KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Financial Statements (Unaudited)

For the six months period ended 31 December 2023

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	Landhi Industrial Area, Karachi-75120	
E-MAIL	finance@gulahmed.Com	
URL	www.gulahmed.com	

Directors' Review

Dear Members

The Directors of the Company are pleased to present the performance review and the unaudited financial statements for the six months ended December 31, 2023.

Global Economic Landscape:

Throughout the first half of fiscal year 2024, the global economic terrain exhibited resilience in the face of tightening monetary policies and evolving dynamics. Central banks worldwide responded adeptly to inflationary pressures, implementing measures to restore price stability, even as core inflation persisted above targets set by monetary authorities. This period underscored a concerted effort to achieve sustained disinflation and uphold financial stability, with vigilance maintained across economies. Geopolitical tensions and trade uncertainties continued to exert influence on economic dynamics, highlighting the interconnectedness of markets and the necessity for adaptive strategies. Amidst this backdrop, technological advancements fuelled innovation and growth, as companies embraced digitalization initiatives to enhance efficiency and competitiveness.

Pakistan's Economic Landscape:

In the first half of fiscal year 2024, Pakistan contended with persistent inflationary pressures, as the inflation rate hovered at concerning levels. Elevated energy costs and interest rates further exacerbated the inflationary environment, posing challenges for businesses and consumers alike. The country's central bank maintained a vigilant stance, implementing measures to mitigate inflationary pressures and sustain price stability while navigating the delicate balance of supporting economic growth. Despite concerted efforts to address these challenges, high energy and borrowing costs continued to strain the economy, underscoring the imperative for comprehensive reforms and targeted policies to alleviate burdens on businesses and households. Pakistan received two tranches under the Stand-By Arrangement (SBA) from the IMF, totalling \$ 1.9 billion. According to the State Bank of Pakistan, the current Foreign Exchange Reserves stand at \$ 12.76 billion compared to \$ 10.85 billion during the same period last year.

Additionally, during the first half of fiscal year 24, Pakistan's trade deficit narrowed substantially by 77.9%, amounting to \$0.83 billion compared to \$3.760 billion in the first half of the previous fiscal year. Exports grew slightly by 5.24%, reaching \$14.24 billion, while imports decreased by 15.85%, totalling \$31.21 billion. Despite challenges, efforts to tackle inflation and enhance cotton production have provided vital support to the textile industry. However, competition from regional counterparts and energy shortages continue to pose challenges for Pakistan's textile sector, emphasizing the need for strategic interventions and industry-wide collaboration. On a positive note, the estimated cotton production is yielded at around 9 million bales, compared to last year's 5.6 million bales, which resulted in reduction of the foreign exchange requirement for imports and provide vital support to the textile industry. However, the Sector's demand is at 12 million bales, which may impact foreign exchange reserves moving forward.

Pakistan's Textile Sector:

The global economic landscape, characterized by uncertainty and rising production costs in terms of raw materials and labor, has posed substantial challenges to Pakistan's textile industry. Additionally, frequent energy shortages and power outages have disrupted production schedules, affecting delivery timelines and undermining customer confidence. Pakistan faces stiff competition from regional counterparts such as Bangladesh, India, and Vietnam, who are aggressively expanding their textile sectors, offering competitive pricing and high-quality products. Beside other aspects, the Textile Sector is affected by Cross Subsidies borne by the Industry from Energy Regulator, the regionally competitive power rates are within the range of 7 – 9 cents, whereas, in Pakistan, it is hovering around 14 cents due to bearing of Cross Subsidies. While regional counterparts Exports have started to flourish, Pakistan has been able to up their Exports only by 5% from SPLY.

In conclusion, the global and national economic landscapes present a mixed picture, with both opportunities and challenges. We remain committed to navigating these complexities and implementing strategic measures to ensure sustainable growth and resilience.

Financial Performance:

A comparison of the key financial results of the Company for the six months ended December 31, 2023, is as follows:

Profit and Loss Summary

	December 2023	December 2022	Percentage Favorable / (Unfavorable)
	---------------- (Rupees in '000")	----------------	
Direct Export	47,793,901	33,035,243	44.68%
Indirect Export	15,423,693	12,456,474	23.82%
Local	5,884,137	5,516,546	6.66%
Sales(net)	**69,101,731**	**51,008,263**	**35.47%**
Cost of Sales	60,980,297	44,488,024	-37.07%
Gross Profit	8,121,434	6,520,239	24.56%
Finance Cost	3,167,062	1,839,990	-72.12%
Profit before Taxation	2,314,621	2,716,851	-14.81%
Profit after Taxation	1,300,281	1,627,272	-20.09%
Earning per Share (Rs.)	1.76	2.20	

Company Sales Performance:

Your Company's Export Sales in USD have increased by 13% in comparison with Same Period Last Year (SPLY), it is noteworthy to mention that Country's Textile Exports have reduced by 5% for the six months when compared with SPLY. In Rupee terms, Export sales have witnessed a notable increase of 45%, primarily attributable to the favourable impact of currency fluctuations and Increase in Exports in USD terms. Similarly, for Local Sales, including Indirect Exports, there has been a rise of 19% with SPLY. Company's overall Sales have grown by an impressive 35% as compared to SPLY. This notable sales increase is attributed to Management's timely BMR and grabbing Export opportunities worldwide by targeting profitable niche markets. However, it's important to acknowledge that the rising inflation and energy prices may exert pressure on local sales in the future, as higher business costs can potentially impact demand negatively.

Costs and Financial Metrics:

The Cost of Sales has experienced a significant upswing of 37%, primarily driven by increased material costs, higher energy expenses, and an increase in minimum wages.

Given the limited availability of gas in the country, the management has had to resort to using alternative, more costly fuels, contributing to the overall rise in energy costs for the Company. Furthermore, with effect from November 08, 2023, the Regulator has increased the gas prices 118%, resulting in huge increase in Fuel & Power cost in comparison with SPLY. SPLY comprised majorly, generation from Natural Gas, however, during current period under review, due to reduced pressure of gas, the Company has to utilize other sources, i.e., pricey Diesel and Furnace Oil, in addition to purchase direct electricity from National Grid. The Fuel & Power cost in current period under review is Rs. 5.08 billion as against Rs. 2.76 billion, thereby increase by Rs. 2.32 billion, which impacted the profitability of the Company severely.

Finance costs have surged by an 72% compared to SPLY, primarily due to changes in borrowing rates. It's noteworthy that the Company's borrowing levels have remained consistent with June 2023, despite increase in Inflation, raw material cost, fuel cost and minimum wage. However, there has been a substantial change in the Export Refinance Facility rate, which stood at 13% during SPLY but has increased to 19% in the current review period, marking a 50% increase. Additionally, for KIBOR-based financing, the average rate was 16% during SPLY, and it has risen to 22% in the current review period, indicating a 38% increase from SPLY.

In the face of these formidable challenges, we are pleased to report that the Company has managed to maintain its operating cash flows at a robust Rs. 5.9 billion, up by 78% when compared with SPLY. This achievement is particularly noteworthy given the lower operating profit recorded during the review period.

This positive outcome can be attributed to our effective and diligent management of working capital. It has enabled us to generate increased fund inflows, which, in turn, have negated the necessity for securing additional bank borrowings to finance our capital expenditures. Importantly, we have successfully met all of our financial obligations without the need for additional external financing.

This prudent financial management underscores our commitment to maintaining the Company's financial stability and positioning ourselves for continued success in the face of ongoing challenges.
We remain committed to adapting to evolving market dynamics and optimizing our operations to ensure sustainable growth and profitability.

Future Economic Outlook:

Despite economic resilience earlier this year, with a reopening rebound and progress in reducing inflation from last year's peaks, it is too soon to take comfort. Economic activity still falls short of its prepandemic path, especially in emerging market and developing economies, and there are widening divergences among regions. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical in nature, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases.

Challenges in Pakistan's Economic Landscape:

It's imperative to acknowledge the formidable challenges within Pakistan's economic landscape that demand our attention. We recognize the pressing need to fortify our foreign exchange reserves, tackle issues plaguing the gas sector, exercise prudence in managing government expenditure, and undertake trade policy reforms to bolster our competitiveness.

The recent hike in gas prices for captive and Industrial customers, rendered export sectors less competitive vis-a-vis regional counterparts. Moreover, the proposed further increase in gas prices threatens to exacerbate this challenge, posing a significant risk to our export-oriented industries. The recent shortfall in the domestic cotton crop, although witnessing some improvement, necessitates resorting to importing cotton bales to meet industry demands.

