



Textile Mills Limited

Quarterly Report
Condensed Interim Financial Information
For the 1st Quarter Ended September 30, 2019

Company Information

BOARD OF DIRECTORS	<p>Mohomed Bashir Zain Bashir Mohammed Zaki Bashir Ziad Bashir S.M. Nadim Shafiqullah Dr. Amjad Waheed Ehsan A. Malik</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>Dr. Amjad Waheed Mohomed Bashir S.M. Nadim Shafiqullah Salim Ghaffar</p>	<p>- Chairman & Member - Member - Member - Secretary</p>
HUMAN RESOURCE AND REMUNERATION COMMITTEE	<p>Ehsan A. Malik Mohomed Bashir Zain Bashir Salim Ghaffar</p>	<p>- Chairman & Member - Member - Member - Secretary</p>
BANKERS	<p>Allied Bank Limited Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Al Habib Limited Bank Alfalah Limited Bank of Khyber Bankislami Pakistan Limited Citi Bank Dubai Islamic Bank Pakistan Limited Industrial and commercial bank of China 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>Kreston Hyder Bhimji & 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.82, Main National Highway, 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	<p>finance@gulahmed.Com</p>	
URL	<p>www.gulahmed.com</p>	

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present their review of the affairs of the Company for the 1st Quarter ended September 30, 2019.

ECONOMIC OVERVIEW

Economic data revealed that stabilization and reform measures adopted in the recent past are taking hold. The current account deficit (CAD) has narrowed by 34.9 percent to US\$ 5.72 billion in 1st Quarter of fiscal year 2019-20 (US\$ 8.79 billion Q1 2018-19) which is mainly driven by deeper decline in imports of non-essential luxury items, and marginal increase in exports. Accordingly, imports decreased by 20.42 percent to US\$ 11.24 billion (US\$ 14.16 billion Q1 2018-19), whereas exports increased by 2.75 percent to US\$ 5.52 billion (US\$ 5.37 billion Q1 2018-19). However, the resultant pressure of the Fiscal Deficit and associated increase in public debt has pushed the interest rates and inflation to 13.25 and 11.5 percent respectively. In order to cater the fiscal side, the country will need more rigorous trade policies related to textile exports to boost its overall export while ensuring consistent cash flow support to businesses.

INDUSTRIAL OVERVIEW

Though the textile industry grew in terms of quantity but the quantitative hike was not reflected in dollar terms due to considerable decline in textile prices worldwide. Still the industry has contributed Rs. 40 billion to the exchequer through income tax as well as various other indirect taxes and levies of over Rs. 35 billion.

As a result of implementation of progressive policies, the industry is confident of improving its exports in upcoming quarters. The textile sector being the backbone of the country's export portfolio, the government is working with the stakeholders to further enhance productivity and increase value added exports.

OPERATING AND FINANCIAL PERFORMANCE

During the 1st quarter prices of textile products globally remained under pressure due to weak global demand. In addition to this the government has imposed 17% sales tax with effect from July 1, 2019. This tax has caused a weakness in demand due to cash flow constraints being faced by our yarn customers in the domestic market that are composed mainly of export manufacturing units. Substantial cost increases have come with regard to energy, water, labour and all imported raw materials. The retail sector of the country is also under pressure due to high inflation, higher interest costs and higher rate of sales tax. Hence, this has resulted in lower profit margins in both the segments of the yarn business as well as the retail business. Nonetheless owing to relentless efforts of management, these challenges were partially countered through maximum capacity utilization, effective procurement strategy and cost rationalization measures etc.

Key performance numbers are presented below:

	Units	1 st Quarter ended September 30, 2019	1 st Quarter ended September 30, 2018
Export sales	Rs. in millions	9,262	7,138
Local sales	Rs. in millions	4,940	4,740
Total sales	Rs. in millions	14,202	11,878
Gross profit	Rs. in millions	2,908	2,630
Profit before tax	Rs. in millions	530	740
Profit after tax	Rs. in millions	365	651
Earnings per share (EPS)	Rupees	1.02	1.83
Debt to equity ratio	Times	0.64	0.54
Current ratio	Times	1.13	1.12
Break-up-value per share	Rupees	44.03	37.23

From above it can be observed that we were able to enhance our turnover with the help of efficient and full utilization of production capacities, but due to the reasons mentioned above, both the gross profit and net profit percentage to sales declined. The profit after tax was further dented by withdrawal of 10% tax credit for investment in machineries which was available till 2021 (Rs. 100 million approximately for the quarter), and this had also affected the earnings per share adversely. The reduction in profit despite increase in turnover would had been higher but of reasons mentioned above.

CONTRACT WITH RELATED PARTIES

Company has entered into a contract with World Wide Developers (Private) Limited for subscribing the right issue of Rs. 493 million and purchasing 50% of the existing shares from the few shareholders. The total investment to be made by the Company under the contract is of Rs. 2.295 billion over a period till November 30, 2020. The payment terms with mutual consent may be extended for further six months. The object of acquiring more than 50% stake in the company is to have control over the land strategically located for the Company and is essentially required for its upcoming and extending projects.

FUTURE OUTLOOK

On the international front there are various uncertainties on numerous fronts including the USA and China trade war, imposition of tariffs by USA on European Products, Brexit Deal between UK and European Union, announcement by UK to grant Pakistan the same duty free and quota free market access etc., due to which volatility may remain in the months to come. However, the country is now picking up stability as a result of the corrective measures put in place by the government and with the improvement in the Ease of Doing Business Index, it is expected that global financial flow demand may increase which would assist Pakistan in returning to growth. While these are signs of macroeconomic stability, it will take time for economic activity to get momentum.

Despite the known challenges including a massive decline in the local cotton crop, rising inflation and higher financing rates etc., the management is confident to maintain growth in exports volume and improve margins due to local yarn and retail sales in quarters to come as compared to the quarter under review.



