

GUL AHMED TEXTILE MILLS LIMITED

**FINANCIAL INFORMATION
FOR THE PERIOD ENDED
MARCH 31, 2024**

Company Information

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

Directors' Report

Dear Members

The Directors of the Company are pleased to present the performance review and the unaudited financial statements for the nine months ended March 31, 2024.

Global Economic Landscape:

The global economy has been surprisingly resilient, despite significant central bank interest rate changes to restore price stability. Inflationary pressures have subsided more rapidly than anticipated across many nations, resulting in a more balanced global outlook compared to the previous year. Global growth, which was estimated at 3.2% in 2023, is forecasted to maintain the same momentum throughout the year.

On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, had, along with persistent core inflation where labor markets are still tight, raise interest rate expectations and reduce asset prices. The challenges are further compounded by China's economic deceleration and declining trade, particularly affecting the global manufacturing sector. Further, a potential escalation of the Middle East of Iran and Israel could have a "strong effect" on limiting growth as well as expectation of increase in crude commodities.

Pakistan's Economic Landscape:

Pakistan's economic and financial position continues to improve with each passing month of the current fiscal year, attributed to prudent policy management and the resumption of inflows from multilateral and bilateral partners. Pakistan has reached a Staff-Level Agreement in its final review successfully concluding the IMF's Stand-By Arrangement (SBA) program and securing a disbursement of \$1.1 billion. The instalment of \$1.1 billion is anticipated to be early May, subject to Board meeting of IMF Executive Committee. Furthermore, as part of its efforts to secure additional financial support, Pakistan has formally requested a new bailout package from the International Monetary Fund (IMF), with the proposed loan program ranging between \$6 to \$8 billion.

During the first nine months of fiscal year 2024, Pakistan made significant strides in narrowing its trade deficit, which contracted by 24.45% to \$17.14 billion compared to \$22.68 billion in the previous fiscal year. While exports saw a modest uptick of 9%, reaching \$22.93 billion, imports recorded a notable decrease of 8.35%, totalling \$40.07 billion.

Inflation rate in Pakistan fell for the third consecutive month to 20.7% in March 2024, the lowest since May 2022, from 23.1% in February.

Pakistan's Textile Sector:

Pakistan earned \$12.44 billion from exports of textile products during the first nine months of the current financial year (2023-24). The exports of the textile product however, witnessed a nominal decline of 0.25 percent during July-March (2023-24) as against the exports of \$ 12.47 billion during July-March (2022-23).

Below is the breakdown of export sales for key textile commodities:

Textile Commodities	Export July23 -Mar24 (Million)	Export July22 –Mar23 (Million)	Change
Knit wear	\$ 3,240	\$ 3,390	-4%
Readymade garments	\$ 2,597	\$ 2,657	-2%
Bed wear	\$ 2,088	\$ 2,032	3%
Cotton cloth	\$ 1,423	\$ 1,538	-7%
Cotton Yarn	\$ 792	\$ 573	38%
Cotton	\$ 56	\$ 13	332%
Others	\$ 2,249	\$ 2,273	-1%
Total	\$ 12,445	\$ 12,476	-0.3%

Meanwhile, on a year-on-year basis, the textile exports increased by 3 percent going up from \$ 1,258 million in March 2023 to \$ 1,299 million in March 2024.

The path ahead, however, is fraught with challenges. The stringent economic reforms mandated by the International Monetary Fund (IMF), coupled with inflation, unprecedented increase in gas and utility prices and dwindling foreign exchange reserves, pose significant hurdles.

Financial Performance:

A comparison of the key financial results of the Company for the period ended on March 31, 2024, is as follows:

Profit and Loss Summary – Unconsolidated

	March 2024	March 2023	Percentage Favorable / (Unfavorable)
	----- (Rupees in '000) -----		
Direct Export	71,444,395	48,982,951	45.86%
Indirect Export	24,714,347	25,761,617	-4.07%
Local	8,987,339	5,691,872	57.90%
Sales (Net)	105,146,080	80,436,440	30.72%
Cost of Sales	(93,065,042)	(69,466,004)	33.97%
Gross Profit	12,081,038	10,970,436	10.12%
Finance Cost	(3,912,280)	(3,215,359)	21.67%
Profit before Taxation	3,820,399	4,110,885	-7.07%
Profit after Taxation	2,309,632	2,635,793	-12.37%
Earning per Share (EPS)	3.12	3.56	

Company Sales Performance:

Your Company's Export Sales in USD have increased by 19% in comparison with Same Period Last Year (SPLY), it is noteworthy to mention that Country's Textile Exports have reduced by 0.25% for the nine months when compared with SPLY. In Rupee terms, Export sales have witnessed a notable increase of 45.86%, primarily attributable to the favourable impact of currency and Increase in Exports in USD terms. Similarly, in Local Sales, including Indirect Exports, despite all the challenges, there has been a rise of 7.15% in comparison with SPLY. The company's overall Sales, in PKR, have grown by an impressive 31% as compared to SPLY. This notable sales increase is attributed to Management's timely BMR and grabbing Export opportunities worldwide and Local opportunities by targeting profitable niche markets. However, it's crucial to acknowledge potential challenges on the horizon. The looming threat of rising inflation and energy prices have exert pressure on Sales.

Costs and Financial Metrics:

The Cost of Sales has seen a notable upsurge of 34%, primarily propelled by several factors including heightened material costs, increased energy expenditures, and a rise in minimum wages.

Due to the limited availability of gas in the country, management has been compelled to turn to alternative, albeit more expensive, fuels, leading to a notable increase in the Company's overall energy expenditures. During the current review period, Fuel & Power costs have escalated to Rs. 8.4 billion from Rs. 4.1 billion, marking a significant Rs. 4.3 billion increase (up by 104%) that has severely impacted the Company's profitability.

In response to this challenge, the Company has undertaken a substantial initiative by signing a term sheet of 17.1 MW solar project with K Solar (Private) Limited on BOOT basis, in addition to 2 MW on EPC basis. This strategic endeavor not only aims to address the mounting costs associated with traditional energy sources but also signifies a pivotal step towards fostering a sustainable future and reshaping Pakistan's energy landscape. This move underscores our unwavering commitment to environmental stewardship and the adoption of sustainable business practices.

Despite the daunting challenges presented by the current economic environment, it brings us great satisfaction to announce that the Company has effectively sustained its positive operating cash flows at a robust level of Rs. 5.7 billion as against Rs. 3.5 billion SPLY. This showcases our resilience and adept navigation of the challenges posed by the current economic landscape.

Future Economic Outlook:

The baseline forecast for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now at 3.1 percent is at its lowest in decades. Global inflation is expected to decrease from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025.

Pakistan is expected to continue facing foreign exchange liquidity issues due to the persistent trade deficit and limited access to external financing. Even with the recent successful completion of the IMF-SBA and continued rollovers, reserves are projected to remain low. Import management measures are expected to continue disrupting domestic supply chains, while tight macroeconomic policies will mute aggregate consumption and investment. Economic activity is therefore expected to remain subdued with real GDP projected to grow at 2 percent in FY24.