Adhering to the terms of the IMF's Stand-by Facility, the government has implemented substantial hikes in gas prices, presenting an unprecedented increase of 168% in FY 24 alone. This surge, coupled with volatile exchange rates, inflationary pressures, and elevated interest rates, markedly elevates the cost of conducting business compared to previous periods. Such conditions may precipitate a notable economic deceleration and contraction in export volumes.

Despite these formidable headwinds and the adverse impact on profitability, we remain resolute in our commitment to navigating these challenges through astute management strategies. Our unwavering dedication to achieving operational excellence and financial resilience remains unwavering in the face of adversity.

Acknowledgement

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

For and on behalf of the Board

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

February 26, 2024
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gul Ahmed Textile Mills Limited

Report on Review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Gul Ahmed Textile Mills Limited** ("the Company") as at 31 December 2023 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in- after-referred to as "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures for the quarter ended 31 December 2023 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KPMG

KPMG Taseer Hadi & Co.

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

Date; 28 February 2024

Karachi

UDIN: RR202310106LIE23zG1u

KPMG Taseer Hadi & Co.
Chartered Accountants

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Financial Position

As at 31 December 2023

	Note	(Unaudited) 31 December 2023	(Audited) 30 June 2023
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	**50,752,216**	50,121,838
Intangible assets	5	**27,272**	38,251
Long term investments	6	**3,591,206**	3,591,206
Long term loans		**41,376**	67,901
Long term deposits		**129,720**	132,947
Total non-current assets		**54,541,790**	53,952,143
Current Assets			
Stores and spares		**2,200,269**	1,762,858
Stock-in-trade	7	**42,111,544**	38,450,431
Trade debts		**25,079,301**	23,421,883
Loans, advances and other receivables		**2,653,418**	2,070,610
Short term prepayments		**394,759**	172,505
Receivable from government		**3,366,933**	3,301,038
Short term investments		**600,890**	-
Cash and bank balances		**736,610**	334,471
Total current assets		**77,143,724**	69,513,796
TOTAL ASSETS		**131,685,514**	123,465,939
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorised share capital 5,000,000,000 (30 June 2023: 5,000,000,000) ordinary shares of Rs.10 each		**50,000,000**	50,000,000
Issued, subscribed and paid-up share capital 740,059,458 ordinary shares of Rs. 10 each (30 June 2023: 740,059,458 ordinary shares of Rs. 10 each)		**7,400,594**	7,400,594
Reserves	8	**33,971,064**	32,670,783
		41,371,658	40,071,377
Non-Current Liabilities			
Long term financing - secured	9	**16,990,145**	20,117,007
Deferred taxation		**257,699**	257,699
Deferred income - government grant		**88,568**	102,606
Defined benefit plan - staff gratuity		**403,341**	329,018
Total non-current liabilities		**17,739,753**	20,806,330
Current Liabilities			
Trade and other payables		**32,688,731**	27,220,295
Accrued mark-up / profit		**1,506,598**	1,570,154
Short term borrowings		**34,283,916**	30,205,729
Current maturity of long term financing - secured	9	**3,259,434**	3,096,186
Current maturity of deferred income - government grant		**30,126**	32,388
Unclaimed dividend		**9,878**	9,931
Unpaid dividend		**23,505**	23,505
Taxation-net		**771,915**	430,044
Total current liabilities		**72,574,103**	62,588,232
Contingencies and commitments	10	-	-
TOTAL EQUITY AND LIABILITIES		**131,685,514**	123,465,939

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

Mohomed Bashir	Mohammed Zaki Bashir	Abdul Aleem
Chairman	Chief Executive Officer	Chief Financial Officer

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the six months ended 31 December 2023

		(Unaudited)			
		Six Months Ended		Three Months Ended	
	Note	31 December 2023	31 December 2022	31 December 2023	31 December 2022
		(Rupees in '000)			
Sales - net	11	**69,101,731**	51,008,263	**33,459,964**	23,511,192
Cost of sales		**(60,980,297)**	(44,488,024)	**(29,327,413)**	(20,712,593)
Gross profit		**8,121,434**	6,520,239	**4,132,551**	2,798,599
Selling and distribution cost		**(1,451,424)**	(975,947)	**(707,563)**	(471,344)
Administrative cost		**(1,769,319)**	(1,631,936)	**(819,889)**	(874,169)
Other operating cost		**(180,360)**	(187,769)	**(88,798)**	(74,369)
		(3,401,103)	(2,795,652)	**(1,616,250)**	(1,419,882)
Operating profit		**4,720,331**	3,724,587	**2,516,301**	1,378,717
Other income		**761,352**	832,254	**257,093**	591,056
Finance costs		**(3,167,062)**	(1,839,990)	**(1,576,914)**	(1,141,277)
Profit before taxation		**2,314,621**	2,716,851	**1,196,480**	828,496
Taxation					
- Current	12	**(1,014,340)**	(616,665)	**(492,986)**	(291,261)
- Prior		**-**	(472,914)	**-**	(472,914)
		(1,014,340)	(1,089,579)	**(492,986)**	(764,175)
Profit after taxation		**1,300,281**	1,627,272	**703,494**	64,321
			(Restated)		*(Restated)*
Earnings per share - basic and diluted (Rs.)		**1.76**	2.20	**0.95**	0.09

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

Mohomed Bashir	**Mohammed Zaki Bashir**	**Abdul Aleem**
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months ended 31 December 2023

	(Unaudited)			
	Six Months Ended		Three Months Ended	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
	(Rupees in '000)			
Profit after taxation	**1,300,281**	1,627,272	**703,494**	64,321
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**1,300,281**	1,627,272	**703,494**	64,321

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

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Changes in Equity

For the six months ended 31 December 2023

	Issued, subscribed and paid-up share capital	Reserves				Total equity
		Capital reserve - against long term investments, capacity expansion and BMR	Capital reserve - amalgamation reserve	Revenue reserve - unappropriated profit	Total reserves	
	(Rupees in '000)					
Balance as at 30 June 2022 (Audited)	6,167,162	-	8,252,059	21,714,078	29,966,137	36,133,299
Total comprehensive income for the period						
Profit after taxation	-	-	-	1,627,272	1,627,272	1,627,272
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,627,272	1,627,272	1,627,272
Balance as at 31 December 2022 (Unaudited)	6,167,162	-	8,252,059	23,341,350	31,593,409	37,760,571
Balance as at 30 June 2023 (Audited)	**7,400,594**	**-**	**8,252,059**	**24,418,724**	**32,670,783**	**40,071,377**
Reclassification of Reserves (Note 8)	**-**	**23,000,000**	**-**	**(23,000,000)**	**-**	**-**
Total comprehensive income for the period						
Profit after taxation	-	-	-	1,300,281	1,300,281	1,300,281
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,300,281	1,300,281	1,300,281
Balance as at 31 December 2023 (Unaudited)	**7,400,594**	**23,000,000**	**8,252,059**	**2,719,005**	**33,971,064**	**41,371,658**

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

Mohomed Bashir	**Mohammed Zaki Bashir**	**Abdul Aleem**
Chairman	**Chief Executive Officer**	**Chief Financial Officer**

Gul Ahmed Textile Mills Limited
Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)
For the six months ended 31 December 2023