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the 1st quarter ended September 30, 2019 of the Company and its subsidiaries Gul Ahmed International Limited (FZC) – UAE, GTM (Europe) Limited – UK, GTM USA Corp. – USA Sky Home Corporation USA, and Vantona Home Limited, UK are attached.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

October 28, 2019
Karachi

Mohomed Bashir
Chairman

Mohammad Zaki Bashir
Chief Executive Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Un-consolidated
Statement of Financial Position
As at September 30, 2019

	Note	Un-Audited September 2019	Audited June 2019
Rupees in '000			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 750,000,000 ordinary shares of Rs.10 each		7,500,000	7,500,000
Issued, subscribed and paid-up capital 356,495,525 ordinary shares of Rs. 10 each		3,564,955	3,564,955
Reserves		12,132,850	11,768,258
		15,697,805	15,333,213
NON-CURRENT LIABILITIES			
Long term financing - Secured	5	9,993,259	8,856,901
Deferred liabilities			
Deferred taxation - net		71,330	71,330
Staff gratuity		115,870	86,717
		187,200	158,047
CURRENT LIABILITIES			
Trade and other payables		10,502,701	9,637,514
Accrued mark-up/profit		211,621	300,010
Short term borrowings		19,515,812	18,961,882
Current maturity of long term financing	5	1,194,247	1,180,302
Unclaimed dividend		7,937	8,263
Unpaid dividend		16,075	16,075
		31,448,393	30,104,046
CONTINGENCIES AND COMMITMENTS			
	7	57,326,657	54,452,207
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	20,638,514	18,994,305
Intangible assets	9	89,723	44,646
Long term investment	10	587,450	58,450
Long term loans and advances		59,587	63,343
Long term deposits		390,680	369,752
		21,765,954	19,530,496
CURRENT ASSETS			
Stores and spares		1,682,401	1,469,564
Stock-in-trade		22,317,190	21,369,532
Trade debts		6,298,592	7,071,272
Loans, advances and other receivables		1,764,348	1,750,413
Short term prepayments		120,571	303,737
Refunds due from Government		1,859,137	1,487,248
Taxation - net		992,807	977,961
Cash and bank balances		525,657	491,984
		35,560,703	34,921,711
		57,326,657	54,452,207

The annexed notes from 1 to 18 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Un-consolidated
Statement of Profit or Loss
For the Quarter ended September 30, 2019

	Un-Audited	
	Quarter ended	
Note	September 2019	September 2018
	-----Rupees in '000-----	
Sales - net	14,201,930	11,878,486
Cost of sales	<u>11,293,791</u>	<u>9,248,565</u>
Gross profit	2,908,139	2,629,921
Distribution costs	<u>1,084,689</u>	1,010,401
Administrative costs	<u>785,702</u>	598,828
Other operating costs	<u>58,634</u>	93,141
	<u>1,929,025</u>	<u>1,702,370</u>
	979,114	927,551
Other income/(expense)	<u>(77,595)</u>	<u>73,120</u>
Operating profit	901,519	1,000,671
Finance cost	<u>371,774</u>	<u>260,367</u>
Profit before taxation	529,745	740,304
Taxation		
- Current	<u>165,153</u>	86,805
- Deferred	<u>-</u>	2,222
	<u>165,153</u>	<u>89,027</u>
Profit after taxation	<u><u>364,592</u></u>	<u><u>651,277</u></u>
Earning per share - basic and diluted (Rs.)	1.02	1.83

The annexed notes from 1 to 18 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Un-consolidated
Statement of Comprehensive Income
For the Quarter ended September 30, 2019

	Note	Un-Audited	
		Quarter ended	
		September 2019	September 2018
-----Rupees in '000-----			
Profit after taxation		364,592	651,277
Other comprehensive income		-	-
Total comprehensive income		<u>364,592</u>	<u>651,277</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Un-Consolidated
Statement of Cash Flows
For the Quarter ended September 30, 2019

	Un-Audited	
	Quarter ended	
Note	September 2019	September 2018
	-----Rupees in '000-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	529,745	740,304
Adjustments for:		
Depreciation	465,325	455,627
Amortisation	5,049	2,908
Provision for gratuity	40,242	5,776
Finance cost	371,774	260,367
Provision for slow moving/obsolete stores spares and loose tools	5,726	8,368
Impairment allowance against doubtful trade debts	12,747	-
Loss on disposal of property, plant and equipment	21,673	26,608
Gain on disposal of property, plant and equipment	(8,727)	(9,658)
	913,809	749,996
Cash flows from operating activities before adjustments of working capital	1,443,554	1,490,300
Changes in working capital:		
Increase in current assets		
Stores and spares	(218,563)	(207,028)
Stock-in-trade	(947,658)	(3,563,264)
Trade debts	759,933	(1,254,487)
Loans, advances and other receivables	(13,935)	(38,028)
Short term prepayments	183,166	(21,487)
Refunds due from Government	(371,889)	(728,672)
	(608,946)	(5,812,966)
Increase in current liabilities		
Trade and other payables	865,187	1,803,721
	256,241	(4,009,245)
Cash generated from/(used in) operations before adjustment of following	1,699,795	(2,518,945)
Adjustments for:		
Gratuity paid	(11,089)	(6,730)
Finance cost paid	(460,163)	(299,484)
Income tax paid or deducted	(179,999)	(127,822)
Decrease in Long term loans and Advances	3,756	(6,800)
Increase in Long term deposits	(20,928)	(102,910)
	(668,423)	(543,746)
Net Cash generated from/(used in) Operating activities	1,031,372	(3,062,691)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(2,171,581)	(1,054,125)
Addition to intangible assets	(50,127)	(34,534)
Proceeds from sale of property, plant and equipment	49,103	78,205
Long term investments made during the period	(529,000)	-
Net cash used in investing activities	(2,701,605)	(1,010,454)
Balance carried forward	(1,670,233)	(4,073,145)