The IMF have predicted that average inflation in Pakistan will reduce to 24.8% this year from last year's 29.2%, and slow further to 12.7% in the next fiscal year. The current account deficit is expected to rise from 0.7% of GDP last year to 1.1% this year and increase to 1.2% next year. Unemployment in Pakistan is forecasted to decline from 8.5% in the previous fiscal year to 8% this year and further to 7.5% next year. Monetary tightening is expected to remain during the remaining period of financial year 2024. Despite these challenges, the government remains proactive in implementing corrective measures to address the situation, fostering optimism for improved economic stability in the near future.

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

April 29, 2024
Karachi

Gul Ahmed Textile Mills Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at 31 March 2024

		(Unaudited) 31 March 2024	(Audited) 30 June 2023
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	50,497,036	50,121,838
Intangible assets	5	22,645	38,251
Long term investments	6	3,591,206	3,591,206
Long term loans		31,066	67,901
Long term deposits		148,262	132,947
Total non-current assets		54,290,215	53,952,143
Current Assets			
Stores and spares		2,128,232	1,762,858
Stock-in-trade	7	47,370,403	38,450,431
Trade debts		24,492,332	23,421,883
Loans, advances and other receivables		3,612,870	2,070,610
Short term prepayments		256,485	172,505
Receivable from government		3,186,378	3,301,038
Short term investments		1,243	-
Cash and bank balances		204,229	334,471
Total current assets		81,252,172	69,513,796
TOTAL ASSETS		135,542,387	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	34,980,415	32,670,783
		42,381,009	40,071,377
Non-Current Liabilities			
Long term financing - secured	9	15,260,011	20,117,007
Deferred taxation		257,699	257,699
Deferred income - government grant		81,344	102,606
Defined benefit plan - staff gratuity		447,046	329,018
Total non-current liabilities		16,046,100	20,806,330
Current Liabilities			
Trade and other payables		34,443,029	27,220,295
Accrued mark-up / profit		776,111	1,570,154
Short term borrowings		37,583,766	30,205,729
Current maturity of long term financing - secured	9	3,332,929	3,096,186
Current maturity of deferred income - government grant		29,292	32,388
Unclaimed dividend		9,840	9,931
Unpaid dividend		23,505	23,505
Taxation-net		916,806	430,044
Total current liabilities		77,115,278	62,588,232
Contingencies and commitments	10	-	-
TOTAL EQUITY AND LIABILITIES		135,542,387	123,465,939

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 Profit or Loss (Unaudited)

For the nine months ended 31 March 2024

		(Unaudited)			
		Nine Months Ended		Three Months Ended	
		July to March	July to March	31 March	31 March
		2024	2023	2024	2023
Note		----- (Rupees in '000) -----			
	Sales - net	105,146,080	80,436,440	36,044,349	29,428,177
	Cost of sales	(93,065,042)	(69,466,004)	(32,084,745)	(24,977,980)
	Gross profit	<u>12,081,038</u>	<u>10,970,436</u>	<u>3,959,604</u>	<u>4,450,197</u>
	Selling and distribution cost	<u>(2,332,001)</u>	<u>(1,461,664)</u>	<u>(880,577)</u>	<u>(485,717)</u>
	Administrative cost	<u>(2,721,742)</u>	<u>(2,540,948)</u>	<u>(952,423)</u>	<u>(909,012)</u>
	Other operating cost	<u>(302,310)</u>	<u>(279,995)</u>	<u>(121,950)</u>	<u>(92,226)</u>
		<u>(5,356,053)</u>	<u>(4,282,607)</u>	<u>(1,954,950)</u>	<u>(1,486,955)</u>
	Operating profit	<u>6,724,985</u>	<u>6,687,829</u>	<u>2,004,654</u>	<u>2,963,242</u>
	Other income	1,007,694	638,415	246,342	(193,839)
	Finance costs	(3,912,280)	(3,215,359)	(745,218)	(1,375,369)
	Profit before taxation	<u>3,820,399</u>	<u>4,110,885</u>	<u>1,505,778</u>	<u>1,394,034</u>
	Taxation				
	- Current	(1,510,767)	(1,002,178)	(496,427)	(385,513)
	- Prior	-	(472,914)	-	-
		<u>(1,510,767)</u>	<u>(1,475,092)</u>	<u>(496,427)</u>	<u>(385,513)</u>
	Profit after taxation	<u>2,309,632</u>	<u>2,635,793</u>	<u>1,009,351</u>	<u>1,008,521</u>
	Earnings per share - basic and diluted (Rs.)	<u>3.12</u>	<u>(Restated) 3.56</u>	<u>1.36</u>	<u>(Restated) 1.36</u>

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 Comprehensive Income (Unaudited)

For the nine months ended 31 March 2024

	(Unaudited)			
	Nine Months Ended		Three Months Ended	
	July to March	July to March	31 March	31 March
	2024	2023	2024	2023
	----- (Rupees in '000) -----			
Profit after taxation	2,309,632	2,635,793	1,009,351	1,008,521
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>2,309,632</u>	<u>2,635,793</u>	<u>1,009,351</u>	<u>1,008,521</u>

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 nine months ended 31 March 2024

	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 nine months ended 31 March 2023						
Profit after taxation	-	-	-	2,635,793	2,635,793	2,635,793
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,635,793	2,635,793	2,635,793
Balance as at 31 March 2023 (Unaudited)	<u>6,167,162</u>	<u>-</u>	<u>8,252,059</u>	<u>24,349,871</u>	<u>32,601,930</u>	<u>38,769,092</u>
Transaction with owners						
Issuance of bonus shares @ 20%	1,233,432	-	-	(1,233,432)	(1,233,432)	-
Total comprehensive income for the three months ended June 30, 2023 (Un-audited)						
Profit after taxation	-	-	-	1,350,226	1,350,226	1,350,226
Other comprehensive income	-	-	-	(47,941)	47,941	47,941
Total comprehensive income for the period	-	-	-	1,302,285	1,302,285	1,302,285
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 nine months ended 31 March 2024						
Profit after taxation	-	-	-	2,309,632	2,309,632	2,309,632
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,309,632	2,309,632	2,309,632
Balance as at 31 March 2024 (Unaudited)	<u>7,400,594</u>	<u>23,000,000</u>	<u>8,252,059</u>	<u>3,728,356</u>	<u>34,980,415</u>	<u>42,381,009</u>

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 Cash Flows (Unaudited)
For the nine months ended 31 March 2024

