cover, Maximum Gearing, Debt to EBITDA, Debt to Sales and are secured against the charge over assets of the Group.

21 LEASE LIABILITIES AGAINST RIGHT OF USE ASSETS

	June 2023	June 2022
	(Rupees in '000)	
Opening balance	**3,652,873**	3,847,444
Additions	**722,285**	853,394
Interest expense	**410,329**	399,540
Termination	**(132,785)**	(535,478)
Payments	**(1,053,011)**	(911,249)
Foreign currency retranslation	**1,829**	(778)
Closing balance	**3,601,520**	3,652,873
Current portion shown under current liabilities	**609,749**	602,780
Non-current portion	**2,991,771**	3,050,093
	3,601,520	3,652,873

21.1 Maturity profile of minimum lease payments

June 2023

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

June 2022

	Minimum lease payments	Interest	Present value of minimum lease payments
	(Rupees in '000)		
Less than one year	947,225	344,445	602,780
Between one and five years	3,042,837	950,875	2,091,962
More than five years	1,122,745	164,614	958,131
	5,112,807	1,459,934	3,652,873

22 GAS INFRASTRUCTURE DEVELOPMENT CESS PAYABLE (GIDC)

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening balance		**3,763,740**	3,549,951
Add: Finance cost	36	**394,006**	323,995
Less: Gain on remeasurement	35	**-**	(110,206)
		4,157,746	3,763,740
Less: Current maturity		**(4,157,746)**	(2,878,521)
		-	885,219

22.1 This represents Gas Infrastructure Development Cess (GIDC) that was levied through GIDC Act, 2015. The contingency in respect to this has been disclosed in note 29.6.

23 DEFERRED INCOME - GOVERNMENT GRANT

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening balance		**189,673**	250,419
Fair value differential of loan at subsidized rate treated as government grant		**-**	55,447
Government grant recognized as income during the year	35	**(54,679)**	(116,193)
		134,994	189,673
Current maturity of deferred income - government grant		**(32,388)**	(54,551)
		102,606	135,122

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

24 DEFINED BENEFIT PLAN - STAFF GRATUITY

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

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening balance		**211,068**	156,413
Charge for the year	24.2	**144,188**	125,589
Remeasurement loss / (gain) in consolidated statement of other comprehensive income	24.3	**48,622**	(9,087)
Benefits paid during the year		**(65,372)**	(61,847)
Benefits due but not paid during the year		**(2,165)**	-
Foreign currency retranslation		**1,208**	-
Closing balance		**337,549**	211,068

24.2 Charge for the year recognized in consolidated statement of profit or loss

	Note	June 2023	June 2022
Current service cost		**113,577**	101,311
Past service cost	24.2.1	**-**	11,719
Mark-up cost		**23,461**	12,491
		137,038	125,521
Charge in respect of obligation of the subsidiary company		**7,150**	68
		144,188	125,589

24.2.1 Past service cost related to employees employed in preceding year but became eligible for gratuity during the current year.

24.3 Remeasurement loss / (gain) charged in consolidated statement of other comprehensive income

	Note	June 2023	June 2022
		(Rupees in '000)	
Actuarial losses from changes in financial assumptions		**14,775**	83
Experience adjustments		**33,847**	(9,170)
		48,622	(9,087)

24.4 Significant actuarial assumptions used

Following significant actuarial assumptions were used for the valuation of the Holding Company's obligations by an independent valuer that is "Nauman Associates":

	June 2023	June 2022
Discount rate used for year end obligation	**16.25%**	13.25% p.a
Rate used for markup cost	**13.25%**	10.00%
Expected increase in salary	**22.50%**	12.25%
Mortality rates	**SLIC 2001-2005 Set back 1 Year**	SLIC 2001-2005 Set back 1 Year
Withdrawal rates	**Age-Based**	Age-Based
Retirement assumption	**Age 60**	Age 60

The discount rate used in the last actuarial valuation as on 30 June 2022 was 13.25%. However, in the current investment environment, where there is an upward trend in the interest rate structure, the discount rate has been increased to 16.25%, in line with the specifications of the IAS-19.

Correspondingly, due to increase in inflationary expectations, the rate of increase in eligible salary has been increased to 22.5% from 12.25%.

24.5 Associated Risks

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

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

(b) Demographic Risk

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

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

24.6 General Description

The scheme provides retirement benefits to all its eligible employees of the Group who are not part of the provident fund scheme and who have completed the minimum qualifying period of service. Actuarial valuation of the scheme is carried out periodically and latest actuarial valuation was carried out at 30 June 2023. The disclosure is based on information included in that actuarial report. The gratuity is measured on last drawn salary multiplied by number of years of services.

24.7 Sensitivity Analysis

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

	June 2023	June 2022
	(Rupees in '000)	
Discount Rate + 100 bps	**324,604**	208,047
Discount Rate - 100 bps	**333,592**	213,607
Salary increase + 100 bps	**333,464**	213,607
Salary increase - 100 bps	**324,654**	207,999

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

24.8 Maturity Profile

	June 2023	June 2022
	(Rupees in '000)	
Maturity profile on Defined Benefit Obligation as presented by actuary in the report;		
FY 2023	**N/A**	131,678
FY 2024	**204,034**	108,924
FY 2025	**171,407**	76,274
FY 2026	**122,115**	52,219
FY 2027	**85,504**	35,838
FY 2028	**60,657**	24,892
FY 2029	**44,148**	17,924
FY 2030	**32,013**	12,804
FY 2031	**24,189**	9,614
FY 2032	**16,981**	6,486
FY 2033	**13,412**	18,013
FY 2034 onwards	**39,388**	N/A

The average duration of the defined benefit obligation is 1.4 years.

24.9 Estimated expenses to be charged to consolidated statement of profit or loss in financial year 2024:

Current service cost	**163,897**
Mark up on defined benefit obligation	**36,887**
	200,784

	Note	June 2023	(Restated) June 2022
		(Rupees in '000)	
25 TRADE AND OTHER PAYABLES			
Creditors		**13,402,816**	9,633,709
Due to related parties	25.1	**130,499**	49,912
Accrued expenses		**7,172,492**	6,156,447
Advance from customers		**751,613**	154,911
Workers' profit participation fund	25.2	**342,711**	591,074
Workers' welfare fund	25.4	**122,667**	102,326
Taxes withheld		**154,174**	262,210
Payable to employees' provident fund trust		**53,553**	36,157
Liability under forward cover	25.5	**-**	32,220
Payable to bank under bill discounting arrangement		**4,029,546**	3,483,935
Others		**133,927**	246,670
		26,293,998	20,749,571

25.1 Due to related parties

Win Star (Private) Limited	**9,292**	3,151
Swisstex Chemicals (Private) Limited	**88,019**	17,084
Grand Industries (Private) Limited	**3,511**	-
TPL Properties (Private) Limited	**29,677**	29,677
	130,499	49,912

25.2 Workers' profit participation fund

Opening balance		**591,074**	343,048
Allocation for the year	34	**337,176**	591,074
Reversal of excess provision of WPPF		**-**	(14,659)
Markup for the year	36 & 25.3	**16,921**	17,430
		945,171	936,893
Payments made during the year		**(602,460)**	(345,819)
Closing balance		**342,711**	591,074

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

	Note	June 2023	June 2022
		(Rupees in '000)	
25.4 Workers' welfare fund			
Opening balance		**102,326**	162,237
Allocation for the year	34	**102,139**	102,326
Reversal of excess provision of WWF		**-**	(93,190)
		204,465	171,373
Payments made during the year		**(81,798)**	(69,047)
Closing balance		**122,667**	102,326

25.5 This represents forecasted loss on forward cover obtained under the policy of State bank of Pakistan from various banks.