Gul Ahmed Textile Mills Limited
Condensed Interim Un-Consolidated
Cash Flow Statement
For the Quarter ended September 30, 2019

	Un-Audited	
	Quarter ended	
Note	September	September
	2019	2018
	-----Rupees in '000-----	
Balance brought forward	(1,670,233)	(4,073,145)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	1,461,943	505,541
Long term financing repaid	(311,640)	(188,954)
Dividend paid	(326)	(1,145)
Net cash generated from financing activities	1,149,977	315,442
Net decrease in cash and cash equivalents	(520,256)	(3,757,703)
Cash and cash equivalents - at the beginning of the period	(18,469,899)	(14,605,831)
Cash and cash equivalents - at the end of the period	11 <u>(18,990,155)</u>	<u>(18,363,534)</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Un-consolidated
Statement of Changes in Equity
For the Quarter ended September 30, 2019

	Share Capital	Capital reserve - Share Premium	Revenue Reserve		Reserves	Total
			General Reserve	Unappropriated Profit		
----- Rupees '000-----						
Balance as at June 30, 2018 (Audited)	3,564,955	1,405,415	5,380,000	2,270,357	9,055,772	12,620,727
Profit after taxation	-	-	-	651,277	651,277	651,277
Balance as at September 30, 2018 (Un-audited)	<u>3,564,955</u>	<u>1,405,415</u>	<u>5,380,000</u>	<u>2,921,634</u>	<u>9,707,049</u>	<u>13,272,004</u>
Transactions with owners						
Final dividend for the year ended June 30, 2018	-	-	-	(891,239)	(891,239)	(891,239)
Transfer to Unappropriated Profit	-	-	(5,380,000)	5,380,000	-	-
Profit after taxation for 9 months ended 30 June 2019	-	-	-	2,957,943	2,957,943	2,957,943
Other comprehensive loss	-	-	-	(5,495)	(5,495)	(5,495)
	-	-	-	2,952,448	2,952,448	2,952,448
Balance as at 30 June, 2019	<u>3,564,955</u>	<u>1,405,415</u>	<u>-</u>	<u>10,362,843</u>	<u>11,768,258</u>	<u>15,333,213</u>
Profit after taxation	-	-	-	364,592	364,592	364,592
Balance as at September 30, 2019 (Un-audited)	<u>3,564,955</u>	<u>1,405,415</u>	<u>-</u>	<u>10,727,435</u>	<u>12,132,850</u>	<u>15,697,805</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim un-consolidated financial information.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer

Gul Ahmed Textile Mills Limited
Notes to the Condensed Interim Un-consolidated
Financial Information (Un-audited)
For the Quarter ended September 30, 2019

1 LEGAL STATUS AND ITS OPERATIONS

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

The Company's registered office is situated at Plot No. 82, Main National Highway, Landhi, Karachi.

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

The Company has the following subsidiaries:

Details of Subsidiaries

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

All subsidiaries are engaged in distribution/trading of textile related products.

1.2 Geographical locations and addresses of all lands owned by the Company are as follows;

<u>Unit</u>	<u>Area</u>	<u>Address</u>
Unit 1,2 & 3	25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi Karachi
Unit 4 & 5	14.9 Acres	Survey No.82, Deh Landhi ,Karachi
Unit 6,7 & 8	18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
Lasani warehouse	4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi
MTF Plot	44.04 acres	P.U. No. 48, 49, 50, & 51, Near Machine Tool Factory Deh Khanto Tapo Landhi, Karachi
Plot	2 Kanal, 19 Marlas and 153.5 Sq. Feet	Plot No. 24-A, C-III, Gulberg Lahore

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

<u>Unit</u>	<u>Address</u>
Highway stitching complex	Plot# 369, Main National Highway, Landhi, Karachi
Yarn Dyeing and Knitting unit	Plot# HT/3A,KDA Scheme 3, Landhi Industrial area, Karachi
Stitching unit	Plot# ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi
Hussaini stitching unit	Plot# HT/8,KDA Scheme 3, Landhi Industrial area, Karachi
Apparel division	Plot# 12, Sector 23, Korangi Industrial area, Karachi

1.4 As at September 30, 2019, the Company has 65 retail outlets, 30 fabric stores, 2 fair price shops, 5 whole sale shops and 6 franchises (2019:64 retail outlets, 32 fabric stores, 2 fair price shops, 5 whole sale shops and 6 franchises).

2 BASIS OF PREPARATION

2.1 Basis of measurement

These condensed interim unconsolidated financial statements comprise of unconsolidated statement of financial position, unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of cash flows and unconsolidated statement of changes in equity together with explanatory notes forming part thereof and have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

These condensed interim unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

These condensed interim unconsolidated financial statements have been prepared following accrual basis of accounting except for statement of cash flows.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards 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 from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 ACCOUNTING POLICIES

Same accounting policies and methods of computation are adopted for the preparation of these condensed interim un-consolidated financial statements as those applied in the preparation of un-consolidated financial statements for the year ended June 30, 2019.

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2019.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT



The preparation of these condensed interim un-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, 2019.

The Company's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2019.