	Note	(Unaudited) Six Months Ended 31 December 2023	(Restated) 31 December 2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,314,621	2,716,851
Adjustments for:			
Depreciation of property, plant and equipment	4.1	2,138,915	1,604,258
Amortisation of intangible assets	5	10,979	12,840
Expense recognised for defined benefit plan		117,052	69,374
Finance cost		3,167,062	1,839,990
(Reversal) / provision for slow moving / obsolete stores and spares		(89,770)	40,351
Provision for slow moving stock-in-trade		73,239	274,456
Stock-in-trade written down to net realisable value	7	230,000	530,000
Government grant recognised in income		(16,300)	(34,423)
Loss / (gain) on disposal of property, plant and equipment - net		1,784	(3,305)
Operating fixed assets written off		70,069	-
(Reversal) / charge of expected credit loss against doubtful trade debts		(64,795)	36,088
		5,638,235	4,369,629
Changes in working capital:			
Stores and spares		(347,641)	(186,741)
Stock-in-trade		(3,964,352)	(4,930,813)
Trade debts		(1,592,623)	2,892,491
Loans, advances and other receivables		(582,808)	(3,475,587)
Short term prepayments		(222,254)	31,492
Receivable from government		(65,895)	(1,393,200)
Trade and other payables		5,441,978	4,004,994
Net decrease in working capital		(1,333,595)	(3,057,364)
Cash generated from operating activities		6,619,261	4,029,116
Payment made to defined benefit plan		(42,729)	(36,464)
Income taxes paid		(672,469)	(664,475)
		(715,198)	(700,939)
Net cash from operating activities		5,904,063	3,328,177
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment	4.2.1	(2,859,323)	(4,943,976)
Payments for acquisition of intangible assets	5	-	(12,838)
Proceeds from disposal of property, plant and equipment		18,177	29,669
Short term investment made		(600,890)	-
Long term loans		26,525	30,759
Long term deposits		3,227	(2,998)
Net cash used in investing activities		(3,412,284)	(4,899,384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing	9	358,000	1,991,260
Repayment of long term financing	9	(3,337,914)	(1,597,202)
Increase / (decrease) in short term borrowings		4,355,895	(3,823,326)
Finance costs paid		(3,187,860)	(1,258,107)
Dividend paid		(53)	(429)
Net cash used in financing activities		(1,811,932)	(4,687,804)
Net increase / (decrease) in cash and cash equivalents		679,847	(6,259,011)
Cash and cash equivalents at the beginning of the period		(1,411,989)	(344,794)
Cash and cash equivalents at the end of the period	13	(732,142)	(6,603,805)

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

Mohomed Bashir	Mohammed Zaki Bashir	Abdul Aleem
Chairman	Chief Executive Officer	Chief Financial Officer

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 a 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). The company is a composite textile unit engaged in the manufacturing and sale of textile products. The registered office is situated at Plot No. H-7, Landhi Industrial Area, Karachi.

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

Details of Subsidiaries	Date of Incorporation	Country of Incorporation	Principal place of business
Direct Subsidiaries			
Gul Ahmed International Limited FZC - UAE	11 December 2002	United Arab Emirates	Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.
Ideas (Private) Limited	27 December 2004 (Became subsidiary on 01 Jan 2021)	Pakistan	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Indirect Subsidiaries			
GTM USA Corporation	19 March 2012	United States of America	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Sky Home Corporation - USA	28 February 2017	United States of America	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Vantona Home Limited	22 April 2013	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
JCCO 406 Limited	29 September 2017	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM (Europe) Limited	17 April 2003	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.

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

Area	Address
25.07 Acres	Plot No. HT-4, Landhi Industrial Area, 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

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
22nd Floor, Ocean Mall, Khayaban-e-Iqbal, Block-9, Clifton, Karachi.

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

2 BASIS OF PREPARATION

2.1 Basis of measurement

These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise. In these financial statements, all the transactions are recorded on accrual basis except for the unconsolidated condensed interim statement of cash flows.

The comparative statement of financial position, presented in these unconsolidated condensed interim financial statements as at 31 December 2023 has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2023, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the unaudited unconsolidated condensed interim financial statements of the Company for the six months ended 31 December 2022.

These unconsolidated condensed interim financial statements of the Company do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 30 June 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.2 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.3 Functional and presentation currency

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

2.4 Use of judgements and estimates

The preparation of these unconsolidated condensed interim financial statements requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to annual audited unconsolidated financial statements as at and for the year ended 30 June 2023.

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

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

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

  - requiring companies to disclose their material accounting policies rather than their significant accounting;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Company's unconsolidated interim 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.

- 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 Company's unconsolidated condensed interim 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 January 2024:

- 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 a Company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 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).

- 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.

- Lack of Exchangeability (amendments to IAS 21) clarify:

  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

  Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

  - the nature and financial impacts of the currency not being exchangeable;
  - the spot exchange rate used;
  - the estimation process; and
  - risks to the company because the currency is not exchangeable.

  The amendments apply for annual reporting periods beginning on or after 01 January 2025. Earlier application is permitted.

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

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the audited unconsolidated financial statements for the year ended 30 June 2023 and are in line with the amendments made to IAS 1 and IFRS Practice Statement 2.

	Note	(Unaudited) 31 December 2023	(Audited) 30 June 2023
		(Rupees in '000)	

4 PROPERTY, PLANT AND EQUIPMENT

	Note		
Operating fixed assets	*4.1*	**47,493,602**	47,869,843
Capital work in progress	*4.2*	**3,258,614**	2,251,995
		50,752,216	50,121,838

4.1 Operating Fixed Asset

	Note		
Balance at beginning of the period / year		**47,869,843**	36,609,500
Transfers during the period / year	*4.1.1*	**1,871,227**	14,990,273
Written off during the period / year		**(70,069)**	-
Reclassification to Capital work in progress		**(18,523)**	-
Disposals during the period / year	*4.1.2*	**(19,961)**	(90,408)
Depreciation charged during the period / year		**(2,138,915)**	(3,639,522)
Balance at end of the period / year		**47,493,602**	47,869,843

4.1.1 Transfers during the period / year

Leasehold Land	**106,416**	-
Buildings and structures on leasehold land	**280,458**	3,862,099
Plant and machinery	**1,318,936**	10,703,902
Furniture and fixtures	**22,304**	37,243
Office equipment	**115,476**	334,042
Vehicles	**27,637**	52,987
	1,871,227	14,990,273

4.1.2 Disposals during the period / year

Buildings and structures on leasehold land	**-**	508
Plant and machinery	**19,961**	59,926
Furniture and fixtures	**-**	3,187
Office equipment	**-**	22,351
Vehicles	**-**	4,436
	19,961	90,408

4.2 Capital work in progress

	Note		
Balance at beginning of the period / year		**2,251,995**	9,232,408
Additions during the period / year	*4.2.1*	**2,859,323**	8,009,860
Reclassification from operating fixed assets		**18,523**	-
Transfers to operating fixed assets during the period / year	*4.1.1*	**(1,871,227)**	(14,990,273)
Balance at end of the period / year		**3,258,614**	2,251,995

4.2.1 Additions during the period / year

Plant and machinery	**2,272,909**	6,636,229
Land, Buildings and structures on leasehold land	**410,938**	1,177,663
Others	**175,476**	195,968
	2,859,323	8,009,860

	(Unaudited) 31 December 2023	(Audited) 30 June 2023
	(Rupees in '000)	

5 INTANGIBLE ASSETS - ACQUIRED

Balance at beginning of the period / year	**38,251**	51,720
Additions during the period / year	**-**	12,838
Amortisation charged during the period / year	**(10,979)**	(26,307)
Balance at end of the period / year	**27,272**	38,251

6 LONG TERM INVESTMENTS

Investment in subsidiary companies at cost		
- Gul Ahmed International Limited	**58,450**	58,450
- Ideas (Private) Limited	**3,462,756**	3,462,756
	3,521,206	3,521,206
Investment in Term Finance Certificate - at amortised cost	**70,000**	70,000
	3,591,206	3,591,206

7 STOCK-IN-TRADE

During the period, the Company has written down its inventory to net realizable value by an amount of Rs. 230 million (30 June 2023: Rs. Nil).

		(Unaudited) 31 December 2023	(Audited) 30 June 2023
		(Rupees in '000)	

8 RESERVES

Capital reserves			
Amalgamation reserve		**8,252,059**	8,252,059
Against long term investments, capacity expansion and BMR	*8.1*	**23,000,000**	-
		31,252,059	8,252,059
Revenue reserve			
Unappropriated profit		**2,719,005**	24,418,724
		33,971,064	32,670,783

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

	(Unaudited) 31 December 2023	(Audited) 30 June 2023
	(Rupees in '000)	

9 LONG TERM FINANCING - SECURED

Balance at beginning of the period / year	**23,213,193**	23,852,585
Long term finance obtained during the period / year	**358,000**	2,395,568
Unwinding of interest	**16,300**	54,679
Repayments made during the period / year	**(3,337,914)**	(3,089,639)
	20,249,579	23,213,193
Current maturity of long term financing - secured	**(3,259,434)**	(3,096,186)
	16,990,145	20,117,007

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

The status of contingencies, as reported in the annual unconsolidated financial statements for the year ended 30 June 2023, has remained unchanged during the current period except for the following new developments and increase in amount of provisions;

10.1.1 Constitution Petition No. 2206 of 2016 on 18 April 2016 filed against Employment Old Age Benefits Institution (EOBI) 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 has been withdrawn by the Company with the settlement of liability during the half year ended 31 December 2023.