26 ACCRUED MARK-UP / PROFIT

	Note	June 2023	June 2022
		(Rupees in '000)	
Long term financing		**266,056**	222,252
Short term borrowings		**1,344,970**	392,270
	26.1 & 26.2	**1,611,026**	614,522

26.1 This includes profit of Rs. 57.5 million and Rs. 360.6 million (30 June 2022: Rs. 39.1 million and Rs. 30.87 million) accrued in long term financing and short term borrowings respectively under Shariah Compliant arrangements.

26.2 Accrued markup includes markup due to Habib Metropolitan Bank Limited, an associated company, amounting to Rs. 14.54 million (30 June 2022: Rs. 7.53 million).

27 SHORT TERM BORROWINGS

	Note	June 2023	June 2022
		(Rupees in '000)	
Local currency			
Running Finance		**2,612,932**	2,135,415
Export Refinance Scheme		**22,755,600**	22,055,600
Other Short Term Finances		**5,703,669**	6,855,554
		31,072,201	31,046,569
Foreign currency			
Export Finance Scheme		**-**	4,315,500
Others	27.1	**119,166**	121,652
	27.2 to 27.4	**31,191,367**	35,483,721

27.1 This includes short term borrowing amounting Rs. 119 million @ 9.5% p.a. (30 June 2022: Rs. 122 million @ 6.25%) obtained by Sky Home Corporation. This is secured against corporate guarantee of the Holding Company, personal guarantee of a Director, promissory note of USD 900,000 in favour of the Bank and charge over current assets of respective subsidiary.

27.2 This includes Istisna (Shariah Compliant) amounting to Rs. 6,379 million (30 June 2022: Rs. 6,156 million) in local currency.

27.3 Short term borrowings are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. Unavailed facility at the year end was Rs. 6,136 million (30 June 2022: Rs. 6,505 million). Short term borrowings include amount due to Habib Metropolitan Bank Limited, an associated company, of Rs. 3,512 million (30 June 2022: Rs. 2,488 million).

27.4 Local currency mark-up / profit rates range from 11% to 25% (30 June 2022: 3% to 16.16%) per annum.

28 UNPAID DIVIDEND

Dividend payable includes the dividend amount Rs. 23.5 million (30 June 2022: Rs. 23.5 million) held by the Group pertaining to the Petitioners of the suit filed in the Honourable High Court of Sindh against the tax on bonus shares imposed through Finance Act 2014. The amount includes Rs.18 million and Rs. 0.8 million (30 June 2022: Rs. 18 million and Rs. 0.8 million) of Gul Ahmed Holdings (Private) Limited and an associated company respectively.

29 CONTINGENCIES AND COMMITMENTS

29.1 The Group owns and possesses a plot of land measuring 44.04 acres in Deh Khanto which is duly registered in its name and appearing in the books at a cost of Rs. 83.86 million (30 June 2022: Rs. 83.86 million). Ownership of the land has been challenged in the Honorable Sindh High Court by Messrs. Karim Bux, Iqbal Rasheed and Mansoor Munawar who claim to be the owners, as this land was previously sold to them and subsequently resold to the Group. The legal counsel of the Group is of the view that the Group has a reasonable case and management is expecting favorable outcome, therefore, no provision has been made there against. In respect of the same land, the Group has a filed suit in January 2021 for declaration and permanent injunction in the Honorable High Court of Sindh, seeking the declaration that the Group is lawful owner of the said property and that the undated notice issued by the Pakistan Railways for sealing and taking over the possession of the said property is of no legal effect. The matter is in hearing stage and the legal counsel of the Group is of the view that the title of the Group stands clear and there is no likelihood of unfavorable outcome.

29.2 The Group has filed a Petition in the Honourable Sindh High Court, dated 30 March 2008, against order passed by the Board of Trustees, Employees' Old-Age Benefits Institution (EOBI) for upholding the unjustified additional demand of payment raised by EOBI for accounting years 2000-2001 and 2001-2002 amounting to Rs. 50.83 million (30 June 2022: Rs. 50.83 million). This demand was raised after lapse of more than two years although the records and books of the Group were verified by the EOBI to their entire satisfaction and finalization of all matters by EOBI. The Honorable Sindh High Court has restrained EOBI from taking any action or proceedings against the Group. The legal counsel of the Group is of the view that the Group has a reasonable case and management is expecting favourable outcome therefore, no provision has been made there against.

29.3 The Group along with several other companies have filed a Constitution Petition No. 2206 of 2016 on 18 April 2016 against Employment Old Age Benefits Institution and others in the Honourable Sindh High Court against the notice issued by the EOBI to the Group to pay contribution at the revised rate of wages with retrospective effect. The Honourable Sindh High Court has restrained EOBI from taking any coercive action against the Group. The matter is now pending before the court for final outcome and the legal counsel of the Group do not foresee any claim / losses that are likely to arise therefrom. Therefore, the Group has not made provision to the extent of Rs. 64.59 million out of expected liability of Rs. 467.58 million. (30 June 2022: Rs.467.58 million)

29.4 The Group has filed a Constitution Petition in the Honorable Sindh High Court against the City District Government of Karachi for striking down the unjustified demand of payment of Ground Rent on 17 October 2011 and against which part payment of Rs. 2.6 million has been made. The Honorable Sindh High Court has already restrained the City District Government of Karachi from taking any coercive action against the Group. The legal counsel of the Group is of the view that the Group has a reasonable case and management is expecting favorable outcome, however, a provision is made for difference unpaid amount of Rs. 7.4 million.

29.5 The Federal Board of Revenue (FBR) vide SRO 491(I)/2016 dated 30 June 2016 made amendments in SRO 1125(I)/2011 dated 31 December 2011 for disallowance of input tax adjustment on packing material. The Group has challenged the disallowance of input tax adjustments on packing material in the Sindh High Court through suit No. 2381/2016 dated 10 November 2016 against Federation of Pakistan and others. The matter is pending before the Honourable Court for final outcome and the legal counsel of the Group do not foresee any liability that is likely to arise, however provision has been amounting to Rs. 431.88 million (30 June 2022: Rs. 431.88 million) in these consolidated financial statements.

29.6 The Group's review petition challenging the decision of High Courts against the GIDC Act, 2015 had been dismissed by Supreme Court of Pakistan while also suspending the billing of levy from August, 2020. The court had ordered to pay the GIDC dues under the GIDC Act, 2015 with retrospective effect from 15 December 2011, in 48 monthly installments starting from August 2020. Total amount of the cess works out to Rs. 3.7 billion on the basis that Group has both Industrial and Captive connections having different GIDC rates. However, Oil and Gas Development Authority has ruled out that the consumers having supply of natural gas for industrial use and having in-house electricity generation facility for self-consumption do not fall under the definition of Captive as well as the Honourable Sindh High Court has also decided in favor of the Group on the issue of Captive connections for self consumption. Therefore, management, based on the legal advice believes that maximum liability of the Group in respect of GIDC will be Rs. 2.3 billion. The Group in September, 2020 filed a suit in Honourable Sindh High Court challenging the chargeability of GIDC. The Honourable Sindh High Court granted stay order and restrained Sui Southern Gas Company (SSGC) from taking any coercive action against non-payment of installments of GIDC. However, the management on prudent basis has maintained liability of Rs. 3.7 billion (30 June 2022: Rs. 3.7 billion) in these consolidated financial statements. This liability was discounted using risk free rate and is being carried in accordance with the guidelines issued by the Institute of Chartered Accountants of Pakistan in respect of accounting of GIDC.