5 LONG TERM FINANCING - SECURED

	Un-Audited September 2019	Audited June 2019
	Rupees in '000	
Opening balance	10,037,203	8,277,726
Add: Obtained during the period / year	1,461,943	3,121,440
Less: Repaid during the period / year	<u>(311,640)</u>	<u>(1,361,963)</u>
	11,187,506	10,037,203
Less: Current portion shown under current liabilities	<u>(1,194,247)</u>	<u>(1,180,302)</u>
	<u>9,993,259</u>	<u>8,856,901</u>

6 TRADE AND OTHER PAYABLES

Trade and other payables include provision in respect of;

- Increase in gas tariff rates as mentioned in note 9.1.2 of the financial statements for the year ended June 30, 2019, wherein there is no change in status and amount.
- Charging of captive power tariff instead of Industry tariff rate to the Company as mentioned in note 9.1.3 of the financial statements for the year ended June 30, 2019, wherein there is no change in status and amount.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2019 remained unchanged during the current period except following;

- In the matter of Gas Infrastructure Development Cess (GIDC), wherein there is no change in its status as disclosed in note 13.6 of the financial statements for the year ended June 30, 2019 except that the amount of provision of Rs. 2,476 million (June-2019: Rs.2,327 million) commencing from May 22, 2015 to the balance sheet date.
- In the matter of Income tax amendment order as disclosed in note 13.10 of the financial statements for the year ended June 30, 2019, wherein, there is no change except, subsequent to year end company has filed an appeal with Income Tax Commissioner (Appeals) and filed a petition in Honorable Sindh High Court.

Guarantees

- Guarantees of Rs. 1,060 million (June-2019: Rs. 1,034.7 million) has been issued by banks on behalf of the company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 898 million (June 2019: Rs. 893.3 million).
- Post dated cheques of Rs. 3,125 million (June-2019: Rs. 3,125 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- Bills discounted Rs. 4,699 million (June-2019: Rs. 4,876 million).
- Corporate guarantee of Rs 133.8 million (June 2019: Rs. 145.6 million) Rs.622.9 million (2019: 660.5 million) and Rs. 141.3 million (2019: 148.1 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed Internation FZC- UAE and Sky Home Corporation- USA respectively.

Commitments

- The Company is committed for capital expenditure as at September 30, 2019 of Rs. 3,279 million (June 2019: Rs. 2,838.2 million).
- The Company is committed to minimum rental payments for Retail outlets for each of the following period as follows:

Note	Un-Audited September 2019	Audited June 2019
	Rupees in '000	
Not more than one year	833,933	699,705
More than one year but not more than five years	2,353,576	2,012,348
More than five years	<u>406,042</u>	<u>640,795</u>
	<u>3,593,551</u>	<u>3,352,848</u>

8 PROPERTY, PLANT AND EQUIPMENT

Note	Un-Audited	Audited
	September 2019	June 2019
Operating fixed assets	17,803,261	18,068,449
Capital work in progress (CWIP)	2,835,254	925,856
	20,638,515	18,994,305

8.1 Additions during the period

	Un-Audited	
	September 2019	September 2018
	Rupees in '000	
Buildings and structures on leasehold land	109,105	74,462
Plant and machinery	125,469	638,686
Furniture and fixtures	1,750	-
Office equipment	27,635	13,877
Vehicles	3,325	39,445
	267,284	766,470

8.1.1 Additions to building and structure on leasehold land , plant and machinery and office equipment include transfers from capital work-in-progress amounting to Rs. 43.798 million (September 2018: Rs. 695.4 million).

8.2 Disposals - operating fixed assets (at net book value)

	Un-Audited	
	September 2019	September 2018
	Rupees in '000	
Plant and machinery	57,726	71,309
Vehicles	9,421	22,428
	67,147	93,737

8.3 Depreciation charge during the period

	465,326	455,627
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8.4 Additions - capital work in progress (at cost)

	Un-Audited	
	September 2019	September 2018
	Rupees in '000	
Machinery	1,710,252	825,186
Building	225,449	158,045
	1,935,701	983,231

9 INTANGIBLE ASSETS

Note	Un-Audited	Audited
	September 2019	June 2019
	Rupees in '000	
Intangible - net book value	89,723	44,646

9.1 Additions - intangibles (at cost)

	Un-Audited	
	September 2019	September 2018
	Rupees in '000	
Computer Software	50,127	34,534

9.2 Amortization charge during the period

	5,049	2,908
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10 LONG TERM INVESTMENT

	Note	<u>Un-Audited</u> September 2019	<u>Audited</u> June 2019
		Rupees in '000	
Investment in Subsidiary - Gul Ahmed International Limited FZC		58,450	58,450
Investment in Associate	10.1	459,000	-
Investment in Term Finance Certificate-Held to maturity	10.2	70,000	-
		<u>587,450</u>	<u>58,450</u>

10.1 The shareholders of the company in the Extraordinary general meeting held on August 30, 2019 have approved to invest an amount of Rs. 2,295 million in an associated company World Wide Developers (Pvt) Limited in order to acquire 50% shares from existing shareholders of the associated company and to subscribe for further issue by the associated company.

10.2 This includes Rs. 70 million to Habib Bank limited (HBL) against issuance of its Term Finance Certificate, which is Held to Maturity.

11 CASH AND CASH EQUIVALENTS

	<u>Un-Audited</u> September 2019	<u>Audited</u> September 2018
	Rupees in '000	
Cash and cash equivalents comprises of:		
Cash and bank balances	525,657	381,871
Short term borrowings	(19,515,812)	(18,745,405)
	<u>(18,990,155)</u>	<u>(18,363,534)</u>

12 TAXATION

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

13 SEGMENT INFORMATION

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

- a) **Spinning :** Production of different qualities of yarn using both natural and artificial fibers.
- b) **Weaving:** Weaving is a method of fabric production in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric.
- c) **Retail and Distribution:** On the retail front, Ideas by Gul Ahmed offers fabrics and made-ups, ranging from home accessories to clothing.
- d) **Processing, Home Textile and Apparel** Processing of greige fabrics into various types of finished fabrics for sale as well as to manufacture and sale of madeups and home textile products.

Transactions among the business segments are recorded at cost.