		(Unaudited)	
		Nine Months Ended	
		(Restated)	
		July to March	July to March
		2024	2023
		(Rupees in '000)	
Note			
CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before taxation	3,820,399	4,110,885
Adjustments for:			
	Depreciation of property, plant and equipment	4.1 3,278,581	2,559,602
	Amortisation of intangible assets	5 15,906	19,662
	Expense recognised for defined benefit plan	188,294	102,390
	Finance cost	3,912,280	3,215,359
	(Reversal) / provision for slow moving / obsolete stores and spares	(89,770)	38,027
	Provision for slow moving stock-in-trade	297,601	165,242
	Stock-in-trade written down to net realisable value	7 290,000	270,000
	Government grant recognised in income	(24,358)	(45,943)
	Loss / (gain) on disposal of property, plant and equipment - net	14,825	(592)
	Operating fixed assets written off	70,069	-
	(Reversal) / charge of expected credit loss against doubtful trade debts	(43,276)	50,898
		7,910,151	6,374,645
Changes in working capital:			
	Stores and spares	(275,604)	(182,070)
	Stock-in-trade	(9,507,573)	(4,129,135)
	Trade debts	(1,027,173)	(4,407,267)
	Loans, advances and other receivables	(1,542,260)	(4,218,857)
	Short term prepayments	(83,980)	(88,213)
	Receivable from government	114,660	(2,117,943)
	Trade and other payables	7,443,462	9,369,487
	Net decrease in working capital	(4,878,467)	(5,773,998)
	Cash generated from operating activities	6,852,083	4,711,532
	Payment made to defined benefit plan	(70,266)	(47,045)
	Income taxes paid	(1,024,005)	(1,128,441)
		(1,094,271)	(1,175,486)
	Net cash from operating activities	5,757,812	3,536,046
CASH FLOWS FROM INVESTING ACTIVITIES			
	Payments for acquisition of property, plant and equipment	4.2.1 (3,350,624)	(6,784,528)
	Payments for acquisition of intangible assets	5 (300)	(12,838)
	Proceeds from disposal of property, plant and equipment	20,293	50,944
	Short term investment made	(1,243)	-
	Long term loans	36,835	46,630
	Long term deposits	(15,315)	(132,581)
	Net cash used in investing activities	(3,310,354)	(6,832,373)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from long term financing	9 358,000	2,629,083
	Repayment of long term financing	9 (5,002,611)	(2,489,317)
	Increase / (decrease) in short term borrowings	4,242,015	107,170
	Finance costs paid	(5,311,035)	(2,498,265)
	Dividend paid	(91)	(479)
	Net cash used in financing activities	(5,713,723)	(2,251,807)
	Net increase / (decrease) in cash and cash equivalents	(3,266,264)	(5,548,135)
	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	(4,678,253)	(5,892,929)

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months ended 31 March 2024

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.

		(Unaudited) 31 March 2024	(Audited) 30 June 2023
	Note	(Rupees in '000)	
4	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	4.1	48,273,854	47,869,843
Capital work in progress	4.2	2,223,182	2,251,995
		<u>50,497,036</u>	<u>50,121,838</u>
4.1	Operating Fixed Asset		
Balance at beginning of the period / year		47,869,843	36,609,500
Transfers during the period / year	4.1.1	3,806,302	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	(35,118)	(90,408)
Depreciation charged during the period / year		(3,278,581)	(3,639,522)
Balance at end of the period / year		<u>48,273,854</u>	<u>47,869,843</u>
4.1.1	Transfers during the period / year		
Leasehold Land		121,484	-
Buildings and structures on leasehold land		1,028,005	3,862,099
Plant and machinery		2,425,887	10,703,902
Furniture and fixtures		26,758	37,243
Office equipment		176,531	334,042
Vehicles		27,637	52,987
		<u>3,806,302</u>	<u>14,990,273</u>
4.1.2	Disposals during the period / year		
Buildings and structures on leasehold land		-	508
Plant and machinery		35,118	59,926
Furniture and fixtures		-	3,187
Office equipment		-	22,351
Vehicles		-	4,436
		<u>35,118</u>	<u>90,408</u>
4.2	Capital work in progress		
Balance at beginning of the period / year		2,251,995	9,232,408
Additions during the period / year	4.2.1	3,758,966	8,009,860
Reclassification from operating fixed assets		18,523	-
Transfers to operating fixed assets during the period / year	4.1.1	(3,806,302)	(14,990,273)
Balance at end of the period / year		<u>2,223,182</u>	<u>2,251,995</u>
4.2.1	Additions during the period / year		
Plant and machinery		2,993,749	6,636,229
Land, Buildings and structures on leasehold land		547,695	1,177,663
Others		217,522	195,968
		<u>3,758,966</u>	<u>8,009,860</u>
4.2.2	During the period, the Company has capitalized borrowing cost amounting to Rs. 408 million (30 June 2023: Nil).		

	(Unaudited) 31 March 2024	(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	300	12,838
Amortisation charged during the period / year	(15,906)	(26,307)
Balance at end of the period / year	<u>22,645</u>	<u>38,251</u>

6 LONG TERM INVESTMENTS		
Investment in subsidiary companies at cost		
- Gul Ahmed International Limited	58,450	58,450
- Ideas (Private) Limited	<u>3,462,756</u>	<u>3,462,756</u>
	3,521,206	3,521,206
Investment in Term Finance Certificate - at amortised cost	<u>70,000</u>	<u>70,000</u>
	<u>3,591,206</u>	<u>3,591,206</u>

7 STOCK-IN-TRADE

During the period, the Company has written down its inventory to net realizable value by an amount of Rs. 290 million (30 June 2023: Rs. Nil).

	(Unaudited) 31 March 2024	(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 <u>23,000,000</u>	-
	31,252,059	8,252,059
Revenue reserve		
Unappropriated profit	<u>3,728,356</u>	<u>24,418,724</u>
	<u>34,980,415</u>	<u>32,670,783</u>

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 March 2024	(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	24,358	54,679
Repayments made during the period / year	<u>(5,002,611)</u>	<u>(3,089,639)</u>
	18,592,940	23,213,193
Current maturity of long term financing - secured	<u>(3,332,929)</u>	<u>(3,096,186)</u>
	<u>15,260,011</u>	<u>20,117,007</u>

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 (the 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 challenged the retrospective increase of the rates of super tax for tax year 2023 in the Honourable Islamabad High Court (HIHC) through Constitutional Petition. The HIHC 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. However, the Company has provided required security and has maintained full provision of super tax in the financial statements for the year ended 30 June 2022 and 2023. Subsequent to the year end, the HIHC decided the case in favor of the Company via order dated 15 March 2024.
- 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 (the Court) against the notification. While awaiting the decision, the Company discharged his full liability of gass bill at enhanced rate for the month of November 2023 within the due date for payment of such bill. Subsequent to the due date for payment of gass bill, the Court granted interim relief with the instructions to Sui Southern Gas Company Limited (SSGC) to revise the bills at previous rate and the Company to deposit the differential amount with Nazir Sindh High Court as security. On 15 February 2024, SSGC issued another notification to further increase the gas rates, which superseded the earlier notification issued on 08 November 2024, due to which the Relief granted by the Court remained effective for three months. The Company has not filed any petition against 15 February 2024 notification, except for the retrospective application, which was subsequently decided in favour of the Company.
- 10.1.4** As disclosed in note 26.14 of the unconsolidated financial statements for the year ended 30 June 2023, the Company along with several other petitioners had filed a suit in the Court challenging the notification issued via SRO No. (I)/2020 dated 23 October 2020 related to Gass tariff. On 18 February 2024, the Court decided the case against the Company which was subsequently challenged by the Company via appeal to the Divisional Bench of the Court. The Divisional Bench via order dated 28 March 2024 has also decided the case against the Company. As a matter of prudence full provision has been made in the unconsolidated condensed interim financial statements.