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

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

29.9 The Federal Government vide Finance Act, 2019 made amendments in Section 65(B) of the Income Tax Ordinance, 2001 whereby restricted the percentage of tax credit from 10% to 5% on amount invested in extension, expansion, balancing, modernization and replacement (BMR) of the plant and machinery for the tax year 2019, as well as the period for tax credit was also restricted to 30 June 2019 whereas the Law before amendment was allowing the same upto 30 June 2021. The Group along with other petitioners had challenged the amendment in the Honorable Sindh High Court through three constitutional petitions for tax year 2019, 2020 and 2021 and the Honorable Sindh High Court has passed an interim order allowing the petitioners to file the income tax returns as per unamended provisions of Section 65(B) of income tax ordinance, 2001, hence the Group had claimed tax credit on BMR @10% in the income tax returns for the tax year 2019, 2020 and 2021. The amount of credit involved for tax year 2019, 2020 and 2021 to Rs. 1,112 million. (30 June 2022: Rs. 1,112 million).

Subsequently, the Honourable Sindh High Court vide its judgement on 07 February 2023 allowed the tax credit under section 65(B) provided that the plant and machinery was purchased before 30 June 2019 and installed before 30 June 2021 @ 10%. The Federal Board of Revenue filed an appeal in Supreme Court against the above judgement which is pending. The Group following the prudent approach has reversed the impact on tax credit recorded in prior years during 2023.

29.10 The Group along with several other petitioners had filed a Constitution Petition on 16 January 2020 against Karachi Water & Sewerage Board (KWSB) and others in the Honourable Sindh High Court against notification dated 30 October 2019 issued by the KWSB whereby water charges were increased from Rs. 242 to Rs. 313 per 1000 gallons. The Honourable Sindh High Court has restrained KWSB from taking any coercive action against the Group and allowed the Group to pay the bills as per old rates. As required under the Order, the Group provides banker's verified Cheques each month aggregating to Rs. 160.86 million (30 June 2022: Rs. 113.43 million) being the difference between Rs. 313 and Rs. 242 per 1000 gallons and also, as a matter of prudence, maintained full provision in these consolidated financial statements.

29.11 The Group along with several other petitioners had filed a Constitution Petition on 30 April 2020 in the Honourable Sindh High Court against the K-Electric, NEPRA and others for charging Industrial Support Package Adjustment (ISPA), based on corrigendum issued by Federation of Pakistan, in the electricity bill to Industrial consumers for the month of April 2020. The Honourable Sindh High Court has restrained K-Electric from taking any action against the Group and ordered to pay the Bills without ISPA charges at banks. The Group has provided banker's verified Cheque of aggregate amount of Rs. 1.77 million (30 June 2022: Rs. 1.77 million) being the amount of ISPA charges as security to Nazir of High Court Sindh for the month of April 2020 bill. As a matter of prudence, the Group has maintained full provision in these consolidated financial statements. Subsequently, the Honorable Sindh High Court decided the case in favor of the Group and K-Electric has filed an appeal in the Supreme Court against the decision which is still pending.

29.12 The Group along with other petitioners had challenged the imposition of Infrastructure Cess by the relevant Excise and Taxation Officer, Karachi through petition dated 28 May 2011. Furthermore, the Group has also filed petition against Sindh Infrastructure Cess levied through the Sindh Finance Act, 1994. During the year end 30 June 2018 the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Act) was also enacted by the Province of Sindh against which the Group also had filed constitution petition dated 14 October 2017 and Honorable High Court of Sindh had allowed interim relief to the Group till final judgment has been allowed in other similar petitions. However, being prudent, full amount has been provided in these consolidated financial statements. During the year no progress was made in court proceedings. The bank guarantee of Rs. 1.377 billion as a security was given (30 June 2022 Rs. 1.077 billion)

29.13 The Group along with several other companies filed a suit in the Honorable Sindh High Court challenging the Notification via SRO No. (I) / 2015 dated 31 August 2015 regarding increase in the Gas tariff, on 16 November 2015 which was decided by the Honorable Sindh High Court in favor of the Group and thereafter the Government filed an appeal in the Divisional Bench of the Honorable Sindh High Court against the decision which has also been decided in favor of the Group. OGRA issued further notifications on 30 December 2016, 17 September 2018 and 23 October 2020 enhancing the rates. The Group along with others have filed a petition in the Honorable Sindh High Court against the notification and the Honorable Court granted interim relief and instructed SSGC to revise the bills at previous rate and instructed the Group to deposit the differential amount cheques with Nazir Sindh High Court as security. As a matter of prudence full provision has been made in consolidated financial statements. The amount of cheques so deposited with Nazir is Rs. 250.67 million (30 June 2022: Rs. 250.67 million). On 15 February 2023 OGRA issued another notification revising the gas tariff with retrospective effect from 01 January 2023. The Group along with several other companies has filed a suit in the Honourable Sindh High Court challenging the increase in the gas rate tariff with retrospective effect. The Honourable Sindh High Court has restrained from taking no coercive action against the Group. As a matter of prudence, the Group has maintained a full provision amounting to Rs. 174.4 million (30 June 2022: Nil)

29.14 The Group along with several other companies has filed a suit in the Honorable Sindh High Court challenging the Notifications dated 30 December 2016, 17 September 2018 and 23 October 2020, challenging the charging of captive power tariff instead of Industry tariff rate to the Group, since the Group is producing electricity entirely for its own consumption. The Honorable Sindh High Court has passed the interim orders for not charging the Captive power tariff rates and consequently restrained from taking any coercive action against the Group. The Oil and Gas Regulatory Authority (OGRA) has issued another notification dated 04 October 2018 revising the tariff effective 27 September 2018, subsequent to this notification the Group paid the bills accordingly at the specified rates. Upto September 2018 the Group has provided banker's verified cheques of Rs. 388.57 million (30 June 2022: Rs. 388.57 million) as security to Nazir of High Court of Sindh and also, as a matter of prudence, maintained provision amounting to Rs. 626.23 million (30 June 2022: Rs. 626.23 million) accrued upto September, 2018 in the consolidated financial statements. The Honorable Sindh High Court vide its judgment dated 27 February 2020 decided the case in favor of the Group pertaining to Notification dated 01 January 2013, however considering the Government's right to appeal, the Group, being prudent, has maintained the provision as stated above.

29.15 Guarantees and others

(a) Guarantees of Rs. 2,733 million (30 June 2022: Rs. 1,983 million) have been issued by banks on behalf of the Group which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 1,104 million (30 June 2022: Rs. 1,102 million).

(b) Post dated cheques of Rs. 25,199 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. 11,730 million (30 June 2022: Rs. 8,947 million), including bills discounted from Habib Metropolitan Bank Limited, an associated company, amounting to Rs. 2,337 million (30 June 2022: Rs. 4,852 million).

(d) Corporate guarantee of Rs. 248 million (30 June 2022: Rs. 170 million), Rs. 1,149 million (30 June 2022: 825 million) and Rs. 258 million (30 June 2022: Rs. 185 million) have been issued to various banks by Holding Company in favor of subsidiary companies - GTM (Europe) Limited, Gul Ahmed International (FZC) - UAE and Sky Home Corp. respectively.