13.1 Segment Profitability

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Elimination Of Inter Segment Transactions		Total	
	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018
	-----Rs. 000s-----											
Sales	3,396,594	3,182,685	816,284	368,633	4,030,133	3,478,153	10,861,230	8,743,402	(4,902,311)	(3,894,387)	14,201,930	11,878,486
Cost of sales	3,073,796	2,789,770	690,473	418,986	2,910,710	2,351,929	9,521,122	7,582,267	(4,902,311)	(3,894,387)	11,293,791	9,248,565
Gross profit	322,798	392,915	125,811	(50,353)	1,119,423	1,126,224	1,340,108	1,161,135	-	-	2,908,139	2,629,921
Distribution cost and Administrative cost	38,430	31,215	25,779	13,281	1,038,905	1,008,108	767,277	556,625	-	-	1,870,391	1,609,229
Profit/(Loss) before tax and before charging following	284,368	361,700	100,032	(63,634)	80,518	118,116	572,831	604,510	-	-	1,037,748	1,020,692
Finance Cost											371,774	260,367
Other operating cost											58,634	93,141
Other income											77,595	(73,120)
											508,003	280,388
Profit before taxation											529,745	740,304
Taxation											165,153	89,027
Profit after taxation											364,592	651,277
Depreciation and Amortisation Expense	124,756	131,926	79,527	74,670	79,885	72,561	186,206	179,378	-	-	470,374	458,535

13.2 Segment assets and liabilities

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Unallocated		Total	
	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited
	Sep-2019	June - 2019	Sep-2019	June - 2019	Sep-2019	June - 2019	Sep-2019	June - 2019	Sep-2019	June - 2019	Sep-2019	June - 2019
	-----Rs. 000s-----											
Assets	15,253,460	13,998,440	3,757,216	3,698,216	10,158,163	9,177,713	25,952,525	25,982,446	2,205,293	1,595,392	57,326,657	54,452,207
Liabilities	6,899,530	5,383,577	2,108,547	2,093,069	2,362,150	1,401,000	12,959,959	13,281,795	17,298,666	16,959,553	41,628,852	39,118,994
Segment Capital & Intangible Expenditure	1,339,380	1,972,503	27,885	844,451	141,290	367,046	651,740	1,580,830	61,413	280,949	2,221,708	5,045,779

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

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

13.5 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.3,391 million (September-2018: Rs. 2,966 million).

13.6 Information by geographical area

	Revenue		Non-current assets	
	Sep-19	Sep-18	Sep-19	Jun-19
	-----Rupees in '000-----			
Pakistan	4,940,220	4,732,864	21,707,504	19,472,046
Germany	3,056,986	2,565,645	-	-
United States	1,598,262	1,117,974	-	-
France	399,327	344,846	-	-
Netherlands	741,856	591,452	-	-
United Kingdom	622,119	366,360	-	-
Italy	622,434	489,925	-	-
Spain	297,331	171,664	-	-
China	172,506	322,518	-	-
Sweden	201,092	327,628	-	-
United Arab Emirates	119,265	366,360	58,450	58,450
Other Countries	1,430,533	537,106	-	-
	14,201,930	11,934,342	21,765,954	19,530,496

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise 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.

Relationship with the Company	Nature of transactions	Un-Audited	
		Sep-19	Sep-18
		Rupees in '000	
Subsidiaries and indirect subsidiaries	Sale of goods	50,661	81,000
	Sales through subsidiaries acting as agents	468,998	325,017
	Commission paid	124,612	121,061
Associated Companies and other related parties	Purchase of goods	69,723	44,493
	Rent paid	7,906	21,733
	Fees paid	2,000	2,000
	Donation paid	-	417
	Bills discounted	3,255,822	1,532,671
	Markup and other bank charges	59,464	56,257
	Company's contribution to provident fund	42,833	40,472
		Un-Audited	Audited
		Sep-19	Jun-19
		Rupees in '000	
Subsidiary companies	Long term investment	58,450	58,450
	Corporate guarantee issued in favour of subsidiary company	897,809	954,161
	Trade and other payables	141,295	125,357
	Trade debts	1,366,513	1,316,125
Associated companies and others related parties	Long term investment	459,000	-
	Deposit with banks	91,393	46,495
	Borrowings from Banks	263,926	959,025
	Bank guarantee	898,326	893,326
	Trade and other payables	16,431	7,781
	Accrued mark-up	501	14,348
	Advance to supplier	-	2,882
	Trade debts	-	845
	Loans to key management personnel & executive	77,661	100,129
	Payable to employee's provident fund	22,374	22,644
Prepaid Rent	33,230	40,054	
Prepaid fees	1,500	-	

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the period ending September 30, 2019 amounting to Rs. 399 million (September 30, 2018: Rs.228 million) on account of remuneration.

15 FAIR VALUES

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

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

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

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

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

As at year end the fair value of all the financial assets and liabilities approximates to their carrying values. The property plant and equipment is carried at cost less accumulated depreciation and impairment if any, except free-hold land, lease-hold land and capital work in progress which are stated at cost. Long term investments in subsidiaries represent the investment in unquoted shares of companies carried at cost. The Company does not expect that unobservable inputs may have significant effect on fair values. The fair values of forward exchange contracts is determined based on the forward exchange rates at the reporting date included in the level 2 of the fair value hierarchy.

16 DATE OF AUTHORISATION

These financial statements were authorised for issue on 29 October, 2019 by the Board of Directors of the Company.

17 GENERAL

- 17.1 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.
- 17.2 Figures have been rounded off to the nearest thousand rupees.