10.1.2 The Company, along with other petitioners, has challanged the retrospective increase of the rates of super tax for tax year 2023 in the Honourable Islamabad High Court through Constitutional Petition. The Honourable High Court has passed an interim order dated 03 October 2023 allowing the petitioners not to pay Super Tax in excess of the rate prescribed before the amendment under challenge and has restrained tax authorities, from taking any coercive action against the Company. The Company has provided required security and has fully made the provision of super tax in the financial statements for the year ended 30 June 2022 and 2023.

10.1.3 In the matter of increase in the Gas Tariff, there is no change in its status as disclosed in note 26.13 of the unconsolidated financial statements for the year ended 30 June 2023 except the notification issued by the Oil and Gas Regulatory Authority (OGRA) on 08 November 2023 enhancing the gas 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 after the due date of November 2023 bill and instructed Sui Southern Gas Company Limited (SSGC) to revise the bills at previous rate and instructed the Company to deposit the differential amount with Nazir Sindh High Court as security. The Company to remain compliant with the due date timeline, paid complete amount to SSGC on the premise that if in future, the case turned in favour of the Company, the disputed increase in rate would be adjusted against the SSGC bills in future.

10.2 Guarantees and others

10.2.1 Guarantees of Rs. 2,733 million (30 June 2023: Rs. 2,733 million) have been issued by banks on behalf of the Company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by Habib Metropolitan Bank, an associated company, amounting to Rs. 1,104 million (30 June 2023: Rs. 1,104 million).

10.2.2 Post dated cheques of Rs. 22,394 million (30 June 2023: Rs. 25,199 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.

10.2.3 Bills discounted Rs. 5,469 million (30 June 2023: Rs. 11,730 million), including bills discounted from Habib Metropolitan Bank Limited, an associated company, amounting to Rs. 246 million (30 June 2023: Rs. 561 million).

10.2.4 Corporate guarantee of Rs. 247 million (30 June 2023: Rs. 248 million), Rs. 1,130 million (30 June 2023: 1,149 million) and Rs. 254 million (30 June 2023: Rs. 258 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp.- USA respectively.

10.3 Commitments

		(Unaudited) 31 December 2023	(Audited) 30 June 2023
		(Rupees in '000)	
Commitment in respect of forward foreign exchange contracts under EFS	*10.3.1*	**9,693,823**	-
Capital expenditure for plant and machineries		**236,401**	1,234,621
Other than capital expediture	*10.3.2*	**4,059,994**	3,921,495

10.3.1 The host liability under the Commitment in respect of forward foreign exchange contracts under EFS has been appropriately recorded in these unconsolidated condensed interim financial statements.

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

			(Unaudited) 31 December 2023	(Unaudited) 31 December 2022
			(Rupees in '000)	
11	SALES - NET			
	Export sales			
	Direct		**49,412,104**	34,146,085
	Indirect		**17,216,812**	14,574,074
			66,628,916	48,720,159
	Export rebate		**397,741**	243,920
	Trade and other discount		**(433,952)**	(363,918)
	Commission		**(1,581,992)**	(990,844)
	Sales tax		**(1,793,119)**	(2,117,600)
			63,217,594	45,491,717
	Local sales	*11.1*	**7,171,390**	6,645,003
	Brokerage		**(201,544)**	(159,867)
	Sales tax		**(1,085,709)**	(968,590)
			5,884,137	5,516,546
			69,101,731	51,008,263

11.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 340 million (31 December 2022: Rs. 303.9 million).

11.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 14 of these unconsolidated condensed interim financial statements.

12 TAXATION

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

		(Unaudited) 31 December 2023	*(Restated)* (Unaudited) 31 December 2022
		(Rupees in '000)	
13	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	**736,610**	158,069
	Overdrawn Bank Facilities	**(1,468,752)**	(6,761,874)
		(732,142)	(6,603,805)

13.1 The comparative figures have been restated due to reasons explained in Note 4 of the unconsolidated financial statements for the year ended 30 June 2023.

14 SEGMENT INFORMATION

The Company's operations have been divided in below 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.

14.1 Segment Profitability (Unaudited)

	Spinning		Apparel		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(Rupees In ' 000)											
Sales	27,793,160	19,218,108	7,274,669	4,234,947	48,662,015	35,089,940	6,837,229	4,757,589	(21,465,342)	(12,292,321)	69,101,731	51,008,263
Cost of sales	(24,735,338)	(16,800,494)	(6,705,445)	(3,937,835)	(44,434,804)	(31,576,229)	(6,570,052)	(4,465,787)	21,465,342	12,292,321	(60,980,297)	(44,488,024)
Gross profit	3,057,822	2,417,614	569,224	297,112	4,227,211	3,513,711	267,177	291,802	-	-	8,121,434	6,520,239
Distribution cost and Administrative cost	(236,369)	(276,009)	(444,126)	(308,986)	(2,243,761)	(1,654,468)	(296,487)	(368,420)	-	-	(3,220,743)	(2,607,883)
Profit before tax and before charging following	2,821,453	2,141,605	125,098	(11,874)	1,983,450	1,859,243	(29,310)	(76,618)	-	-	4,900,691	3,912,356
Finance costs											(3,167,062)	(1,839,990)
Other operating cost											(180,360)	(187,769)
Other income											761,352	832,254
											(2,586,070)	(1,195,505)
Profit before taxation											2,314,621	2,716,851
Taxation											(1,014,340)	(1,089,579)
Profit after taxation											1,300,281	1,627,272
Depreciation and amortisation expense	682,238	555,204	97,548	70,702	490,430	400,801	879,678	590,391	-	-	2,149,894	1,617,098

14.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segments		Unallocated		Total	
	Unaudited Dec-23	Audited Jun-23	Unaudited Dec-23	Audited Jun-23	Unaudited Dec-23	Audited Jun-23	Unaudited Dec-23	Audited Jun-23	Unaudited Dec-23	Audited Jun-23	Unaudited Dec-23	Audited Jun-23
	(Rupees in ' 000)											
Assets	34,867,824	36,506,601	7,166,194	5,884,071	48,689,379	41,017,970	14,657,851	13,595,356	26,304,266	26,461,941	131,685,514	123,465,939
Liabilities	12,702,631	13,875,597	3,671,082	3,160,419	24,689,656	18,826,945	8,582,612	8,396,099	40,667,875	39,135,502	90,313,856	83,394,562
Segment Capital & Intangible Expenditure	205,274	2,289,143	87,741	522,778	858,673	1,507,131	347,483	2,373,769	1,360,152	1,329,877	2,859,323	8,022,698

14.3 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.

14.4 Information about major customer

Sales to major customer whose revenue exceeds 10% of gross sales is Rs. 16,478 million (31 December 2022: Rs. 14,361 million).

14.5 Information by geographical area

	Revenue		Non-Current Assets	
	For the six months ended (Unaudited)		(Unaudited)	(Audited)
	Dec-23	Dec-22	Dec-23	Jun-23
	Rupees in '000			
Pakistan	21,509,374	18,132,887	54,483,340	53,893,693
Germany	14,323,020	12,716,474	-	-
United States of America	6,937,018	5,994,390	-	-
United Kingdom	5,984,851	1,707,800	-	-
Italy	4,299,384	2,344,970	-	-
Denmark	2,999,515	1,254,409		
France	2,840,363	2,386,432	-	-
Netherlands	2,228,308	2,988,981	-	-
Spain	1,877,252	675,276	-	-
Poland	1,863,470	1,221,014		
Sweden	973,811	881,245	-	-
China	952,984	517,950	-	-
United Arab Emirates	389,919	248,564	58,450	58,450
Other Countries	3,742,209	1,208,580	-	-
	70,921,478	52,278,972	54,541,790	53,952,143

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the Related Party	Country of Incorporation	Basis of relationship	Percentage of Shareholding	Transactions during the period	(Unaudited) December 2023	December 2022
					(Rupees in '000)	
Ideas (Private) Limited	Pakistan	Subsidiary Company	100%	Sale of goods	940,705	959,035
				Sharing of common expoense	756,751	498,995
				Sale of fixed assets	-	13,718
				Payment on behalf of	81,395	63,257
GTM (Europe) Limited - UK	United Kingdom	Indirect Subsidiary Company	100%	Sale of goods	1,952,867	667,480
				Sales through subsidiaries acting as agents	1,079,892	1,839,794
GTM USA Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Sale of goods	340,600	214,853
Vantona Home Limited	United Kingdom	Indirect Subsidiary Company	100%	Sales through subsidiaries acting as agents	86,628	159,031
Sky Home Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Sale of goods	58,168	93,990
				Commission paid	192,091	95,142
Grand Industries (Pvt) Limited	Pakistan	Common Directorship	7.86%	Rent expense	1,756	2,656
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Purchase of goods	95,693	69,716
Win Star (Pvt) Limited	Pakistan	Common Directorship		Purchase of goods	9,148	13,533
Haji Ali Mohammad Foundation	Pakistan	Common Directorship		Rent paid	480	480
The Pakistan Business Council	Pakistan	Common Directorship		Fees paid	2,500	2,530
Habib Metropolitan Bank	Pakistan	Associated Company		Bills discounted	8,475,008	4,412,090
				Markup and other bank charges	41,572	67,735
Employee Provident Fund Trust	Pakistan	Employee Retirement Fund	0.42%	Company's contribution to provident fund	193,885	143,391