	Note	June 2023	June 2022
		(Rupees in '000)	

29.16 Commitments

Capital expenditure for plant and machineries	**1,234,621**	3,697,000
Other than capital expediture	**3,965,192**	7,599,954

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

Pension Commitments

GTM (Europe) Ltd operates a defined contributions pension scheme. The assets of the scheme are held separately from those of GTM (Europe) Ltd in an independently administered fund. The pension cost charge represents contributions payable by GTM (Europe) Ltd to the fund and amounting to Rs. 3.11 million (30 June 2022: Rs. 3.04 million).

30 SALES-NET

	Note	June 2023	June 2022
		(Rupees in '000)	
Export sales			
Direct		**74,606,450**	58,710,183
Indirect		**34,034,984**	41,817,854
		108,641,434	100,528,037
Export rebate		**579,739**	354,764
Trade and other discount		**(675,747)**	(737,887)
Commission		**(1,660,506)**	(910,314)
Sales tax		**(4,919,257)**	(5,956,174)
		101,965,663	93,278,426
Local sales	30.1	**42,751,878**	30,557,092
Brokerage		**(356,769)**	(405,297)
Sales tax		**(5,434,088)**	(1,617,615)
		36,961,021	28,534,180
		138,926,684	121,812,606

30.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 716 million (30 June 2022: Rs. 764.9 million).

30.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 39 and 40 respectively.

31 COST OF SALES

	Note	June 2023	June 2022
		(Rupees in '000)	
Opening stock of finished goods		**20,440,960**	20,832,692
Cost of goods manufactured	31.1	**103,862,649**	88,335,953
Purchase of finished goods		**7,801,631**	6,072,867
		132,105,240	115,241,512
Closing stock of finished goods	12	**(21,358,442)**	(20,440,960)
		110,746,798	94,800,552

31.1 Cost of goods manufactured

	Note	June 2023	June 2022
Raw materials consumed	31.2	**68,421,862**	59,062,066
Other material and conversion cost		**10,913,970**	12,466,950
Stores and spares consumed		**527,291**	650,112
Salaries, wages and benefits	33.1	**12,534,308**	10,551,144
Fuel, power and water		**5,906,910**	5,147,938
Insurance		**150,129**	126,469
Repair and maintenance		**1,556,830**	1,332,974
Depreciation	5.1.1	**3,512,895**	2,854,113
Depreciation on right of use assets	6	**29,159**	24,785
Provision for slow moving / obsolete items	11.1	**70,944**	38,539
Provision for slow moving stock-in-trade	12.1	**138,554**	107,378
Other manufacturing expenses		**951,754**	611,760
		104,714,606	92,974,228
Work-in-process			
Opening		**5,398,037**	759,762
Closing	12	**(6,249,994)**	(5,398,037)
		(851,957)	(4,638,275)
		103,862,649	88,335,953

31.2 Raw materials consumed

	Note	June 2023	June 2022
Opening stock		**15,908,344**	10,044,401
Purchases during the year		**72,432,144**	64,926,009
Closing stock	12	**(19,918,626)**	(15,908,344)
		68,421,862	59,062,066

32 SELLING AND DISTRIBUTION COST

	Note	June 2023	June 2022
		(Rupees in '000)	
Salaries, wages and benefits	33.1	**2,187,890**	1,745,802
Freight and shipment expenses		**1,407,034**	1,095,435
Advertisement and publicity		**1,566,522**	1,646,170
Rent and ancillary charges		**435,031**	180,374
Depreciation & amortization	5.1.1 & 7.1	**444,660**	359,472
Depreciation on right of use assets	6	**669,673**	667,626
Utilities		**484,660**	354,142
Postage and telecommunication		**121,088**	261,846
Export development surcharge		**206,561**	145,585
Royalty		**1,984**	998
Other expenses		**1,047,731**	1,169,730
		8,572,834	7,627,180

33 ADMINISTRATIVE COST

	Note	June 2023	June 2022
		(Rupees in '000)	
Salaries, wages and benefits	33.1	**2,302,669**	1,719,259
Rent and ancillary charges	33.2	**259,503**	189,870
Repairs and maintenance		**77,097**	56,881
Vehicle up-keep and maintenance		**711,178**	306,486
Utilities		**23,234**	83,878
Traveling and conveyance		**500,306**	231,315
Printing and stationery		**101,171**	68,976
Postage and telecommunication		**289,665**	144,258
Legal and consultancy fees		**208,948**	168,199
Depreciation and amortisation	5.1.1 & 7.1	**262,711**	222,877
Depreciation on right of use assets	6	**57,844**	48,965
Auditor's remuneration	33.3	**21,650**	12,797
Donations	33.4 & 33.5	**44,477**	21,179
Insurance		**135,357**	90,817
Expected credit loss against doubtful trade debts	13.1	**108,855**	61,695
Other expenses		**549,955**	391,399
		5,654,620	3,818,849

33.1 Salaries, Wages & Benefits

	Cost of sales		Distribution costs		Administrative costs		Total	
	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022	June 2023	June 2022
	(Rupees in '000)							
Salaries, wages and benefits	**12,077,658**	10,165,459	**2,161,418**	1,697,834	**2,263,482**	1,672,439	**16,502,558**	13,535,731
Retirement benefits								
Gratuity	**144,188**	125,521	**-**	-	**-**	68	**144,188**	125,589
Contribution to provident fund	**231,483**	193,306	**26,445**	47,951	**39,074**	46,752	**297,002**	288,009
	375,671	318,827	**26,445**	47,951	**39,074**	46,820	**441,190**	413,598
Staff compensated absences	**80,979**	66,858	**27**	17	**113**	-	**81,119**	66,875
	12,534,308	10,551,144	**2,187,890**	1,745,802	**2,302,669**	1,719,259	**17,024,867**	14,016,204

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

33.3 Auditor's remuneration

	June 2023	June 2022
	(Rupees in '000)	
Holding Company		
Audit fee	**9,000**	3,450
Special audit fee	**-**	1,750
Fee for review of condensed interim financial statements	**1,800**	575
Fee for audit of consolidated financial statements	**1,300**	575
Review fee of statement of compliance with code of corporate governance	**400**	115
Other certification fee	**500**	200
Out of pocket expenses	**2,478**	648
	15,478	7,313
Local Subsidiary	**810**	1,620
Foreign Subsidiaries - Audit fee (multiple audit firms)	**5,362**	3,331
	21,650	12,264

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

Name of Donee	Interest in Donee	Name of Director		
Habib University Foundation	Common Directorship	Mr. Mohomed Bashir	**1,435**	8,000
Landhi Association of Trade & Industry	Patron in Chief	Mr. Ziad Bashir	**1,100**	800

33.5 Donations to following organizations and trusts exceed 10% of total amount of donations made or Rs.1 million whichever is higher:

Name of Donee	Note	June 2023	June 2022
		(Rupees in '000)	
Nigahban Welfare Association Civil Hospital		-	5,000
Pakistan Textile Council		-	3,750
Saylani Welfare International Trust		17,221	-
Karwan-e-Hayat		-	5,400

34 OTHER OPERATING COST

	Note	June 2023	June 2022
		(Rupees in '000)	
Workers' profit participation fund (WPPF)	25.2	337,176	591,074
Workers' welfare fund (WWF)	25.4	102,139	102,326
Loss on sale of property, plant and equipment	5.1.2	23,145	222,207
Others		-	19,289
		462,460	934,896