18 CORRESPONDING FIGURES

For better presentation and due to revisions in the Companies Act 2017, certain re-classification have been made in the corresponding figures including following;

Reclassification from component	Reclassification to component	Amount Rs '000
Other income Other income	Sales Sales - net (Exchange gain on realization of export receivables)	(112,587)
Finance cost Finance cost	Cost of sales Cost of sales (Exchange gain on purchase)	15,532

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer



Textile Mills Limited

Consolidated Accounts
Consolidated Condensed Interim Financial Information
For the 1st Quarter Ended September 30, 2019

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Financial Position
As at September 30, 2019

	Note	Un-Audited September 2019	Audited June 2019
Rupees in '000			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 750,000,000 ordinary shares of Rs. 10 each		<u>7,500,000</u>	<u>7,500,000</u>
Issued, subscribed and paid-up capital 356,495,525 ordinary shares of Rs. 10 each		<u>3,564,955</u>	<u>3,564,955</u>
Reserves		<u>12,655,974</u>	<u>12,318,411</u>
		16,220,929	15,883,366
NON-CURRENT LIABILITIES			
Long term financing - Secured	5	9,993,259	8,856,901
Deferred liabilities			
Deferred taxation - net		<u>71,330</u>	<u>88,342</u>
Defined benefit plan-Staff gratuity		<u>118,089</u>	<u>92,431</u>
		189,419	180,773
CURRENT LIABILITIES			
Trade and other payables	6	11,130,205	9,911,216
Accrued mark-up/profit		211,621	300,010
Short term borrowings		19,660,756	19,036,992
Current maturity of long term financing		1,194,247	1,180,302
Unclaimed dividend		7,937	8,263
Unpaid dividend		16,075	16,075
Provision for taxation		<u>5,208</u>	<u>7,463</u>
		32,226,049	30,460,321
CONTINGENCIES AND COMMITMENTS			
	7		
		<u>58,629,656</u>	<u>55,381,361</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	20,653,156	19,009,542
Intangible assets	9	214,936	171,880
Long Term Investment	10	529,000	-
Long term loans and advances		60,942	64,781
Long term deposits		394,585	373,852
Deferred taxation		<u>3,348</u>	<u>4,204</u>
		21,855,967	19,624,259
CURRENT ASSETS			
Stores and spares		1,682,401	1,469,564
Stock-in-trade		23,017,708	22,183,853
Trade debts		6,668,589	6,866,069
Loans, advances and other receivables		1,861,285	1,855,410
Short term prepayments		133,931	320,591
Refunds due from Government		1,859,137	1,487,248
Taxation - net		992,807	977,961
Cash and bank balances		<u>557,831</u>	<u>596,406</u>
		36,773,689	35,757,102
		<u>58,629,656</u>	<u>55,381,361</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Profit or Loss
For the quarter ended September 30, 2019

	Note	Un-Audited	
		Nine Months Ended	
		September December 2019	September December 2018
-----Rupees in '000-----			
Sales - net		14,931,102	12,347,510
Opening stock of finished goods		13,326,847	9,997,559
Cost of goods manufactured		13,596,155	10,589,197
Purchases and processing charges		416,531	380,030
Closing stock of finished goods		(15,515,408)	(11,473,161)
Cost of sales		11,824,125	9,493,625
Gross profit		3,106,977	2,853,885
Distribution cost		1,126,251	1,137,981
Administrative cost		984,148	632,718
Other operating cost		58,634	93,141
		2,169,033	1,863,840
		937,944	990,045
Other income		(47,410)	67,443
Operating profit		890,534	1,057,488
Finance cost		378,491	262,744
Profit before taxation		512,043	794,744
Taxation			
- Current	12	165,153	86,805
- Deferred		-	2,222
		165,153	89,027
Profit after taxation		346,890	705,717
Earning per share - basic and diluted (Rs.)		0.97	1.98

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Comprehensive Income
For the quarter ended September 30, 2019

	Un-Audited	
	Half Year Ended	
	September	September
	December	December
	2019	2018
	-----Rupees in '000-----	
Profit after taxation	346,890	705,717
Other comprehensive income for the period		
Items that will be reclassified to profit and loss account subsequently		
Exchange difference on translation of foreign subsidiaries	(9,327)	(20,208)
<i>subsequently</i>		
Remeasurement effect on defined benefit plan	-	
Tax effect on remeasurement value	-	
	-	
Items that will be reclassified to profit and loss		
Total comprehensive income	<u>337,563</u>	<u>685,509</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Cash Flows
For the quarter ended September 30, 2019

Note Note	Un-Audited	
	Half Year Ended	
	September December 2019	September December 2018
-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	512,043	794,744
Adjustments for:		
Depreciation	465,920	456,384
Amortisation	7,192	3,478
Provision for gratuity	40,242	5,776
Finance cost	378,491	262,744
Provision for slow moving/obsolete stores spares and loose tools	5,726	8,368
Impairment allowance against doubtful trade debts	12,747	-
Unclaimed Liabilities written back	-	-
Gain on disposal of property, plant and equipment	(8,727)	(9,658)
Loss on disposal of property, plant and equipment	21,673	26,608
Property, plant and equipment scrapped	-	-
	923,264	753,700
Cash flows from operating activities before adjustments of working capital	1,435,307	1,548,444
Changes in working capital:		
Increase in current assets		
Stores and spares	(218,563)	(207,028)
Stock-in-trade	(833,855)	(3,685,450)
Trade debts	184,733	(1,332,699)
Loans, advances and other receivables	(5,875)	(37,624)
Short term prepayments	186,660	(35,887)
Refunds due from Government	(371,889)	(728,672)
	(1,058,789)	(6,027,360)
Increase in current liabilities		
Trade and other payables	1,218,989	2,052,343
	160,200	(3,975,017)
Cash generated from/(used in) operations before adjustment of following	1,595,507	(2,426,573)
Adjustment for:		
Gratuity paid	(14,584)	(7,413)
Finance cost paid	(466,880)	(301,861)
Income tax paid or deducted	(198,410)	(135,290)
Increase in long term loans and advances	3,839	(5,507)
(Increase)/ decrease in long term deposits	(20,733)	(99,870)
	(696,768)	(549,941)
Net cash generated from/(used in) operating activities	898,739	(2,976,514)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(2,171,581)	(1,054,125)
Addition to intangible assets	(50,250)	(34,534)
Proceeds from sale of property, plant and equipment	49,103	78,205
Long term Investment	(529,000)	(989.0)
Net cash used in investing activities	(2,701,728)	(1,011,443)
Balance carried forward	(1,802,989)	(3,987,957)