Name of the Related Party	Country of Incorporation	Basis of Relationship	Percentage of shareholding	Nature of outstanding balances	(Unaudited) 31 December 2023	(Audited) 30 June 2023
					(Rupees in '000)	
Ideas (Private) Limited	Pakistan	Subsidiary Company	100%	Trade debts	6,270,096	6,653,253
GTM (Europe) Limited - UK	United Kingdom	Indirect Subsidiary Company	100%	Trade debts	1,851,040	1,623,438
Vantona Home Limited	United Kingdom	Indirect Subsidiary Company	100%	Trade debts	82,375	87,722
Sky Home Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Trade debts	114,887	48,720
GTM USA Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Trade debts	73,518	239,714
Gul Ahmed International Limited (FZC) - UA	United Arab Emirates	Indirect Subsidiary Company	100%	Trade debts	9,907	-
Gul Ahmed International Limited (FZC) - UA	United Arab Emirates	Subsidiary Company	100%	Trade and other payables	-	780
Win Star (Private) Limited	Pakistan	Common Directorship		Trade and other payables	7,580	9,292
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Trade and other payables	39,673	88,019
Grand Industries (Private) Limited	Pakistan	Common Directorship	7.86%	Trade and other payables	4,974	3,511
TPL Properties Limited	Pakistan	Common Directorship		Trade and other payables	29,677	29,677
Habib Metropolitan Bank	Pakistan	Common Directorship		Deposit with banks	128,234	91,359
				Short term borrowings	3,077,941	3,505,174
				Prepaid discounting	3,500	-
				Accrued mark-up	56,228	14,540
				Payable under Bill Discounting	2,123,969	1,775,103
Employee Provident Fund Trust	Pakistan	Employee Retirement Fund		Payable to employee's provident fund	53,450	46,400

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the six moths ended 31 December 2023 amounting to Rs.1,330 million (31 December 2022: Rs. 888.6 million) on account of remuneration.

16 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements as at and for the year ended 30 June 2023.

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 period 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 and investment in Term Finance Certificates carried at amortized cost. The Company does not expect that unobservable inputs may have significant effect on fair values. 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.

17 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

18 GENERAL

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

19 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised and approved for issue on 26-02-2024 by the Board of Directors of the Company.

Mohomed Bashir	Mohammed Zaki Bashir	Abdul Aleem
Chairman	Chief Executive Officer	Chief Financial Officer

CONSOLIDATED

Gul Ahmed Textile Mills Limited
Consolidated Condensed Interim Statement of Financial Position
As at 31 December 2023

	Note	31 December 2023	30 June 2023
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**55,322,853**	54,747,527
Right of use assets	5	**2,825,737**	2,860,182
Intangible assets	6	**174,508**	197,892
Long term investment	7	**70,000**	70,000
Long term loans		**41,376**	67,901
Long term deposits		**489,044**	491,434
Deferred Taxation - net		**687,556**	497,001
Total non-current assets		**59,611,074**	58,931,937
CURRENT ASSETS			
Stores and spares		**2,687,131**	1,913,060
Stock-in-trade		**52,056,578**	47,583,004
Trade debts		**19,923,042**	16,621,547
Loans, advances and other receivables		**3,355,338**	3,434,354
Short term prepayments		**552,070**	272,534
Receivable from government		**3,512,015**	3,681,857
Cash and bank balances		**1,762,010**	1,200,790
Total current assets		**83,848,183**	74,707,146
Total Assets		**143,459,258**	133,639,083
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 5,000,000,000 (30 June 2023: 5,000,000,000) ordinary shares of Rs.10 each		**50,000,000**	50,000,000
Issued, subscribed and paid-up share capital 740,059,458 ordinary shares of Rs. 10 each (30 June 2023: 740,059,458 ordinary shares of Rs. 10 each)		**7,400,594**	7,400,594
Reserves	8	**36,630,050**	35,162,343
		44,030,644	42,562,937
NON-CURRENT LIABILITIES			
Long term financing - secured	9	**16,990,145**	20,117,007
Lease Liability against right of use asset	10	**3,109,310**	2,991,771
Gas Infrastructure Development Cess payable		**-**	-
Deferred taxation		**-**	-
Deferred income - government grant		**88,568**	102,606
Defined benefit plan - staff gratuity		**411,720**	337,549
Long term deposits		**22,210**	31,420
Total non-current liabilities		**20,621,953**	23,580,353
CURRENT LIABILITIES			
Trade and other payables		**37,173,625**	30,451,744
Accrued mark-up / profit		**1,555,449**	1,611,026
Short term borrowings		**35,351,640**	31,191,367
Current maturity of long term financing	9	**3,259,434**	3,096,186
Current maturity of lease liability against right of use asset		**491,706**	609,749
Current maturity of deferred government grant		**30,126**	32,388
Current maturity of Gas Infrastructure Development Cess payable		**-**	
Unclaimed dividend		**9,878**	9,931
Unpaid dividend		**23,505**	23,505
Taxation-net		**911,298**	469,897
Total current liabilities		**78,806,661**	67,495,793
CONTINGENCIES AND COMMITMENTS	11	**-**	-
Total Equity and Liabilities		**143,459,258**	133,639,083

The annexed notes from 1 - 20 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 Condensed Interim Statement of Profit or Loss (Unaudited)

For the six months ended December 2023

	Note	(Unaudited)			
		Six Months Ended		Three Months Ended	
		31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
		---------------------------- (Rupees in '000) ----------------------------			
Sales - net	13	**83,735,222**	62,113,549	**41,229,278**	30,410,540
Cost of sales		**70,287,158**	50,659,571	**34,482,480**	24,563,910
Gross profit		**13,448,064**	11,453,978	**6,746,798**	5,846,630
Selling and distribution cost		**4,784,678**	3,864,649	**2,418,985**	2,142,261
Administrative cost		**2,957,729**	2,489,749	**1,389,813**	1,311,115
Other operating cost		**190,056**	212,279	**97,226**	98,879
		7,932,463	6,566,677	**3,906,024**	3,552,255
		5,515,601	4,887,301	**2,840,774**	2,294,375
Other income		**911,736**	1,078,215	**307,671**	859,913
Operating profit		**6,427,337**	5,965,516	**3,148,445**	3,154,288
Finance cost		**4,329,755**	2,656,173	**2,163,178**	1,584,891
Profit before taxation		**2,097,582**	3,309,343	**985,267**	1,569,397
Taxation		**1,006,843**	1,130,701	**438,637**	738,617
Profit after taxation		**1,090,739**	2,178,642	**546,630**	830,780
			(Restated)		*(Restated)*
Earnings per share - basic and diluted (Rs.)		**1.47**	2.94	0.74	1.12

The annexed notes from 1 - 20 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 Condensed Interim Statement of Comprehensive Income (Unaudited)

For the six months ended December 2023

	(Unaudited)			
	Six Months Ended		Three Months Ended	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
	- - - - - - - - - - - - - (Rupees in '000) - - - - - - - - - - - - -			
Profit after taxation	**1,090,739**	2,178,642	**546,630**	830,780
Other comprehensive income				
Exchange difference on translation of foreign subsidiaries	**376,968**	99,830	**500,358**	111,092
Total comprehensive income	**1,467,707**	2,278,472	**1,046,988**	941,872

The annexed notes from 1 - 20 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 Condensed Interim Statement of Cash Flows (Unaudited)