35 OTHER INCOME

	Note	June 2023	June 2022
		(Rupees in '000)	
Income from non-financial assets and others			
Gain on termination of right of use assets and corresponding lease liabilities		68,117	76,944
Scrap sales		16,501	8,423
Government grant	23	54,679	116,193
Unclaimed liabilities written back		53,162	26,751
Reversal of excess provision for WPPF and WWF		-	107,849
Others		69,554	172,109
		262,013	508,269
Income from financial assets			
Mark-up income on Term Finance Certificates		13,446	7,691
Remeasurement gain on GIDC payable	22	-	110,206
Other markup income		79,551	14,384
Foreign currency exchange gain - net	35.1	466,861	346,370
		559,858	478,651
		821,871	986,920

35.1 This includes Rs. 27.6 million (30 June 2022: Rs. 53.5 million) in respect of export receivables.

36 FINANCE COSTS

	Note	June 2023	June 2022
		(Rupees in '000)	
Mark-up on short term borrowings	36.1 & 36.2	5,091,445	1,980,109
Mark-up on long term financing		888,988	824,809
Bank and other charges		513,853	375,181
Mark-up on workers' profit participation fund		16,921	17,430
Finance cost on GIDC payable		394,006	323,995
Interest on corresponding lease liabilities against right of use assets		410,329	399,540
		7,315,542	3,921,064

36.1 Finance costs includes Rs. 1,012.67 million and Rs. 667.92 million (30 June 2022: Rs. 100.4 million and Rs. 193.09 million) in long term financing and short term borrowing respectively under Shariah Compliant mode of financing.

36.2 Finance costs includes Rs. 337.63 million (30 June 2022: Rs. 158.86 million) on financing from Habib Metropolitan Bank Limited, associated company.

37 TAXATION

	Note	June 2023	June 2022
		(Rupees in '000)	
Current tax		2,096,239	1,760,658
Prior tax		560,942	(52,152)
		2,657,181	1,708,506
Deferred tax		(558,365)	143,442
		2,098,816	1,851,948

37.1 The Holding Company is subject to Final Tax Regime under section 169 of Income Tax Ordinance, 2001 since majority of the Holding Company's income falls under the ambit of presumptive tax regime and tax reconciliation of the Group is based on the domestic tax rate of the Holding Company, the relationship between tax expense and accounting profit has not been presented in these consolidated financial statement.

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	

38 EARNINGS PER SHARE - basic and diluted

	Note	June 2023	June 2022 (Restated)
Profit after taxation		**4,897,485**	9,845,037
		(Number of shares)	
Weighted average number of shares			
Issued subscribed and paid up capital		**740,059,458**	740,059,458
		(Rupees)	
Earnings per share - basic and diluted	38.1 & 38.2	**6.62**	13.30

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

38.2 Weighted average number of shares for the year ended 30 June 2022 have been restated due to issuance of bonus shares as stated in note 17 of these consolidated financial statement.

39 SEGMENT INFORMATION

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

a) Spinning: Production of different qualities of yarn using both natural and artificial fibres.
b) Apparel: Processing of different types of woven and knitted garments
c) Home textile: Production of different types and qualities of products 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.

39.1 Segment Profitability

	Spinning		Apparel		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Sales	33,953,034	38,143,979	12,399,533	6,766,937	71,939,156	59,772,430	44,950,976	37,183,169	(24,316,015)	(20,053,909)	138,926,684	121,812,606
Cost of sales	(28,339,167)	(25,729,078)	(10,887,242)	(6,498,094)	(63,641,252)	(56,048,307)	(32,195,152)	(26,721,297)	24,316,015	20,196,224	(110,746,798)	(94,800,552)
Gross profit	5,613,867	12,414,901	1,512,291	268,842	8,297,904	3,724,124	12,755,824	10,461,872	-	142,315	28,179,886	27,012,054
Distribution and administrative costs	(532,709)	(494,470)	(707,944)	(478,711)	(3,465,503)	(2,833,194)	(9,501,789)	(7,639,654)	(19,509)	-	(14,227,454)	(11,446,029)
Profit before tax and before charging following	5,081,158	11,920,431	804,347	(209,869)	4,832,401	890,930	3,254,035	2,822,219	(19,509)	142,315	13,952,432	15,566,025
Finance Cost											(7,315,542)	(3,921,064)
Other operating cost											(462,460)	(934,896)
Other income											821,871	986,920
											(6,956,131)	(3,869,040)
Profit before taxation											6,996,301	11,696,985
Taxation											(2,098,816)	(1,851,948)
Profit after taxation											4,897,485	9,845,037
Depreciation & amortisation expense	1,183,019	1,108,530	162,622	489,676	911,927	593,501	2,719,374	1,986,131	-	-	4,976,942	4,177,838

39.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segment		Unallocated		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in '000)											
Assets	36,506,601	33,629,328	5,884,071	3,962,932	41,017,970	42,102,427	38,462,128	33,537,339	11,770,967	13,868,989	133,641,737	127,101,015
Liabilities	13,875,597	11,490,737	3,160,419	2,434,219	18,826,945	17,411,346	26,162,111	42,871,363	29,051,074	33,630,555	91,076,146	89,065,271
Segment Capital & Intangible expenditure	2,289,143	2,256,058	522,778	312,824	1,507,131	4,835,829	3,154,976	1,845,410	1,329,879	2,280,079	8,803,907	11,530,200

39.3 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.

39.4 **Information about major customer**

Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 28,628 million (30 June 2022: Rs. 21,191 million).

	Revenue		Non-current assets	
	2023	2022	2023	2022
	(Rupees in '000)			
Pakistan	**66,433,517**	64,395,860	**58,731,749**	53,963,301
Germany	**24,975,300**	11,340,528	**-**	-
United States	**12,706,871**	10,641,602	**3,069**	3,961
Italy	**6,213,056**	18,265,847	**-**	-
France	**6,206,082**	2,949,954	**-**	-
United Kingdom	**5,192,007**	4,418,865	**179,750**	146,379
Netherlands	**4,621,112**	3,814,594	**-**	-
Denmark	**3,187,546**	2,492,259	**-**	-
Poland	**2,587,279**	1,538,267	**-**	-
Spain	**1,885,147**	679,785	**-**	-
Sweden	**1,421,665**	1,312,138	**-**	-
Other Countries	**5,610,386**	1,256,344	**20,022**	392,562
Total	**141,039,968**	123,106,043	**58,934,590**	54,506,203

40 OTHER OPERATING COST

41 CASH AND CASH EQUIVALENTS

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
Cash and bank balances	16	**1,200,791**	2,405,709
Short term borrowings	27	**(2,732,098)**	(2,257,067)
		(1,531,307)	148,642

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	June 2023				June 2022			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
	(Rupees in '000)							
Managerial remuneration	**16,000**	**25,756**	**1,408,851**	**1,450,607**	26,619	12,000	1,056,897	1,095,516
Performance bonus	**1,333**	**1,000**	**56,935**	**59,268**	-	-	41,221	41,221
House rent allowance	**6,400**	**4,800**	**356,743**	**367,943**	6,400	4,800	276,109	287,309
Other allowances	**1,600**	**1,200**	**309,374**	**312,174**	1,600	1,200	260,044	262,844
Contribution to provident fund	**1,333**	**1,000**	**70,423**	**72,756**	1,333	1,000	76,323	78,656
	26,666	**33,756**	**2,202,326**	**2,262,748**	35,952	19,000	1,710,594	1,765,546
Number of persons	**1**	**1**	**493**	**495**	1	1	355	357

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

42.2 Aggregate amount charged during the year in respect of meeting fee to four Non-Executive Directors and the Chairman was Rs. 7.9 million (30 June 2022: four Non-Executive Directors and Chairman Rs. 5.7 million).