10.2 Guarantees and others

- 10.2.1** Guarantees of Rs. 2,515 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 associated companies, amounting to Rs. 1,154 million (30 June 2023: Rs. 1,154 million).
- 10.2.2** Post dated cheques of Rs. 25,763 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. 9,775 million (30 June 2023: Rs. 11,730 million), including bills discounted from associated companies amounting to Rs. 4,154 million (30 June 2023: Rs. 4,305 million).
- 10.2.4** Corporate guarantee of Rs. 238 million (30 June 2023: Rs. 248 million), Rs. 1,107 million (30 June 2023: 1,149 million) and Rs. 251 million (30 June 2023: Rs. 258 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp.- USA respectively.

10.3 Commitments

	(Unaudited)	(Audited)
	31 March	30 June
	2024	2023
	(Rupees in '000)	
Capital expenditure for plant and machineries	<u>1,077,477</u>	<u>1,234,621</u>
Other than capital expenditure	<u>10.3.1 17,389,396</u>	<u>3,921,495</u>

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

		(Unaudited) 31 March 2024	(Unaudited) 31 March 2023
(Rupees in '000)			
11 SALES - NET			
Export sales			
Direct		74,924,332	52,605,879
Indirect		25,918,141	27,667,024
		<u>100,842,473</u>	<u>80,272,903</u>
Export rebate		573,777	387,840
Trade and other discount		(603,559)	(438,785)
Commission		(2,059,637)	(1,372,070)
Sales tax		(2,594,313)	(4,105,320)
		<u>96,158,742</u>	<u>74,744,568</u>
Local sales	11.1	<u>10,965,609</u>	6,983,410
Brokerage		(305,550)	(255,318)
Sales tax		(1,672,720)	(1,036,220)
		<u>8,987,339</u>	5,691,872
		<u><u>105,146,080</u></u>	<u><u>80,436,440</u></u>

11.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 340 million (31 March 2023: Rs. 714 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 March 2024	(Restated) (Unaudited) 31 March 2023
(Rupees in '000)			
13 CASH AND CASH EQUIVALENTS			
Cash and bank balances		204,229	551,900
Overdrawn Bank Facilities		(4,882,482)	(6,444,829)
		<u>(4,678,253)</u>	<u>(5,892,929)</u>

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 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	----- (Rupees in ' 000) -----											
Sales	42,229,264	31,592,685	12,071,092	7,913,207	73,306,839	52,962,365	11,141,095	7,970,789	(33,602,210)	(20,002,606)	105,146,080	80,436,440
Cost of sales	(37,520,504)	(27,858,089)	(11,031,166)	(7,103,178)	(67,486,732)	(47,366,638)	(10,628,850)	(7,140,705)	33,602,210	20,002,606	(93,065,042)	(69,466,004)
Gross profit	4,708,760	3,734,596	1,039,926	810,029	5,820,107	5,595,727	512,245	830,084	-	-	12,081,038	10,970,436
Distribution cost and												
Administrative cost	(355,452)	(459,883)	(622,550)	(508,806)	(3,455,581)	(2,458,989)	(620,160)	(574,934)	-	-	(5,053,743)	(4,002,612)
Profit before tax and before												
charging following	4,353,308	3,274,713	417,376	301,223	2,364,526	3,136,738	(107,915)	255,150	-	-	7,027,295	6,967,824
Finance costs											(3,912,280)	(3,215,359)
Other operating cost											(302,310)	(279,995)
Other income											1,007,694	638,415
Profit before taxation											3,206,896	(2,856,939)
Taxation											3,820,399	4,110,885
Profit after taxation											(1,510,767)	(1,475,092)
Depreciation and amortisation												
expense	1,021,616	857,472	147,578	112,540	756,558	639,704	1,368,734	969,548	-	-	3,294,487	2,579,264

14.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segments		Unallocated		Total	
	Unaudited Mar-24	Audited Jun-23	Unaudited Mar-24	Audited Jun-23	Unaudited Mar-24	Audited Jun-23	Unaudited Mar-24	Audited Jun-23	Unaudited Mar-24	Audited Jun-23	Unaudited Mar-24	Audited Jun-23
(Rupees in ' 000)												
Assets	33,003,339	36,506,601	8,722,197	5,884,071	55,085,506	41,017,970	14,534,301	13,595,356	24,197,045	26,461,941	135,542,387	123,465,939
Liabilities	12,690,101	13,875,597	3,923,726	3,160,419	27,977,250	18,826,945	8,028,687	8,396,099	40,541,615	39,135,502	93,161,378	83,394,562
Segment Capital & Intangible Expenditure	269,383	2,289,143	134,883	522,778	1,094,065	1,507,131	622,777	2,373,769	1,637,858	1,329,877	3,758,966	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. 24,748 million (31 March 2023: Rs. 20,960 million).

14.5 Information by geographical area

	Revenue		Non-Current Assets	
	For the six months ended (Unaudited) Mar-24	Mar-23	(Unaudited) Mar-24	(Audited) Jun-23
-----Rupees in '000-----				
Pakistan	32,616,717	29,508,894	54,231,765	53,893,693
Germany	21,789,853	18,474,116	-	-
United States of America	11,063,481	9,266,864	-	-
United Kingdom	9,081,429	2,489,733	-	-
Italy	5,989,926	3,717,290	-	-
France	4,952,955	4,527,661	-	-
Denmark	3,650,232	1,998,226	-	-
Netherlands	3,641,057	4,125,799	-	-
Poland	3,303,997	1,695,477	-	-
Spain	2,436,463	1,073,039	-	-
Sweden	1,492,940	1,343,299	-	-
China	1,251,925	676,325	-	-
United Arab Emirates	522,670	426,262	58,450	58,450
Other Countries	5,747,404	2,791,788	-	-
	107,541,049	82,114,773	54,290,215	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)	
					March 2024	March 2023
					----- (Rupees in '000) -----	
Ideas (Private) Limited	Pakistan	Subsidiary Company	100%	Sale of goods	1,315,763	1,618,462
				Sharing of common expense	1,097,287	860,132
				Sale of fixed assets	-	13,718
				Payment on behalf of	98,614	36,400
GTM (Europe) Limited - UK	United Kingdom	Indirect Subsidiary Company	100%	Sale of goods	3,785,266	2,558,426
				Sales through subsidiaries acting as agents	1,041,057	947,939
GTM USA Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Sale of goods	571,862	208,786
Vantona Home Limited	United Kingdom	Indirect Subsidiary Company	100%	Sales through subsidiaries acting as agents	126,826	226,611
Sky Home Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Sale of goods	320,155	123,365
				Commission paid	285,054	164,724
Grand Industries (Pvt) Limited	Pakistan	Common Directorship	7.86%	Rent expense	2,048	3,533
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Purchase of goods	159,559	119,565
Win Star (Pvt) Limited	Pakistan	Common Directorship		Purchase of goods	11,344	18,148
Haji Ali Mohammad Foundation	Pakistan	Common Directorship		Rent paid	720	720
The Pakistan Business Council	Pakistan	Common Directorship		Fees paid	2,500	2,754
Habib Metropolitan Bank	Pakistan	Common Directorship		Bills discounted	15,340,904	7,095,137
				Markup and other bank charges	226,339	193,889
Askari Bank	Pakistan	Common Directorship		Bills discounted	1,425,912	2,215,843
				Markup and other bank charges	276,804	222,083
Samba Bank	Pakistan	Common Directorship		Bills discounted	169,874	122,497
				Markup and other bank charges	51,132	42,859
Standard Chartered Bank	Pakistan	Common Directorship		Bills discounted	1,052,241	3,026,527
				Markup and other bank charges	234,857	128,403
Employee Provident Fund Trust	Pakistan	Employee Retirement Fund	0.42%	Company's contribution to provident fund	292,515	218,680