For the six months ended December 2023

	Note	31 December 2023	31 December 2022 (Restated)
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**2,097,582**	3,309,343
Adjustments for:			
Depreciation on property, plant and equipment	4.1	**2,404,030**	1,830,243
Depreciation on right-of-use assets	5	**338,025**	350,803
Amortisation	6	**23,384**	24,756
Provision for gratuity		**117,052**	69,646
Finance cost		**4,329,755**	2,478,219
De recognition on lease liability against right-of-use asset		**(60,250)**	179,769
Provision for slow moving / obsolete stores and spares		**(85,762)**	-
Provision for slow moving stock		**358,550**	41,642
Provision written off during the year		**-**	(18,852)
Amortisation of government grant	9	**(16,300)**	(34,423)
(Gain) / loss on disposal of property, plant and equipment - net		**1,784**	(3,305)
Operating Fixed assets written off		**70,069**	-
Expected credit loss against doubtful trade debts		**(64,815)**	36,088
		7,415,522	4,954,586
Changes in working capital:			
Stores and spares		**(688,309)**	(142,514)
Stock-in-trade		**(4,832,124)**	(5,872,782)
Trade debts		**(3,236,680)**	1,041,416
Loans, advances and other receivables		**79,016**	(3,468,770)
Short term prepayments		**(279,536)**	118,494
Receivable from government		**169,842**	(1,393,200)
Long term loans		**26,525**	30,759
Long term deposits		**(6,820)**	52,308
Trade and other payables		**6,695,422**	6,087,767
Net increase / (decrease) in working capital		**(2,072,663)**	(3,546,522)
Gratuity paid		**(42,881)**	(36,535)
Tax paid		**(755,997)**	(742,736)
		(798,878)	(779,271)
Net cash generated from operating activities		**6,641,563**	3,938,136
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		**(3,069,386)**	(5,312,064)
Additions in intangible assets		**-**	(12,838)
Proceeds from sale of property, plant and equipment		**18,176**	29,669
Net cash used in investing activities		**(3,051,210)**	(5,295,233)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		**358,000**	1,991,260
Long term financing repaid		**(3,337,914)**	(1,597,202)
Payments against lease liability against right-of-use assets		**(464,881)**	(530,923)
Short term borrowings - net		**4,355,895**	(3,691,323)
Finance cost paid		**(4,121,526)**	(1,896,335)
Dividend paid		**(53)**	(429)
Net cash generated from financing activities		**(3,210,479)**	(5,724,952)
Exchange difference on translation of foreign subsidiaries		**376,968**	(99,830)
Net (decrease) / increase in cash and cash equivalents		**756,842**	(7,181,879)
Cash and cash equivalents at the beginning of the year		**(1,531,308)**	148,642
Cash and cash equivalents at the end of the year		**(774,466)**	(7,033,237)

The annexed notes from 1 - 20 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 Condensed Interim Statement of Changes in Equity

For the six months ended December 2023

		Reserves						
		Capital reserve						
	Share capital	Against long-term investments, capacity expansion and BMR	Amalgamation Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit	Total reserves	Total Equity
	-----------------	-----------------	-----------------	-----Rupees '000-----	-----------------	-----------------	-----------------	-----------------
Balance as at June 30, 2022 (Audited)	**6,167,162**		**8,252,059**	**61,390**	**20,845**	**23,534,288**	**31,868,582**	**38,035,744**
Total comprehensive income								
Profit after taxation for the six months ended December 31, 2022				-	-	2,178,642	2,178,642	2,178,642
Other comprehensive income	-	-		(99,830)	-	-	(99,830)	(99,830)
Transferred to statutory reserve							-	-
	-	-		(99,830)	-	2,178,642	2,078,812	2,078,812
Balance as at December 31, 2022 (Un-Audited)	**6,167,162**	**-**	**8,252,059**	**(38,440)**	**20,845**	**25,712,930**	**33,947,394**	**40,114,556**
Total comprehensive income for the six months ended June 30, 2023								
Profit after taxation	-					2,716,189	2,716,189	2,716,189
Other comprehensive income	-			(219,867)		(47,941)	(267,808)	(267,808)
Transferred to statutory reserve	-						-	-
	-	-	-	(219,867)	-	2,668,248	2,448,381	2,448,381
Transaction with owners								
Issuance of bonus shares @ 20%	1,233,432	-	-	-	-	(1,233,432)	(1,233,432)	-
Balance as at June 30, 2023	**7,400,594**	**-**	**8,252,059**	**(258,307)**	**20,845**	**27,147,746**	**35,162,343**	**42,562,937**
Reclassification of Reserves (note 8)	**-**	**23,000,000**	**-**	**-**	**-**	**(23,000,000)**	-	
Total comprehensive income for the six months ended December 31, 2023 (un-audited)								
						-		-
Profit after taxation	-	-	-	-	-	1,090,739	1,090,739	1,090,739
Other comprehensive Income	-	-	-	376,968	-	-	376,968	376,968
	-	-		376,968	-	1,090,739	1,467,707	1,467,707
Balance as at December 31, 2023 (un-audited)	**7,400,594**	**23,000,000**	**8,252,059**	**118,661**	**20,845**	**5,238,485**	**36,630,050**	**44,030,644**

The annexed notes from 1 - 20 form an integral part of these consolidated financial statements.

MOHOMED BASHIR	**MOHAMMED ZAKI BASHIR**	**ABDUL ALEEM**
Chairman	Chief Executive	Chief Financial Officer

1 LEGAL STATUS AND ITS OPERATIONS

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

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

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

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

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

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

1.2 Basis of consolidation

The financial information include the financial information of the Group.

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

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

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

Details of Subsidiaries

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

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

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

Ar	**Address**
25	Plot No. HT-4, Landhi Industrial Area, Landhi, Karachi
14	Survey No. 82, Deh Landhi, Karachi
18	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
44	P.U. No. 48, 49, 50, & 51, Deh Khjanto Tapo Landhi, Karachi
4.1	Plot No. H-19 Landhi Industrial Area, Landhi Karachi
4,0	Plot No. H-19/1, Landhi Industrial Area, Landhi , Karachi
6.8	Plot 368, 369 & 446, Deh Landhi, Karachi
12	Plot- HT 3/A, Landhi, Karachi
51	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi
1.9	Plot No. 65/I, Deh Dig, Sector-30, Korangi Industrial Area (Eastern), Karachi
0.3	24/A, Block C/3, Gulberg-III, Lahore
0.0	Shop Nos. 5 & 6, Bahadurabad, Karachi

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

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

Address
Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.
Plot 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
22nd Floor, Ocean Mall, Khayaban-e-Iqbal, Block-9, Clifton, Karachi.
295 5th ave, Suit 702, NewYork - NY - 10016
Grane Road Mill, Grane Road, Haslingden, BB4 5ES

2 BASIS OF PREPARATION

2.1 Basis of measurement

The condensed interim consolidated financial information comprise the consolidated statement of Financial Position of Gul Ahmed Textile Mills Limited, its direct subsidiary Worldwide Developers (Pvt.) Limited and its wholly owned subsidiary company Gul Ahmed International Limited (FZC), GTM (Europe) Limited which is the wholly owned subsidiary of Gul Ahmed International Limited (FZC), GTM USA Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, Sky Home Corporation which is the wholly owned subsidiary of GTM (Europe) Limited, Vantona Home Limited which is the wholly owned subsidiary of GTM (Europe) Limited and JCCO 406 Limited which is the wholly owned subsidiary of GTM (Europe) Limited as at December 31, 2023 and the related consolidated statement of profit or loss, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.

These condensed interim consolidated financial statements comprise of the condensed interim consolidated statement of financial position as at December 31, 2023 and the condensed interim un-consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the period ended December 31, 2023.

The comparatives statement of Financial Position, presented in these condensed interim consolidated financial statements, as at December 31, 2023 has been extracted from the audited financial statements of the Group for the year ended June 30, 2023 whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the six months ended December 31, 2022 have been extracted from the condensed interim consolidated financial statements of the Group for the six months ended December 31, 2022.

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

2.2 Statement of compliance

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

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

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

2.3 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistani rupees and all financial information presented has been rounded off to the nearest thousand, except otherwise stated.

2.4 Use of judgements and estimates

The preparation of these condensed interim consolidated financial statements requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2023.

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

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

- 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 groups provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring groups to disclose their material accounting policies rather than their significant accounting;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a 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 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, groups 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.
- 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 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 Group's consolidated condensed interim financial statements.

(b) Standards, Interpretations and Amendments 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 January 2024:

- 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, groups 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 groups that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- 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, groups 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.

- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a group estimates a spot rate when a currency lacks exchangeability.

  Further, groups will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:
  - the nature and financial impacts of the currency not being exchangeable;
  - the spot exchange rate used;
  - the estimation process; and
  - risks to the group because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. Earlier application is permitted.

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

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of the audited consolidated financial statements for the year ended 30 June 2023 and are in line with the amendments made to IAS 1 and IFRS Practice Statement 2.