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

43 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the related party	Transactions during the year	June 2023	June 2022
		(Rupees in '000)	
Gul Ahmed Holdings (Private) Limited - Pareent Company	Dividend Paid	**-**	287,075
	Bonus Shares issued	**688,973**	57,414
Grand Industries (Pvt) Limited - Associated Company	Rent expense	**4,111**	600
	Bonus shares issued	**96,963**	-

Name of the related party	Transactions during the year	June 2023	June 2022
		(Rupees in '000)	
Ghafooria Industries (Private) Limited - Associated Company	Bonus issued	**26,791**	-
Swisstex Chemicals (Private) Limited - Associated Company	Purchase of goods	**243,715**	61,328
	Sale of fixed assets	**-**	5,682
	Bonus shares issued	**36,863**	15,359
Win Star (Private) Limited - Associated Company	Purchase of goods	**19,380**	4,769
Arwen Tech. (Private) Limited - Associated Company	Services rendered	**176,268**	120,609
Haji Ali Mohammad Foundation - Associated Company	Rent paid	**960**	960
The Pakistan Busniess Council - Associated Company	Fees paid	**2,500**	2,000
Habib Metropolitan Bank - Associated Company	Bills discounted	**2,351,893**	15,766,349
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Holding Company's contribution to provident fund	**299,239**	235,529
	Divident paid	**-**	2,157
	Bonus Shares issued	**5,178**	-
Pakistan Textile Council - Associated Company	Membership fees	**1,500**	-
Landhi Association of Trade & Industry	Donation paid	**1,100**	-
	Fees paid	**30**	-
Ideas-Employees Provident Fund Trust	Subsidiary Company's contribution to provident fund	**65,428**	52,480

43.1 There are no transactions with the directors of the Group and key management personnel other than under the terms of employment. Loans and remuneration of the directors, key management personnel and executives are disclosed in notes 9 and 42 respectively of these consolidated financial statements.

43.2 Related parties status of outstanding receivables and payables as at June 30, 2023 are also included in respective notes to the consolidated financial statements.

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

Company name	Country of Incorporation	Basis of relationship	% of shareholding
Gul Ahmed Holdings (Private) Limited	Pakistan	Holding Company	55.86%
Habib Metropolitan Bank Limited (HMBL)	Pakistan	Common Directorship	-
Swisstex Chemicals (Private) Limited	Pakistan	Group Company & Common Directorship	2.99%
Arwen Tech. (Private) Limited	Pakistan	Common Directorship	-
Win Star (Private) Limited	Pakistan	Common Directorship	-
TPL Properties Limited	Pakistan	Common Directorship	-
Habib University Foundation	Pakistan	Common Directorship	-
The Pakistan Business Council	Pakistan	Common Directorship	-
Ghafooria Industries (Private) Limited	Pakistan	Group Company & Common Directorship	2.17%
LITE Development and management company	Pakistan	Common Directorship	-
Grand Industries (Private) Limited	Pakistan	Group Company & Major Shareholders	7.86%
Haji Ali Mohammad Foundation	Pakistan	Member of Foundation	-
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Pakistan	Employees Fund	0.42%
Ideas (Private) Limited Employees Provident Fund Trust	Pakistan	Employees Fund	-

44 CAPACITY AND PRODUCTION

	Unit	June 2023 Capacity	June 2023 Production	June 2023 Working	June 2022 Capacity	June 2022 Production	June 2022 Working
		(Rupees in '000)					
Spinning	Kgs. (20 Counts converted)	**95,234**	**88,905**	**3 shifts**	88,432	84,817	3 shifts
Weaving	Sq. meters (50 Picks converted)	**231,059**	**207,469**	**3 shifts**	227,557	203,456	3 shifts

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

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

45 NUMBER OF PERSONS EMPLOYED

Number of persons employed as at year end were 18,059 (30 June 2022: 17,831) and average number of employees during the year were 17,301 (30 June 2022: 17,998).

46 PROVIDENT FUND RELATED DISCLOSURES

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

47 FINANCIAL ASSETS AND LIABILITIES

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

	June 2023						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
	Maturity up to one year	Maturity after one Year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
	(Rupees in '000)						
Financial assets							
At amortized cost							
Long term investment	-	70,000	70,000	-	-	-	70,000
Loans, advances and other receivables	43,164	51,490	94,654	1,883,364	16,411	1,899,775	1,994,429
Long term deposits	-	-	-	-	491,434	491,434	491,434
Trade debts	-	-	-	16,621,547	-	16,621,547	16,621,547
Cash and bank balances	-	-	-	1,200,791	-	1,200,791	1,200,791
	43,164	121,490	164,654	19,705,702	507,845	20,213,547	20,378,201
Financial liabilities							
At amortized cost							
Long term financing	3,096,186	20,117,007	23,213,193	-	-	-	23,213,193
Lease liability	609,749	2,991,771	3,601,520	-	-	-	3,601,520
Current maturity of gas infrastructure development cess payable	-	-	-	4,157,746	-	4,157,746	4,157,746
Trade and other payables	342,711	-	342,711	25,045,500	-	25,045,500	25,388,211
Accrued mark-up / profit	-	-	-	1,611,026	-	1,611,026	1,611,026
Short term borrowings	31,191,367	-	31,191,367	-	-	-	31,191,367
Unclaimed dividend	-	-	-	9,931	-	9,931	9,931
Unpaid dividend	-	-	-	23,505	-	23,505	23,505
	35,240,013	23,108,778	58,348,791	30,847,708	-	30,847,708	89,196,499
Off-balance sheet items							
Guarantees	-	-	-	4,388,000	-	4,388,000	4,388,000
Bills discounted	-	-	-	7,685,503	-	7,685,503	7,685,503
Commitments	-	-	-	5,199,813	-	5,199,813	5,199,813
	-	-	-	17,273,316	-	17,273,316	17,273,316

(Restated)

	June 2023						
	Interest/mark-up/profit bearing			Non interest/mark-up/profit bearing			Total
	Maturity up to one year	Maturity after one Year	Sub total	Maturity upto one year	Maturity after one year	Sub total	
	(Rupees in '000)						
Financial assets							
At amortized cost							
Long term investment	-	70,000	70,000	-	-	-	70,000
Loans, advances and other receivables	50,864	104,440	155,304	559,495	22,820	582,315	737,619
Long term deposits	-	-	-	-	532,553	532,553	532,553
Trade debts	-	-	-	20,183,635	-	20,183,635	20,183,635
Cash and bank balances	-	-	-	2,405,709	-	2,405,709	2,405,709
	50,864	174,440	225,304	23,148,840	555,373	23,704,212	23,929,516
Financial liabilities							
At amortized cost							
Long term financing	3,301,695	20,550,890	23,852,585	-	-	-	23,852,585
Lease liability	602,780	3,050,093	3,652,873	-	-	-	3,652,873
Current maturity of gas infrastructure development cess payable	2,878,521	885,219	3,763,740	-	-	-	3,763,740
Trade and other payables	591,074	-	591,074	19,709,156	-	19,709,156	20,300,230
Accrued mark-up / profit	-	-	-	614,522	-	614,522	614,522
Short term borrowings	35,483,721	-	35,483,721	-	-	-	35,483,721
Unclaimed dividend	-	-	-	10,413	-	10,413	10,413
Unpaid dividend	-	-	-	23,505	-	23,505	23,505
At fair value							
Liability under forward cover	-	-	-	32,220	-	32,220	32,220
	42,857,791	24,486,202	67,343,993	20,389,816	-	20,389,816	87,733,809
Off-balance sheet items							
Guarantees	-	-	-	3,163,000	-	3,163,000	3,163,000
Bills discounted	-	-	-	5,463,402	-	5,463,402	5,463,402
Commitments	-	-	-	11,296,954	-	11,296,954	11,296,954
	-	-	-	19,923,356	-	19,923,356	19,923,356