Name of the Related Party	Country of Incorporation	Basis of Relationship	Percentage of shareholding	Nature of outstanding balances	(Unaudited)		(Audited)
					31 March 2024	30 June 2023	30 June 2023
					----- (Rupees in '000) -----		
Ideas (Private) Limited	Pakistan	Subsidiary Company	100%	Trade debts	6,132,909	6,653,253	
GTM (Europe) Limited - UK	United Kingdom	Indirect Subsidiary Company	100%	Trade debts	2,545,057	1,623,438	
Vantona Home Limited	United Kingdom	Indirect Subsidiary Company	100%	Trade debts	52,136	87,722	
Sky Home Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Trade debts	362,942	48,720	
GTM USA Corporation - USA	United States of America	Indirect Subsidiary Company	100%	Trade debts	200,586	239,714	
Gul Ahmed International Limited (FZC) - Win Star (Private) Limited	Pakistan	Subsidiary Company	100%	Trade and other payables	1,412	780	
				Trade and other payables	11,235	9,292	
Swisstex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Trade and other payables	73,928	88,019	
Grand Industries (Private) Limited	Pakistan	Common Directorship	7.86%	Trade and other payables	4,570	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	36,601	91,359	
				Short term borrowings	3,425,884	3,505,174	
				Prepaid discounting	3,542	-	
Askari Bank	Pakistan	Common Directorship		Short term borrowings	2,578,572	3,286,243	
				Prepaid discounting	1,736	-	
				Long term borrowings	146,893	687,692	
Samba Bank	Pakistan	Common Directorship		Short term borrowings	844,896	362,045	
				Prepaid discounting	1,273	-	
				Long term borrowings	45,822	214,303	
Standard Chartered Bank	Pakistan	Common Directorship		Short term borrowings	4,701,673	2,888,382	
Employee Provident Fund Trust	Pakistan	Employee Retirement Fund		Payable to employee's provident fund	55,805	46,400	

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the nine months ended 31 March 2024 amounting to Rs.1,882 million (31 March 2023: Rs. 1,312 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 29-April-2024 by the Board of Directors of the Company.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

CONSOLIDATED

Gul Ahmed Textile Mills Limited
Consolidated Condensed Interim Statement of Financial Position
As at 31 March 2024

	Note	31 March 2024	30 June 2023
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	55,000,380	54,750,180
Right of use assets	5	2,780,941	2,860,182
Intangible assets	6	163,406	197,892
Long term investment	7	70,000	70,000
Long term loans		31,066	67,901
Long term deposits		521,987	491,434
Deferred Taxation - net		766,174	497,001
Total non-current assets		59,333,954	58,934,590
CURRENT ASSETS			
Stores and spares		2,458,887	1,913,060
Stock-in-trade		57,567,064	47,583,004
Trade debts		19,098,168	16,621,547
Loans, advances and other receivables		4,135,538	3,434,354
Short term prepayments		352,983	272,534
Receivable from government		3,186,378	3,681,857
Cash and bank balances		700,946	1,200,791
Total current assets		87,499,964	74,707,147
Total Assets		146,833,918	133,641,737
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	37,474,650	35,164,997
		44,875,244	42,565,591
NON-CURRENT LIABILITIES			
Long term financing - secured	9	15,260,011	20,117,007
Lease Liability against right of use asset	10	3,134,209	2,991,771
Deferred income - government grant		81,344	102,606
Defined benefit plan - staff gratuity		455,310	337,549
Long term deposits		22,210	31,420
Total non-current liabilities		18,953,084	23,580,353
CURRENT LIABILITIES			
Trade and other payables		34,419,877	30,451,744
Accrued mark-up / profit		806,806	1,611,026
Short term borrowings		38,870,310	31,191,367
Current maturity of long term financing	9	3,332,929	3,096,186
Current maturity of lease liability against right of use asset		502,395	609,749
Current maturity of deferred government grant		29,292	32,388
Current maturity of Gas Infrastructure Development Cess payable		3,937,019	
Unclaimed dividend		9,840	9,931
Unpaid dividend		23,506	23,505
Taxation-net		1,073,616	469,897
Total current liabilities		83,005,590	67,495,793
CONTINGENCIES AND COMMITMENTS	11	-	-
Total Equity and Liabilities		146,833,918	133,641,737

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 Profit or Loss (Unaudited)

For the nine months ended March 2024

(Unaudited)				
Note	Nine Months Ended		Three Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
----- (Rupees in '000) -----				
Sales - net	127,346,431	99,861,318	43,611,209	37,747,769
Cost of sales	<u>106,897,520</u>	<u>80,827,274</u>	<u>36,610,362</u>	<u>30,167,703</u>
Gross profit	20,448,911	19,034,044	7,000,847	7,580,066
Selling and distribution cost	7,061,360	6,123,286	2,276,682	2,258,637
Administrative cost	4,799,743	3,868,566	1,842,014	1,378,817
Other operating cost	321,932	306,505	131,876	94,226
	<u>12,183,035</u>	<u>10,298,357</u>	<u>4,250,572</u>	<u>3,731,680</u>
	8,265,876	8,735,687	2,750,275	3,848,386
Other income	1,159,576	682,292	247,840	(395,923)
Operating profit	<u>9,425,452</u>	<u>9,417,979</u>	<u>2,998,115</u>	<u>3,452,463</u>
Finance cost	5,630,198	4,427,197	1,300,443	1,771,024
Profit before taxation	<u>3,795,254</u>	<u>4,990,782</u>	<u>1,697,672</u>	<u>1,681,439</u>
Taxation	1,520,241	1,686,959	513,398	556,258
Profit after taxation	<u>2,275,013</u>	<u>3,303,823</u>	<u>1,184,274</u>	<u>1,125,181</u>
Earnings per share - basic and diluted (Rs.)	<u>3.07</u>	<i>(Restated)</i> <u>4.46</u>	<u>1.60</u>	<i>(Restated)</i> <u>1.52</u>

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 nine months ended March 2024