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Cash Flows
For the quarter ended September 30, 2019

	Un-Audited	
	September	September
	2019	2018
	2018	2017
	-----Rupees in '000-----	
Balance brought forward	(1,802,989)	(3,987,957)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	1,461,943	505,541
Long term financing repaid	(311,640)	(188,954)
Proceeds from issue of right shares	-	
Dividend paid	(326)	(1,145)
Net cash used in financing activities	1,149,977	315,442
Exchange difference on translation of foreign subsidiaries	(9,327)	(20,208)
Net decrease in cash and cash equivalents	(662,339)	(3,692,723)
Cash and cash equivalents - at the beginning of the period	(18,440,586)	(14,627,657)
Cash and cash equivalents - at the end of the period	11 (19,102,925)	(18,320,380)

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Changes in Equity
For the quarter ended September 30, 2019

	Reserves							Total
	Share capital	Capital reserve - Share Premium	Revenue reserve				Subtotal Reserves	
			General Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit		
-----Rupees '000-----								
Balance as at June 30, 2018 (Audited)	3,564,955	1,405,415	5,380,000	159,005	19,648	2,494,308	9,458,376	13,023,331
Transfer to								
General reserve	-	-	-	-	-	-	-	-
Statutory reserve	-	-	-	-	-	-	-	-
Transactions with owners								
Total comprehensive income for the first quarter ended September 30, 2018 (un-audited)								
Profit after taxation	-	-	-	-	-	705,717	705,717	705,717
Other comprehensive income	-	-	-	(20,208)	-	-	(20,208)	(20,208)
	-	-	-	(20,208)	-	705,717	685,509	685,509
Balance as at September 30, 2018 (Un-Audited)	3,564,955	1,405,415	5,380,000	138,797	19,648	3,200,025	10,143,885	13,708,840
Transfer to								
General reserve	-	-	(5,380,000)	-	-	5,380,000	-	-
Statutory reserve	-	-	-	-	179	(179)	-	-
	-	-	(5,380,000)	-	179	5,379,821	-	-
Transactions with owners								
Final dividend for the year ended June 30, 2018						(891,239)	(891,239)	(891,239)
Total comprehensive income for the period October 01, 2018 to June 30, 2019								
Profit after taxation	-	-	-	-	-	2,924,515	2,924,515	2,924,515
Other comprehensive income	-	-	-	146,745	-	(5,495)	141,250	141,250
	-	-	-	146,745	-	2,919,020	3,065,765	3,065,765
Balance as at June 30, 2019	3,564,955	1,405,415	-	285,542	19,827	10,607,627	12,318,411	15,883,366
Transactions with owners								
Transfer to unappropriated profit	-	-	-	-	-	-	-	-
Final dividend for the year ended June 30, 2018	-	-	-	-	-	-	-	-
Total comprehensive income for the first quarter ended September 30, 2019 (un-audited)								
Profit after taxation	-	-	-	-	-	346,890	346,890	346,890
Other comprehensive loss	-	-	-	(9,327)	-	-	(9,327)	(9,327)
	-	-	-	(9,327)	-	346,890	337,563	337,563
Balance as at September 30, 2019 (Un-Audited)	3,564,955	1,405,415	-	276,215	19,827	10,954,517	12,655,974	16,220,929

The annexed notes from 1 to 18 form an integral part of these condensed interim consolidated financial statements.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Notes to the Condensed Interim Consolidated
Financial Statements (Un-audited)
For the quarter ended September 30, 2019

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

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. 82, Main National Highway, 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 Company is a subsidiary of Gul Ahmed Holdings (Private) Limited and owns 66.78% shares of the Company.

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>	<u>Status</u>
Gul Ahmed International Limited FZC	December 11, 2002	U.A.E	100%	Operational
GTM (Europe) Limited - Indirect subsidiary	April 17, 2003	U.K	100%	Operational
GTM USA - Indirect subsidiary	March 19, 2012	U.S.A	100%	Operational
Sky Home- Indirect Subsidiary	February 28, 2017	U.S.A	100%	Operational
Vantona Home Limited-Indirect	April 22, 2013	U.K	100%	Operational
JCCO 406 Limited-Indirect Subsidiary	September 29, 2017	U.K	100%	Operational

All subsidiaries are engaged in distribution/trading of textile related products.

1.3 Geographical locations and addresses of all lands owned by the Company are as follows;

<u>Unit</u>	<u>Area</u>	<u>Address</u>
Unit 1, 2 & 3	25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi Karachi
Unit 4 & 5	14.9 Acres	Survey No.82, Deh Landhi, Karachi
Unit 6, 7 & 8	18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
Lasani warehouse	4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi
MTF Plot	44.04 acres	P.U. No. 48, 49, 50, & 51, Near Machine Tool Factory Deh Khanto Tapo Landhi, Karachi
Plot	2 Kanal, 19 Marlas and 153.5 Sq. Feet	Plot No. 24-A, C-III, Gulberg Lahore

1.3.1 Units signifies different processing units i.e. weaving, spinning and processing.

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

Unit	Address
Highway stitching complex	Plot# 369, Main National Highway, Landhi, Karachi
Yarn Dyeing and Knitting unit	Plot# HT/3A, KDA Scheme 3, Landhi Industrial area, Karachi
Stitching unit	Plot# ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi
Hussaini stitching unit	Plot# HT/8, KDA Scheme 3, Landhi Industrial area, Karachi
Apparel division	Plot# 12, Sector 23, Korangi Industrial area, Karachi
GTM USA Corporation	295 5th ave, suit 702, NewYork - NY - 10016

1.5 As at June 30, 2019, The Group has 65 retail outlets, 30 fabric stores, 2 fair price shops, 5 whole sale shops and 6 franchises (2019:64 retail outlets, 32

2 BASIS OF PREPARATION

The condensed interim consolidated financial information comprise the consolidated statement of Financial Position of Gul Ahmed Textile Mills Limited, 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 September 30, 2019 and the related consolidated statement of profit or loss, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards 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 from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements comprise of the condensed interim consolidated statement of Financial Position as at September 30, 2019 and the 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 quarter ended September 30, 2019.