4	PROPERTY, PLANT AND EQUIPMENT	Note	(Unaudited) 31 December 2023	(Audited) June 2023
			(Rupees in '000)	
	Operating fixed assets	4.1	**51,963,606**	52,340,673
	Capital work in progress (CWIP)	4.4	**3,359,247**	2,409,507
			55,322,853	54,750,180

4.1	**Operating Fixed Asset**	Note		
	Opening book value		**52,340,673**	40,823,078
	Additions / Transfers during the period / year	4.2	**2,136,650**	15,751,366
	Written off during the period / year		**(70,069)**	-
	Reclassification to Capital work in progress		**(18,523)**	-
	Disposals during the period / year	4.3	**(19,961)**	(84,875)
	Depreciation charged during the period / year		**(2,404,030)**	(4,162,282)
	Foreign currency translation		**(1,134)**	13,386
	Closing book value		**51,963,606**	52,340,673

4.2	**Additions / Transfers during the period**		
	Land	**106,416**	-
	Buildings and structures on leasehold land	**407,767**	4,352,774
	Plant and machinery	**1,376,671**	10,709,985
	Furniture and fixtures	**74,668**	96,804
	Office equipment	**131,679**	521,427
	Vehicles	**39,449**	70,376
		2,136,650	15,751,366

		Note	31 December 2023	June 2023
			(Rupees in '000)	
4.3	**Disposals - operating fixed assets (at net book value)**			
	Plant and machinery		**19,961**	60,329
	Furniture and fixtures		**-**	76
	Office equipment		**-**	20,033
	Vehicles		**-**	4,437
			19,961	84,875

4.4	**Capital work in progress (CWIP)**	Note		
	Opening book value		**2,409,507**	9,427,867
	Additions during the period / year	4.5	**3,042,579**	8,728,844
	Reclassification from operating fixed assets		**18,523**	-
	Transfers during the period / year		**(2,111,362)**	(15,747,204)
	Closing book value		**3,359,247**	2,409,507

4.5	**Additions - capital work in progress (at cost)**		
	Machinery	**2,272,909**	6,636,229
	Building	**454,924**	1,581,756
	Others	**314,746**	510,859
		3,042,579	8,728,844

5	**RIGHT OF USE ASSETS**		
	Balance as at 01 July	**2,860,182**	2,957,461
	Assets recognized during the year	**303,618**	722,285
	Derecognition / Adjustment	**(9,604)**	(64,667)
	Depreciation expense		
	- Charged to Cost of sales	**(8,118)**	(29,159)
	- Charged to Distribution cost	**(280,655)**	(669,673)
	- Charged to Administrative cost	**(39,658)**	(57,844)
		(328,431)	(756,676)
	Foreign currency retranslation difference	**(28)**	1,779
	Net book value	**2,825,737**	2,860,182

Gross carrying amount as at 30 June			
Cost		**4,982,087**	4,085,553
Accumulated Depreciation		**(2,156,322)**	(1,227,150)
Foreign currency retranslation difference		**(28)**	1,779
Balance as at 30 September		**2,825,737**	2,860,182

6 INTANGIBLE ASSETS

Opening book value	**197,892**	190,838
Additions during the period / year	**-**	17,532
Write-off	**-**	(15,405)
Amortisation charged during the period / year	**(19,735)**	(42,579)
Foreign Currency Translation	**(3,649)**	47,506
Closing book value	**174,508**	197,892

7 LONG TERM INVESTMENT

Investment in Term Finance Certificate - at amortised cost	7.1	**70,000**	70,000

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

8 RESERVES

Capital reserves		
Amalgamation reserve	**8,252,059**	8,252,059
Against long-term investments, capacity expansion and BMR	**23,000,000**	-
	31,252,059	8,252,059
Revenue reserve		
Exchange difference on translation of foreign subsidiaries		
Statutory reserve created by foreign subsidiary	**118,661**	**(258,307)**
Unappropriated profit	**20,845**	**20,845**
	5,238,485	**27,147,746**
	5,377,991	26,910,284
	36,630,050	35,162,343

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

		Note	(Unaudited) 31 December 2023	(Audited) June 2023
9	**LONG TERM FINANCING - SECURED**		**(Rupees in '000)**	
	Opening balance		**23,213,193**	23,852,585
	Long term finance obtained during the period / year		**358,000**	2,395,568
	Unwinding of interest		**16,300**	54,679
	Repayments made during the period / year		**(3,337,914)**	(3,089,639)
			20,249,579	23,213,193
	Current portion long term financing		**(3,259,434)**	(3,096,186)
			16,990,145	20,117,007

10 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Opening balance	**3,601,520**	3,652,873
Additions	**303,618**	722,285
Accretion of Interest	**221,047**	410,329
Derecognition / Adjustment	**(60,250)**	(132,785)
Payments	**(464,881)**	(1,053,011)
Foreign currency retranslation difference	**(38)**	1,829
Closing balance	**3,601,016**	3,601,520
Current portion shown under current liabilities	**491,706**	609,749
Non-Current portion	**3,109,310**	2,991,771
	3,601,016	3,601,520

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The status of contingencies, as reported in the annual unconsolidated financial statements for the year ended 30 June 2023 remained unchanged during the current period except increase in amount of provisions required and following a new change;

11.1.1 Constitution Petition No. 2206 of 2016 on 18 April 2016 filed against Employment Old Age Benefits Institution (EOBI) 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 has been withdrawn by the Group with the settlement of liability during the half year ended December 31, 2023.

11.1.2 The Group along with other petitioners, has challanged the retrospective increase of the rates of super tax for tax year 2023 in the Honourable Islamabad High Court through Constitutional Petition. The Honourable High Court has passed an interim order dated 03 October 2023 allowing the petitioners not to pay Super Tax in excess of the rate prescribed before the amendment under challange and has restrained tax authorities, from taking any coercive action against the Group. The Group has provided rquired security and has fully made the provision of super tax in the financial statements for the year ended June 30, 2022 and 2023.

11.1.3 In the matter of increase in the Gas Tariff, there is no change in its status as disclosed in note 26.13 of the financial statements for the year ended June 30, 2023 except the notification issued by the Oil and Gas Regulatory Authority (OGRA) on November 8, 2023 enhancing the gas rates. The Group along with others have filed petition in the Honourable Sindh High Court against the notification and the Honourable Court granted interim relief after the due date of November 2023 bill and instructed Sui Southern Gas Company Limited (SSGC) to revise the bills at previous rate and instructed the Group to deposit the differential amount with Nazir Sindh High Court as security. The Group to remain compliant with the due date timeline, paid complete amount to SSGC on the premise that if in future, the case turned in favour of the Group, the disputed increase in rate would be adjusted against the SSGC bills in future.

11.2 Guarantees and others

11.2.1 Guarantees of Rs. 2,733 million (30 June 2023: Rs. 2,733 million) have been issued by banks on behalf of the Group which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 1,104 million (30 June 2023: Rs. 1,104 million).

11.2.2 Post dated cheques of Rs.22,394 million (30 June 2023: Rs. 25,199 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.

11.2.3 Bills discounted Rs. 9,855 million (30 June 2023: Rs. 11,730 million), including bills discounted from Habib Metropolitan Bank Limited, an associated company, amounting to Rs.2,370 million (30 June 2023: Rs. 2,337 million).

11.2.4 Corporate guarantee of Rs. 247 million (30 June 2023: Rs. 248 million), Rs. 1,130 million (30 June 2023: 1,149 million) and Rs. 254 million (30 June 2023: Rs. 258 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp- USA respectively.

		(Unaudited) 31 December 2023	(Audited) June 2023
		(Rupees in '000)	
11.3	**Commitments**		
	Commitment in respect of forward foreign exchange contracts under EFS	**9,693,823**	-
	Capital expenditure	**236,401**	1,234,621
	Other than capital expediture	**4,059,994**	3,965,192

11.3.1 The host liability under the Commitment in respect of forward foreign exchange contracts under EFS has been appropriately recorded in these consolidated condensed interim financial statements.

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

11.4 Pension Commitments

GTM (Europe) Ltd operates a defined contributions pension scheme. The assets of the scheme are held separately from those of GTM (Europe) Ltd in an independently administered fund. The pension cost charge represents contributions payable by GTM (Europe) Ltd to the fund and amounted to Rs. 3.11 million (30 June 2022: Rs. 3.04 million).