48 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management objectives

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

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

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

48.1 Market risks

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

a) Currency risk

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

Exposure to foreign currency risk

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

	June 2023	(Restated) June 2022
	(Equivalent USD in 000s)	
Trade debts	**14,498**	13,630
Cash and bank balances	**2,067**	1,102
Short term borrowing	**(415)**	(21,540)
Trade and other payables	**(455)**	(12,653)
Net exposure	**15,695**	(19,461)

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

	June 2023	June 2022
	(Rupees in '000)	
Foreign currency commitments and guarantees outstanding at year end are as follows:		
USD	**18,859**	38,949
EURO	**500**	11,523
AED	**14,600**	1,791
GBP	**250**	-
JPY	**-**	1,268
CHF	**-**	68

The following significant exchange rates were applied during the year:

	June 2023	June 2022
Rupee per USD		
Average rate (Selling / Buying)	**248.3 / 247.8**	179.7 / 179.2
Reporting date rate (Selling / Buying)	**287.1 / 286.6**	206.0 / 205.5
Rupee per EURO		
Average rate (Selling / Buying)	**261.5 / 260.9**	201.1 / 200.5
Reporting date rate (Selling / Buying)	**314.3 / 313.7**	215.7 / 215.2
Rupee per GBP		
Average rate (Selling / Buying)	**299.8 / 299.2**	236.8 / 236.1
Reporting date rate (Selling / Buying)	**365.4 / 364.8**	249.9 / 249.3
Rupee per AED		
Average rate (Selling / Buying)	**68.0 / 67.8**	49.0 / 48.9
Reporting date rate (Selling / Buying)	**78.7 / 78.6**	56.5 / 56.3

Foreign currency sensitivity analysis

A five percent strengthening / weakening of the Rs. against the USD at 30 June 2023 would have increased / decreased the equity and profit / loss after tax by Rs. 225 million (30 June 2022: Rs. 21.20 million). This analysis assumes that all other variables, in particular markups, remain constant. The analysis is performed on the same basis for 30 June 2022.

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

b) Interest / mark-up rate risk

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

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

Financial assets include balances of Rs. 164.6 million (30 June 2022: Rs. 225.3 million) which are subject to interest / mark-up rate risk. Financial liabilities include balances of Rs. 58,350 million (30 June 2022: Rs. 63,574 million) which are subject to interest / mark-up rate risk. Applicable interest / mark-up rates for financial assets and liabilities are given in respective notes.

Cash flow sensitivity analysis for variable rate instruments

At 30 June 2023, if markups on long term financing would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 232.1 million (30 June 2022: Rs 238.53 million) lower/higher, mainly as a result of higher / lower interest expense on floating rate borrowings.

At 30 June 2023, if markups on short term borrowings would have been 1% higher / lower with all other variables held constant, post tax profit for the year would have been Rs. 301.6 million (30 June 2022: Rs. 354.78 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. Effect of change in 1% interest rate on financial assets is Rs. 5.8 million.

Fair value sensitivity analysis for fixed rate instruments

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

c) Other Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk) whether those changes are caused by factors specified to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Group is not exposed to equity price risk.

48.2 Credit risk

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

Exposure to credit risk

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

	Note	June 2023	June 2022 (Restated)
		(Rupees in '000)	
Long term investment	8	**70,000**	70,000
Loans, advances and other receivables	14	**1,994,429**	737,619
Long term deposit		**491,434**	532,553
Trade debts	13	**16,621,547**	20,183,635
Bank balances	16	**967,147**	2,329,054
		20,144,557	23,852,861

The Group manages credit risk as follows:

Loans, advances and other receivables

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

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

Long Term Deposits

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

Trade debts

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

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

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

	June 2023		June 2022 (Restated)	
	Gross Carrying Amount	Impairment Loss Allowance	Gross Carrying Amount	Impairment Loss Allowance
	(Rupees in '000)			
Secured	**4,155,025**	**-**	5,473,424	-
Unsecured				
Current	**8,091,154**	**-**	9,420,886	-
1-30 Days	**3,206,473**	**418**	3,733,437	308
31-60 Days	**408,994**	**3,990**	376,210	2,945
61-90 Days	**922,384**	**158,075**	1,299,594	116,663
More than 90 Days	**294,669**	**294,669**	217,473	217,473
	17,078,699	**457,152**	20,521,025	337,390

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

Long term investment and bank balances

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

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

	Note	June 2023	June 2022
		(Rupees in '000)	
Long term investment			
AAA	8	**70,000**	70,000
Bank balances			
AAA		**821,045**	1,502,585
AA+		**120,252**	300,086
AA		**10,918**	513,048
AA-		**344**	2,004
A+		**188**	9,210
A		**14,400**	2,097
BBB-		**-**	24
		967,147	2,329,054
		1,037,147	2,399,054

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

Financial assets that are either past due or impaired

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

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

48.3 Liquidity risk

Liquidity risk represent the risk where the Group will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with their maturities is disclosed in respective notes and Note no. 47.

The Group manages liquidity risk by maintaining sufficient cash in hand and at banks and ensuring the fund availability through adequate credit facilities. At 30 June 2023, the Group has Rs. 37,328 million (30 June 2022: Rs. 38,269 million) available borrowing limit from financial institutions. Unutilized borrowing facilities of Rs. 6,136 million (30 June 2022: Rs. 6,505 million) and also has Rs. 1,200 million (30 June 2022: Rs. 2,406 million) being cash in hand and balances at banks. Based on the above, management believes the liquidity risk is insignificant.

	Carrying amount	Contractual cash flow	Less than one year	More than one year
	(Rupees in '000)			
As at 30 June 2023				
Long term financing	**23,213,193**	**23,213,193**	**3,096,186**	**20,117,007**
Lease Liabilities against right of use assets	**3,601,520**	**5,193,421**	**972,219**	**4,221,202**
Gas infrastructure development cess payable	**4,157,746**	**4,157,746**	**4,157,746**	**-**
Trade and other payables	**25,388,211**	**25,388,211**	**25,388,211**	**-**
Accrued markup	**1,611,026**	**1,611,026**	**1,611,026**	**-**
Short term borrowings	**31,191,367**	**31,191,367**	**31,191,367**	**-**
Unclaimed dividend	**9,931**	**9,931**	**9,931**	**-**
Unpaid dividend	**23,505**	**23,505**	**23,505**	**-**
	89,196,499	**90,788,400**	**66,450,191**	**24,338,209**
Total as at 30 June 2022	75,593,338	78,724,043	55,684,410	23,039,633

48.4 Capital risk management

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

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

The Group's strategy is to maintain leveraged gearing. The gearing ratios as at 30 June 2023 and 30 June 2022 are as follows;

	June 2023	June 2022
	(Rupees in '000)	
Total borrowings	**54,404,560**	59,336,306
Cash and bank	**(1,200,791)**	(2,405,709)
Net debt	**53,203,769**	56,930,597
Total equity	**42,565,591**	38,035,744
Total equity and debt	**95,769,360**	94,966,341
Gearing ratio (%)	**56**	60

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

49 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.

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

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

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

As at year end, the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land, leasehold land and capital work in progress which are stated at cost. The Group does not expect that unobservable inputs may have significant effect on fair values. The fair values of forward exchange contracts is determined based on the forward exchange rates at the reporting date included in the level 2 of the fair value hierarchy.