	(Unaudited)			
	Six Months Ended		Three Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	----- (Rupees in '000) -----			
Profit after taxation	2,275,013	3,303,823	1,184,274	1,125,181
Other comprehensive income				
Exchange difference on translation of foreign subsidiaries	34,640	(70,764)	(342,328)	(170,594)
Total comprehensive income	<u>2,309,653</u>	<u>3,233,059</u>	<u>841,946</u>	<u>954,587</u>

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 Cash Flows (Unaudited)

For the nine months ended March 2024

	Note	31 March 2024	31 March 2023 (Restated)
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,795,254	4,990,782
Adjustments for:			
Depreciation on property, plant and equipment	4.1	3,647,114	2,871,164
Depreciation on right-of-use assets	5	539,568	550,697
Amortisation	6	34,786	28,780
Provision for gratuity		188,294	103,038
Finance cost		5,630,198	4,275,311
De recognition on lease liability against right-of-use asset		(72,267)	151,886
Provision for slow moving / obsolete stores and spares		(90,067)	-
Provision for slow moving stock		370,123	42,847
Stock-in-trade written down to net realisable value		290,000	-
Provision written off during the year		-	-
Government grant recognised in income	9	(24,358)	(45,960)
Gain on remeasurement of provision for GIDC		-	-
(Gain) / Loss on derecognition of right-of-use assets and corresponding lease liability		-	(99,230)
(Gain) / loss on disposal of property, plant and equipment - net		14,825	(592)
Operating Fixed assets written off		70,069	-
Impairment loss on trade debts		-	50,898
Expected credit loss against doubtful trade debts		(43,296)	-
		10,554,989	7,928,839
Changes in working capital:			
Stores and spares		(455,760)	(234,257)
Stock-in-trade		(10,644,183)	1,078,716
Trade debts		(2,433,325)	(10,619,440)
Loans, advances and other receivables		(701,184)	(4,118,926)
Short term prepayments		(80,449)	(44,190)
Receivable from government		495,479	(2,117,943)
Long term loans		36,835	46,630
Long term deposits		(39,763)	(64,530)
Trade and other payables		8,125,880	9,982,752
Net increase / (decrease) in working capital		(5,696,470)	(6,091,188)
Gratuity paid		(70,533)	(47,301)
Tax paid		(1,185,693)	(1,573,690)
		(1,256,226)	(1,620,991)
Net cash generated from operating activities		7,397,547	5,207,442
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(4,002,501)	(7,305,195)
Additions in intangible assets		(300)	(38,278)
Proceeds from sale of property, plant and equipment		20,292	50,944
Net cash used in investing activities		(3,982,509)	(7,292,529)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		358,000	2,629,083
Long term financing repaid		(5,002,611)	(2,489,317)
Payments against lease liability against right-of-use assets		(694,867)	(727,089)
Short term borrowings - net		4,242,015	107,170
Finance cost paid		(6,288,897)	(3,558,217)
Dividend paid		(90)	(429)
Net cash generated from financing activities		(7,386,450)	(4,038,799)
Exchange difference on translation of foreign subsidiaries		34,640	69,213
Net (decrease) / increase in cash and cash equivalents		(3,936,773)	(6,054,673)
Cash and cash equivalents at the beginning of the year		(1,531,307)	148,642
Cash and cash equivalents at the end of the year		(5,468,080)	(5,906,031)

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 nine months ended March 2024

	Reserves						Total Equity	
	Capital reserve		Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit	Total reserves		
	Share capital	Against long-term investments, capacity expansion and BMR						Amalgamation Reserve
-----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				-	-	3,303,823	3,303,823	3,303,823
Other comprehensive income	-	-		70,764	-	-	70,764	70,764
Transferred to statutory reserve							-	-
	-	-		70,764	-	3,303,823	3,374,587	3,374,587
Balance as at March 31, 2023 (Un-Audited)	6,167,162	-	8,252,059	132,154	20,845	26,838,111	35,243,169	41,410,331
Total comprehensive income for the six months ended June 30, 2023								
Profit after taxation	-	-				1,593,662	1,593,662	1,593,662
Other comprehensive income	-	-		(390,461)		(47,941)	(438,402)	(438,402)
Transferred to statutory reserve	-	-					-	-
	-	-		(390,461)	-	1,545,721	1,155,260	1,155,260
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	27,150,400	35,164,997	42,565,591
Reclassification of Reserves (note 8)	-	23,000,000	-	-	-	(23,000,000)	-	-
Total comprehensive income for the nine months ended March 31, 2024 (un-audited)								
Profit after taxation	-	-		-	-	2,275,013	2,275,013	2,275,013
Other comprehensive Income	-	-		34,640	-	-	34,640	34,640
	-	-		34,640	-	2,275,013	2,309,653	2,309,653
Balance as at March 31, 2024(un-audited)	7,400,594	23,000,000	8,252,059	(223,667)	20,845	6,425,413	37,474,650	44,875,244

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

MOHAMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Notes to the Consolidated Condensed Interim Financial Statements
For the nine months ended March 2024

1 LEGAL STATUS AND ITS OPERATIONS

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

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

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

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

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

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

1.2 Basis of consolidation

The financial information include the financial information of the Group.

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

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

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

Details of Subsidiaries

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

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

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

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
- 4.1Plot No. H-19 Landhi Industrial Area, Landhi Karachi
- 4,0Plot No. H-19/1, Landhi Industrial Area, Landhi , Karachi
- 6.8Plot 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
- 1.9Plot No. 65/I, Deh Dig, Sector-30, Korangi Industrial Area (Eastern), Karachi
- 0.324/A, Block C/3, Gulberg-III, Lahore
- 0.0Shop 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 March 31, 2024 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 March 31, 2024 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 March 31, 2024.

The comparatives statement of Financial Position, presented in these condensed interim consolidated financial statements, as at March 31, 2024 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 nine months ended March 31, 2024 have been extracted from the condensed interim consolidated financial statements of the Group for the six months ended March 31, 2023.

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)	(Audited)
			March 2024	June 2024
			(Rupees in '000)	
	Operating fixed assets	4.1	52,698,715	52,340,673
	Capital work in progress (CWIP)	4.4	2,301,665	2,409,507
			55,000,380	54,750,180
4.1	Operating Fixed Asset			
	Opening book value		52,340,673	40,823,078
	Additions / Transfers during the period / year	4.2	4,130,676	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	(35,118)	(84,875)
	Depreciation charged during the period / year		(3,647,114)	(4,162,282)
	Foreign currency translation		(1,810)	13,386
	Closing book value		52,698,715	52,340,673
4.2	Additions / Transfers during the period			
	Land		121,484	-
	Buildings and structures on leasehold land		1,201,650	4,352,774
	Plant and machinery		2,485,763	10,709,985
	Furniture and fixtures		79,233	96,804
	Office equipment		192,730	521,427
	Vehicles		49,816	70,376
			4,130,676	15,751,366
		Note	March 2024	June 2023
			(Rupees in '000)	
4.3	Disposals - operating fixed assets (at net book value)			
	Plant and machinery		35,118	60,329
	Furniture and fixtures		-	76
	Office equipment		-	20,033
	Vehicles		-	4,437
			35,118	84,875
4.4	Capital work in progress (CWIP)			
	Opening book value		2,409,507	9,427,867
	Additions during the period / year	4.5	3,986,466	8,728,844
	Reclassification from operating fixed assets		18,523	-
	Transfers during the period / year		(4,112,831)	#####
	Closing book value		2,301,665	2,409,507
4.5	Additions - capital work in progress (at cost)			
	Machinery		2,993,749	6,636,229
	Building		679,528	1,581,756
	Others		313,189	510,859
			3,986,466	8,728,844
5	RIGHT OF USE ASSETS			
	Balance as at 01 July		2,860,182	2,957,461
	Assets recognized during the year		460,423	722,285
	Derecognition / Adjustment		(57,504)	(64,667)
	Depreciation expense			
	- Charged to Cost of sales		(11,955)	(29,159)
	- Charged to Distribution cost		(411,946)	(669,673)
	- Charged to Administrative cost		(58,210)	(57,844)
			(482,111)	(756,676)
	Foreign currency retranslation difference		(49)	1,779
	Net book value		2,780,941	2,860,182
	Gross carrying amount as at 30 June			
	Cost		5,138,892	4,085,553
	Accumulated Depreciation		(2,357,902)	(1,227,150)
	Foreign currency retranslation difference		(49)	1,779
	Balance as at 30 September		2,780,941	2,860,182