12 CASH AND CASH EQUIVALENTS

	(Unaudited) 31 December 2023	(Unaudited) 31 December 2022
	(Rupees in '000)	
Cash and cash equivalents comprises of:		
Cash and bank balances	**1,762,010**	689,236
Running Finance	**(2,536,476)**	(7,722,473)
	(774,466)	(7,033,237)
	(774,466)	(7,033,237)

13 SALES-NET

	(Unaudited) 31 December 2023	(Unaudited) 31 December 2022
	(Rupees in '000)	
Export sales		
Direct	**50,916,014**	34,978,560
Indirect	**17,216,812**	14,574,074
	68,132,826	49,552,634
Export rebate	**391,432**	243,920
Trade and other discount	**(433,952)**	(352,678)
Commission	**(1,419,343)**	(999,642)
Sales tax	**(1,793,119)**	(2,117,600)
	64,877,844	46,326,634
Local sales	**20,144,631**	16,915,371
Brokerage	**(201,544)**	(159,867)
Sales tax	**(1,085,709)**	(968,590)
	18,857,378	15,786,914
	83,735,222	62,113,549

13.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 340 million (31 December 2022: Rs. 303.9 million).

13.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 15 of the consolidated condensed interim financial statements.

14 TAXATION

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

15 SEGMENT INFORMATION

The Groups's operations have been divided in four segments based on the nature of process and internal reporting along with subsidiaries. Following are the reportable business segments:

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

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

c) Home Textile: Production of different types and qualities 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.

15.1 Segment Profitability (Unaudited)

	Spinning		Apparel		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	Dec-23	Dec-22	**Dec-23**	Dec-22	**Dec-23**	Dec-22	**Dec-23**	Dec-22	**Dec-23**	Dec-22	**Dec-23**	Dec-22
	(Rupees in '000)											
Sales	**27,793,160**	19,218,108	**7,274,669**	4,234,947	**48,662,015**	35,089,940	**#REF!**	20,519,866	**#REF!**	(16,949,312)	**#REF!**	62,113,549
Cost of sales	**(24,735,338)**	(16,800,494)	**(6,705,445)**	(3,937,835)	**(44,434,804)**	(31,576,229)	**#REF!**	(15,402,334)	**#REF!**	17,057,321	**#REF!**	(50,659,571)
Gross profit	**3,057,822**	2,417,614	**569,224**	297,112	**4,227,211**	3,513,711	**#REF!**	5,117,532	**#REF!**	108,009	**#REF!**	11,453,978
Distribution and Administrative cost	**(236,369)**	(276,009)	**(444,126)**	(308,986)	**(2,243,761)**	(1,654,468)	**#REF!**	(4,114,935)	**-**	-	**#REF!**	(6,354,398)
Profit before tax and before charging following	**2,821,453**	2,141,605	**125,098**	(11,874)	**1,983,450**	1,859,243	**#REF!**	1,002,597	**#REF!**	108,009	**#REF!**	5,099,580
Finance Cost											**(4,329,755)**	(2,656,173)
Other operating cost											**(190,056)**	(212,279)
Other income											**911,736**	1,078,215
											(3,608,075)	(1,790,237)
Profit before taxation											**#REF!**	3,309,343
Taxation											**(1,006,843)**	(1,130,701)
Profit after taxation											**#REF!**	2,178,642
Depreciation and Amortisation expense	**682,238**	555,204	**97,548**	70,702	**490,430**	400,801	**#REF!**	1,179,703	**-**	-	**#REF!**	2,206,410

15.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segments		Unallocated		Total	
	Dec-23	Jun-23	**Dec-23**	Jun-23	**Dec-23**	Jun-23	**Dec-23**	Jun-23	**Dec-23**	Jun-23	**Dec-23**	Jun-23
	(Rupees in '000)											
Assets	**34,867,824**	36,506,601	**7,166,194**	5,884,071	**48,689,379**	41,017,970	**#REF!**	38,462,128	**#REF!**	11,768,313	**#REF!**	133,639,083
Liabilities	**12,702,631**	13,875,597	**3,671,082**	3,160,419	**24,689,656**	18,826,945	**#REF!**	26,162,111	**#REF!**	29,051,074	**#REF!**	91,076,146
Segment Capital & Intangible expenditure	**205,274**	2,289,143	**87,741**	522,778	**858,673**	1,507,131	**1,010,164**	3,154,978	**907,534**	1,329,877	**3,069,386**	8,803,907

15.3 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.

15.4 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 16,478 (31 December 2022: Rs. 14,361 million).

	Revenue		Non-current assets	
	Six months ended (Unaudited)		(Unaudited)	(Audited)
	December 2023	December 2022	December 2023	June 2023
	(Rupees in '000)			
15.5 INFORMATION BY GEOGRAPHICAL AREA				
Pakistan	**34,400,950**	28,516,783	**59,416,025**	58,731,749
Germany	**14,323,020**	12,716,474	**-**	-
United States	**7,681,988**	6,094,258	**2,013**	3,069
Italy	**4,299,384**	2,344,970	**-**	-
France	**2,840,363**	2,386,432	**-**	-
United Kingdom	**6,623,625**	2,284,097	**176,317**	179,750
Netherlands	**2,228,308**	2,988,981	**-**	-
Denmark	**2,999,515**	1,254,409	**-**	-
Poland	**1,863,470**	1,221,014	**-**	-
Spain	**1,877,252**	675,276	**-**	-
Sweden	**973,811**	881,245	**-**	-
China	**952,984**	517,950	**-**	-
United Arab Emirates	**591,750**	293,789	**16,720**	20,022
Other Countries	**3,742,209**	1,208,580	**-**	-
	85,398,629	63,384,259	**59,611,074**	58,934,590

16 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. Details of related party transactions and balances other than those disclosed elsewhere in these financial statements are as follows:

Name of the related party	Country of Incorporation	Basis of relationship	Percentage of Shareholding	Transactions during the period	(Unaudited) Six Months Ended Dec - 2023	Dec - 2022
					(Rupees in '000)	
Grand Industries (Pvt) Limited	Pakistan	Common Directorship	7.86%	Rent expense	1,756	2,656
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Purchase of goods	96,693	69,716
Win Star (Private) Limited -	Pakistan	Common Directorship		Purchase of goods	9,148	13,533
Haji Ali Mohammad Foundation	Pakistan	Common Directorship		Rent paid	480	480
The Pakistan Business Council	Pakistan	Common Directorship		Fees paid	2,500	2,530
Habib Metropolitan Bank	Pakistan	Associated Company		Bills discounted	8,475,008	4,412,090
				Markup and other bank charges	41,572	67,735
Board of Directors		Directorship		Meeting Fees	3,800	2,600
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Pakistan	Employee Retirement Fund	0.42%	Company's contribution to provident fund	67,999	58,874
Ideas (Private) Limited - Employees Provident Fund Trust	Pakistan	Employee Retirement Fund		Holding Company's contribution to provident fund	193,885	143,391

Name of the related party	Country of Incorporation	Relationship and percentage of shareholding	Percentage of Shareholding	Nature of outstanding balances	(Unaudited) 31 December 2023	(Audited) 30 June 2023
					----------- (Rupees in '000) -----------	
Win Star (Private) Limited	Pakistan	Common Directorship		Trade and other payables	**7,580**	9,292
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Trade and other payables	**39,673**	88,019
Grand Industries (Private) Limited	Pakistan	Common Directorship	7.86%	Trade and other payables	**4,974**	3,511
TPL Properties Limited	Pakistan	Common Directorship		Trade and other payables	**29,677**	29,677
Habib Metropolitan Bank	Pakistan	Common Directorship		Deposit with banks	**128,234**	91,359
				Short term borrowings	**3,077,941**	3,505,174
				Prepaid discounting	**3,500**	-
				Accrued mark-up	**56,228**	14,540
				Payable under Bill Discounting	**2,123,969**	1,775,103
Key management Personnel		Associate		Loan provided	**116,003**	137,705
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Pakistan	Employee Retirement Fund		Payable to employee's provident fund	**53,450**	46,400
Ideas (Private) Limited - Employees Provident Fund Trust	Pakistan	Employee Retirement Fund		Payable to employee's provident fund	**16,325**	7,153

17 FAIR VALUES

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

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

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

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

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

As at year end the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land, lease-hold land and capital work in progress which are stated at cost. The investment in Term Finance Certificates carried at amortized 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.

18 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purpose of comparison, the effects of which are not material.

19 GENERAL

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

20 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue on 26-February-2024 by the Board of Directors of the Group.

MOHOMED BASHIR	MOHAMMED ZAKI BASHIR	ABDUL ALEEM
Chairman	Chief Executive Officer	Chief Financial Officer