50 SUBSEQUENT EVENT

The Board of Directors, in their meeting held on 25 September 2023, approved the creation of a reserve, for the purpose of Business Modernization and capacity expansions, by transferring an amount of Rs. 23 billion from Unappropriated profit to this reserve. The financial statements for the year ended 30 June 2023, do not include the effect of this allocation, which will be accounted for in the consolidated financial statements for the year ending 30 June 2024.

51 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue by the Board of Directors of the Group in their meeting held on 25 September 2023.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer

DEFINITIONS AND GLOSSARY OF TERMS

For the year ended 30 June 2023

Definitions

Profitability Ratios

Profitability ratios are used to assess the Company's ability to generate profits in relation to its sales, assets and equity.

Liquidity Ratios

Liquidity ratios determine the Company's ability to meet its short term financial obligations. A higher ratio indicates a greater margin of safety to cover current liabilities.

Turnover Ratios

Turnover ratios evaluate the operational efficacy of the Company to convert inventory and debtors into cash against time taken to pay creditors, measured in terms of revenue and cost of sales.

Investment / Market Ratios

Investment ratios measure the capability of the Company to earn an adequate return for its shareholders. Market ratios evaluate the current market price of a share versus an indicator of the Company's ability to generate profits.

Capital Structure Ratios

Capital structure ratios provide an indication of the long term solvency of the Company and its cost of debt, in relation to equity and profits.

Glossary of terms

AGM Annual General Meeting
BCI Better Cotton Initiative
BCP Business Continuity Planning
BOD Board of Directors
CCG Code of Corporate Governance
CDC Central Depository Company
CEO Chief Executive Officer
CFO Chief Financial Officer
CNIC Computerised National Identity Card
CPEC China Pakistan Economic Corridor
CPI Consumer Price Index
CSR Corporate Social Responsibility
DFI Development Finance Institution
EBITDA Earnings before Interest, Tax, Depreciation, and Amortization
EOBI Employees Old Age Benefit Institution
EPS Earnings per Share
ERP Enterprise Resource Planning
ETP Effluent Water Treatment Plant
FDI Foreign Direct Investments
FY Fiscal Year

FZC Free Zone Company
GDP Gross Domestic Product
GIDC Gas Infrastructure Development Cess
GST General Sales Tax
HSE Health Safety and Environment
IAS International Accounting Standard
IASB International Accounting Standards Board
ICAP Institute of Chartered Accountants of Pakistan
ICMAP Institute of Chartered Management Accountants of Pakistan
IFRS International Financial Reporting Standards
ISO International Organization for Standardization
IT Information Technology
KIBOR Karachi Inter Bank Offer Rate
KPI Key Performance Indicators
KSE Karachi Stock Exchange
LSM Large Scale Manufacturing
MMBTU Million British Thermal Units
MW Mega Watts
NBFI Non-Banking Financial Institution
NEQS National Environmental Quality Standard
PAT Profit after tax
PBT Profit before tax
PESTEL Political, Economic, Social, Technical, Environmental, Legal
PICG Pakistan Institute of Corporate Governance
PKR Pak Rupee
R&D Research & Development
ROE Return on Equity
SECP Securities and Exchange Commission of Pakistan
SWOT Strength, Weakness, Opportunity, Threat
USD United States Dollar
WPPF Workers' Profit Participation Fund
WWF Workers' Welfare Fund
YoY Year on Year

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FORM OF PROXY

I/We____

of ____

being a member of Gul Ahmed Textile Mills Limited and holder of _______________________________

Ordinary Shares hereby appoint____

of ____

or failing him/her____

of _______________________________another member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **71ST ANNUAL GENERAL MEETING** of the Company to be held on October 27, 2023 or at any adjournment thereof.

1) Witness ______________________________
Name ______________________________
Address ______________________________
CNIC No. ______________________________

2) Witness ______________________________
Name ______________________________
Address ______________________________
CNIC No. ______________________________

Signed by me this _______day of ______2023

Signed ______________________

Affix Revenue
Stamp Rs. 5.00

Folio No./CDC Account No. ______________

Notes:

1. A member entitled to vote at the meeting may appoint a proxy. Proxies in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.
2. Proxies granted by shareholders who have deposited their shares into Central Depository Company of Pakistan Limited must be accompanied with attested copies of the Computerized National Identity Card (CNIC) or the Passport of the beneficial owners. Representatives of corporate members should bring the usual documents required for such purpose. A proxy must be a member of the Company.
3. If member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. If the member is a corporate entity its common seal should be affixed to the proxy.
5. In case of CDC Account Holders, attested copies of CNIC or the Passport of the beneficial owners and the proxy shall be furnished with the proxy form.

پراکسی فارم

میں / ہم ______________________________

ساکن ______________________________

بحیثیت گل احمد ٹیکسٹائل ملز کا / کے ایک رکن اور ہولڈر ______________________________

عمومی شیئر رکھتا ہوں اپنی جانب سے نامزد کرتا ہوں ______________________________

ساکن ______________________________

اور ایسا نہ ہونے کی وجہ سے محترم / محترمہ ______________________________

ساکن ______________________________ کو 27 اکتوبر 2023 کو منعقدہ کمپنی کے اکترہویں (71) سالانہ اجلاسِ عام میں میری / ہماری جانب سے اپنا / ہمارا پراکسی مقرر کرتا ہوں / کرتے ہیں تاکہ وہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

1) گواہ ______________________________

نام ______________________________

پتہ ______________________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________________

اس پر میری طرف سے ________ دن کے ________ 2023

کو دستخط کئے ______________________________

(براہِ مہربانی پانچ روپے کا ریونیو اسٹامپ لگائیں)

2) گواہ ______________________________

نام ______________________________

پتہ ______________________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________________

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر ______________________________

نوٹس:

1 - ممبر جو ووٹ ڈالنے کا حقدار ہے وہ اپنا پراکسی مقرر کر سکتا ہے۔ پراکسیز کے موثر ہونے کے لیے ضروری ہے کہ وہ اجلاس شروع ہونے سے 48 گھنٹے قبل باقاعدہ مہر شدہ اور دستخط شدہ کمپنی کے رجسٹرڈ پتے پر موصول ہو جائیں۔

2 - ایسے شیئر ہولڈرز جو اپنے شیئرز سینٹرل ڈپازٹری کمپنی میں جمع کروا چکے ہیں، ان کی جانب سے جمع کروائی گئی پراکسیز کے ساتھ بینیفیشل اونرز کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیوں کا ہونا ضروری ہے۔ کارپوریٹ ممبران کے نمائندے اس مقصد کے لیے درکار عمومی دستاویزات اپنے ہمراہ لائیں۔ پراکسی کے لیے کمپنی کا رکن ہونا لازمی ہے۔

3 - اگر کوئی رکن ایک سے زائد پراکسی مقرر کرتا ہے اور کمپنی میں ایک سے زائد پراکسی کے دستاویزات جمع کرواتا ہے، ان دستاویزات کو غلط سمجھا جائے گا۔

4 - اگر کوئی ممبر کارپوریٹ ادارہ ہے تو اس کی common seal پراکسی فارم پر لگی ہونی چاہئے۔

5 - سی ڈی سی اکاؤنٹ ہولڈر ہونے کی صورت میں، پراکسی فارم کے ساتھ بینیفیشل اونرز کے تصدیق شدہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی فراہم کریں۔

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SCAN ME

RG-Blue Communications