6 INTANGIBLE ASSETS

Opening book value	197,892	190,838
Additions during the period / year	300	17,532
Write-off	-	(15,405)
Amortisation charged during the period / year	(28,858)	(42,579)
Foreign Currency Translation	(5,928)	47,506
Closing book value	<u>163,406</u>	<u>197,892</u>

7 LONG TERM INVESTMENT

Investment in Term Finance Certificate - at amortised cost	7.1	<u>70,000</u>	<u>70,000</u>
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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	-
	<u>31,252,059</u>	<u>8,252,059</u>

Revenue reserve

Exchange difference on translation of foreign subsidiaries	(223,667)	(258,307)
Statutory reserve created by foreign subsidiary	20,845	20,845
Unappropriated profit	6,425,413	27,150,400
	<u>6,222,591</u>	<u>26,912,938</u>
	<u>37,474,650</u>	<u>35,164,997</u>

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) March 2024	(Audited) June 2024
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	24,358	54,679
	Repayments made during the period / year	<u>(5,002,611)</u>	<u>(3,089,639)</u>
		18,592,940	23,213,193
	Current portion long term financing	<u>(3,332,929)</u>	<u>(3,096,186)</u>
		15,260,011	20,117,007
10	LEASE LIABILITY AGAINST RIGHT OF USE ASSETS		
	Opening balance	3,601,520	3,652,873
	Additions	460,423	722,285
	Accretion of Interest	341,891	410,329
	Derecognition / Adjustment	(72,267)	(132,785)
	Payments	<u>(694,867)</u>	<u>(1,053,011)</u>
	Foreign currency retranslation difference	<u>(96)</u>	<u>1,829</u>
	Closing balance	3,636,604	3,601,520
	Current portion shown under current liabilities	502,395	609,749
	Non-Current portion	<u>3,134,209</u>	<u>2,991,771</u>
		3,636,604	3,601,520

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The status of contingencies, as reported in the annual consolidated 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;

- 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 (the 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 31 December 2023.
- 11.1.2** The Group, along with other petitioners, has challenged the retrospective increase of the rates of super tax for tax year 2023 in the Honourable Islamabad High Court (HIHC) through Constitutional Petition. The HIHC 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 Group. However, the Group has provided required security and has maintained full provision of super tax in the financial statements for the year ended 30 June 2022 and 2023. Subsequent to the year end, the HIHC decided the case in favor of the Group via order dated 15 March 2024.
- 11.1.3** In the matter of increase in the Gas Tariff, there is no change in its status as disclosed in note 29.13 of the consolidated 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 Group along with others have filed petition in the Honourable Sindh High Court (the Court) against the notification. While awaiting the decision, the Group discharged his full liability of gass bill at enhanced rate for the month of November 2023 within the due date for payment of such bill. Subsequent to the due date for payment of gass bill, the Court granted interim relief with the instructions to Sui Southern Gas Company Limited (SSGC) to revise the bills at previous rate and the Group to deposit the differential amount with Nazir Sindh High Court as security. On 15 February 2024, SSGC issued another notification to further increase the gas rates, which superseded the earlier notification issued on 08 November 2024, due to which the Relief granted by the Court remained effective for three months. The Group has not filed any petition against 15 February 2024 notification, except for the retrospective application, which was subsequently decided in favour of the Group.
- 11.1.4** As disclosed in note 29.14 of the consolidated financial statements for the year ended 30 June 2023, the Group along with several other petitioners had filed a suit in the Court challenging the notification issued via SRO No. (I)/2020 dated 23 October 2020 related to Gass tariff. On 18 February 2024, the Court decided the case against the Group which was subsequently challenged by the Group via appeal to the Divisional Bench of the Court. The Divisional Bench via order dated 28 March 2024 has also decided the case against the Group. As a matter of prudence full provision has been made in the consolidated condensed interim financial statements.
- 11.2 Guarantees and others**
- 11.2.1** Guarantees of Rs. 2,515 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 Habib Metropolitan Bank, an associated company, amounting to Rs. 1,104 million (30 June 2023: Rs. 1,104 million).
- 11.2.2** Post dated cheques of Rs. 25,763 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. 9,775 million (30 June 2023: Rs. 11,730 million), including bills discounted from associated companies amounting to Rs. 4,154 million (30 June 2023: Rs. 4,305 million).

11.2.4 Corporate guarantee of Rs. 238 million (30 June 2023: Rs. 248 million), Rs. 1,107 million (30 June 2023: 1,149 million) and Rs. 251 million (30 June 2023: Rs. 258 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp.- USA respectively.

	(Unaudited) March 2024	(Audited) June 2024
	(Rupees in '000)	
11.3 Commitments		
Capital expenditure	1,077,477	1,234,621
Other than capital expenditure	<u>17,389,396</u>	<u>3,965,192</u>

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).

	(Unaudited) March 2024	(Unaudited) March 2023
	(Rupees in '000)	
12 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprises of:		
Cash and bank balances	700,946	1,239,212
Overdrawn Bank Facilities	<u>(6,169,026)</u>	<u>(7,145,243)</u>
	<u>(5,468,080)</u>	<u>(5,906,031)</u>
	<u>(5,468,080)</u>	<u>(5,906,031)</u>

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

	(Unaudited) March 2024	(Unaudited) March 2023
	(Rupees in '000)	
13 SALES-NET		
Export sales		
Direct	51,007,752	54,171,238
Indirect	<u>17,216,812</u>	<u>27,667,024</u>
	<u>68,224,564</u>	<u>81,838,262</u>
Export rebate	569,196	387,840
Trade and other discount	<u>(635,969)</u>	<u>(411,846)</u>
Commission	<u>(1,780,773)</u>	<u>(1,138,807)</u>
Sales tax	<u>(1,793,119)</u>	<u>(4,105,320)</u>
	<u>64,583,899</u>	<u>76,570,129</u>
Local sales	<u>64,153,791</u>	<u>24,582,727</u>
Brokerage	<u>(305,550)</u>	<u>(255,318)</u>
Sales tax	<u>(1,085,709)</u>	<u>(1,036,220)</u>
	<u>62,762,532</u>	<u>23,291,189</u>
	<u>127,346,431</u>	<u>99,861,318</u>

13.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 340 million (31 March 2023: Rs. 714 million).

13.2 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.

14 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.

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	
	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
	(Rupees in '000)											
Sales	42,229,264	31,592,685	12,071,092	7,913,207	73,306,840	52,962,365	39,999,866	33,430,740	(40,260,631)	(26,037,680)	127,346,431	99,861,318
Cost of sales	(37,520,504)	(27,858,089)	(11,031,166)	(7,103,178)	(67,486,732)	(47,366,638)	(31,422,585)	(24,693,727)	40,563,467	26,194,358	(106,897,520)	(80,827,274)
Gross profit	4,708,760	3,734,596	1,039,926	810,029	5,820,108	5,595,727	8,577,281	8,737,013	302,836	156,678	20,448,911	19,034,044
Distribution and Administrative cost	(355,452)	(459,883)	(622,550)	(508,806)	(3,455,581)	(2,458,989)	(7,427,519)	(6,564,174)	-	-	(11,861,103)	(9,991,852)
Profit before tax and before charging following	4,353,308	3,274,713	417,376	301,223	2,364,526	3,136,738	1,149,762	2,172,839	302,836	156,678	8,587,808	9,042,192
Finance Cost											(5,630,198)	(4,427,197)
Other operating cost											(321,932)	(306,505)
Other income											1,159,576	682,292
Profit before taxation											(4,792,554)	(4,051,410)
Taxation											3,795,254	4,990,782
Profit after taxation											(1,520,241)	(1,686,959)
Depreciation and Amortisation expense	1,021,616	857,472	147,578	301,223	756,558	639,704	2,224,544	1,680,366	-	-	4,150,297	3,478,765

15.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segments		Unallocated		Total	
	Mar-24	Jun-23	Mar-24	Jun-23	Mar-24	Jun-23	Mar-24	Jun-23	Mar-24	Jun-23	Mar-24	Jun-23
	(Rupees in '000)											
Assets	33,003,339	36,506,601	8,722,197	5,884,071	55,085,506	41,017,970	40,263,045	38,462,128	9,759,832	11,770,967	146,833,918	133,641,737
Liabilities	12,690,101	13,875,597	3,923,726	3,160,419	27,977,250	18,826,945	27,059,919	26,162,111	30,307,679	29,051,074	101,958,674	91,076,146
Segment Capital & Intangible expenditure	269,383	2,289,143	134,883	522,778	1,094,065	1,507,131	932,390	3,154,976	1,637,858	1,329,879	4,068,579	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	
Nine months ended (Unaudited)		(Unaudited)	(Audited)
March 2024	March 2023	March 2024	June 2023

(Rupees in '000)

15.5 INFORMATION BY GEOGRAPHICAL AREA

Pakistan	52,979,547	47,490,276	59,145,860	58,731,749
Germany	21,789,853	18,474,116	-	-
United States	11,655,860	9,803,945	1,191	3,069
Italy	5,989,926	3,717,290	-	-
France	4,952,955	4,527,661	-	-
United Kingdom	9,874,713	3,401,486	172,077	179,750
Netherlands	3,641,057	4,125,799	-	-
Denmark	3,650,232	1,998,226	-	-
Poland	3,303,997	1,695,477	-	-
Spain	2,436,463	1,073,039	-	-
Sweden	1,492,940	1,343,299	-	-
China	1,251,925	676,325	-	-
United Arab Emirates	732,656	420,925	14,827	20,022
Other Countries	5,747,404	2,531,585	-	-
	129,499,527	101,279,449	59,333,954	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	Nine Months Ended (Unaudited)	
					Mar - 2024	Mar - 2023
Grand Industries (Pvt) Limited	Pakistan	Common Directorship	7.86%	Rent expense	2,048	3,533
Swistex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Purchase of goods	159,559	119,965
Win Star (Private) Limited	Pakistan	Common Directorship	-	Purchase of goods	11,344	18,148
Haji Ali Mohammad Foundation	Pakistan	Common Directorship	-	Rent paid	720	720
The Pakistan Business Council	Pakistan	Common Directorship	-	Fees paid	2,500	2,754
Habb Metropolitan Bank	Pakistan	Common Directorship	-	Bills discounted	15,340,904	7,095,137
Askari Bank	Pakistan	Common Directorship	-	Markup and other bank charges	226,339	193,889
Samba Bank	Pakistan	Common Directorship	-	Bills discounted	1,425,912	2,215,843
Standard Chartered Bank	Pakistan	Common Directorship	-	Markup and other bank charges	276,804	222,083
Board of Directors		Directorship	-	Bills discounted	169,874	122,497
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Pakistan	Employee Retirement Fund	0.42%	Markup and other bank charges	51,132	42,859
Ideas (Private) Limited - Employees Provident Fund Trust	Pakistan	Employee Retirement Fund	-	Bills discounted	1,052,241	3,026,527
				Markup and other bank charges	234,857	128,403
				Meeting Fees	5,700	4,500
				Company's contribution to provident fund	292,515	218,680
				Holding Company's contribution to provident fund	51,970	48,420

Name of the related party	Country of Incorporation	Relationship and percentage of shareholding	Percentage of Shareholding	Nature of outstanding balances	(Unaudited)	
					31 March 2024	30 June 2023
Win Star (Private) Limited	Pakistan	Common Directorship	-	Trade and other payables	11,235	9,292
Swistex Chemicals (Private) Limited	Pakistan	Common Directorship	2.99%	Trade and other payables	73,928	88,019
Grand Industries (Private) Limited	Pakistan	Common Directorship	7.86%	Trade and other payables	4,570	3,511
TPL Properties Limited	Pakistan	Common Directorship	-	Trade and other payables	29,677	29,677
Habb Metropolitan Bank	Pakistan	Common Directorship	-	Deposit with banks	36,601	91,359
Askari Bank	Pakistan	Common Directorship	-	Short term borrowings	3,425,884	3,505,174
Samba Bank	Pakistan	Common Directorship	-	Prepaid discounting	3,542	-
Standard Chartered Bank	Pakistan	Common Directorship	-	Deposit with banks	2,578,572	3,286,243
Key management Personnel		Associate	-	Short term borrowings	1,736	-
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Pakistan	Employee Retirement Fund	-	Prepaid discounting	146,893	687,692
Ideas (Private) Limited - Employees Provident Fund Trust	Pakistan	Employee Retirement Fund	-	Deposit with banks	844,896	362,045
				Short term borrowings	1,273	-
				Prepaid discounting	45,822	214,303
				Short term borrowings	4,701,673	2,888,382
				Loan provided	105,742	137,705
				Payable to employee's provident fund	55,805	46,400
				Payable to employee's provident fund	16,995	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 29-April-2024 by the Board of Directors of the Group.