The comparative statement of Financial Position, presented in these condensed interim consolidated financial statements, as at June 30, 2019 has been extracted from the audited financial statements of the Group for the year ended June 30, 2019 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 September 30, 2019 have been extracted from the condensed interim consolidated financial statements of the Group for the nine months ended September 30, 2018.

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, 2019.

Certain new IFRSs and amendments to existing IFRSs, effective for periods beginning on or after July 1, 2019, do not have any impact on this condensed

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

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual

(b) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There are new standards, certain amendments and interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any material impact except IFRS-16 "Leases"

3 ACCOUNTING POLICIES

Same accounting policies and methods of computation are adopted for the preparation of these condensed interim consolidated financial statements as those applied in the preparation of consolidated financial statements for the year ended June 30, 2019.

4 FINANCIAL RISK MANAGEMENT

The Group's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2018.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this 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 this condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended

The Group's financial risk objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2019.

5 Long term financing - Secured

	Un-Audited September 2019	Audited June 2019
	Rupees in '000	
Opening balance	10,037,203	8,277,726
Add: Obtained during the period / year	1,461,943	3,121,440
Less: Repaid during the period / year	(311,640)	(1,361,963)
	<u>11,187,506</u>	<u>10,037,203</u>
Less: Current portion shown under current liabilities	<u>(1,194,247)</u>	<u>(1,180,302)</u>
	<u>9,993,259</u>	<u>8,856,901</u>

6 TRADE AND OTHER PAYABLES

Trade and other payables include provision in respect of;

- a) Increase in gas tariff rates as mentioned in note 9.1.2 of the financial statements for the year ended June 30, 2019, wherein there is no change in status and amount.
- b) Charging of captive power tariff instead of Industry tariff rate to the Company as mentioned in note 9.1.3 of the financial statements for the year ended June 30, 2019, wherein there is no change in status and amount.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2019 remained unchanged during the current period except following:

- a) In the matter of Gas Infrastructure Development Cess (GIDC), wherein there is no change in its status as disclosed in note 13.6 of the financial statements for the year ended June 30, 2019 except that the amount of provision of Rs. 2,476 million (June-2019: Rs.2,327 million) commencing from May 22, 2015 to the balance sheet date.
- b) In the matter of Income tax amendment order as disclosed in note 13.10 of the financial statements for the year ended June 30, 2019, wherein, there is no change except, subsequent to year end company has filed an appeal with Income Tax Commissioner (Appeals) and filed a petition in Honorable Sindh High Court.

Guarantees

- (a) Guarantees of Rs. 1,060 million (June-2019: Rs. 1,034.7 million) has been issued by banks on behalf of the company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 898 million (June 2019: Rs. 893.3 million).
- (b) Post dated cheques of Rs. 3,124 million (June-2019: Rs. 3,125 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted amounted to Rs.4,728 million (2019 Rs. 4,960 million)
- (d) Corporate guarantee of Rs 133.8 million (June 2019: Rs. 145.6 million) Rs.622.9 million (2019: 660.5 million) and Rs. 141.3 million (2019: 148.1 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed Internation FZC- UAE

Commitments

- (a) The Group is committed for capital expenditure as at September 30, 2019 of Rs. 3,279 million (2019: Rs.2,838.2 million)

Note	Un-Audited September 2019	Audited June 2019
	Rupees in '000	

- (b) The Group is committed for minimum rental payments for each of following period as follows:

Not more than one year	833,933	699,705
More than one year but not more than five years	2,353,576	2,012,348
More than five years	406,042	640,795
	3,593,551	3,352,848

8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	8.1 & 8.2	17,817,903	18,083,686
Capital work in progress (CWIP)	8.4	2,835,253	925,856
		20,653,156	19,009,542

Note	Un-Audited for the first quarter September 2019	Un-Audited for the first quarter September 2018
	Rupees in '000	

8.1 Additions during the period

Buildings and structures on leasehold land	109,105	74,462
Plant and machinery	125,469	638,686
Furniture and fixtures	1,750	-
Office equipment	27,635	13,877
Vehicles	3,325	39,445
	267,284	766,470

- 8.1.1 Additions to building and structure on leasehold land , plant and machinery and office equipment include transfers from capital work-in-progress amounting to Rs. 43.798 million (September 2018: Rs. 695.4 million).

Note	Un-Audited for the first quarter September 2019	Un-Audited for the first quarter September 2018
	Rupees in '000	

8.2 Disposals - operating fixed assets (at net book value)

Leasehold land	-	-
Plant and machinery	57,726	71,309
Furniture and fixtures	-	-
Office equipment	-	-
Vehicles	9,421	22,428
	67,147	93,737

- 8.2.1 Disposals include assets scrapped at Net book value during the period of Rs. Nil (Sep. 2018: Rs. Nil).

	Note	Un-Audited	
		September 2019	September 2018
Rupees in '000			
8.3 Depreciation charge during the period		465,920	456,384
8.4 Additions - capital work in progress (at cost)			
Machinery		1,710,252	825,186
Building		225,449	158,045
Others		-	-
		1,935,701	983,231
8.5 Reclassification (at cost)			
Plant & Machinery		0	-
CWIP		0	-
		-	-
		Un-Audited	Audited
		September 2019	June 2019
Rupees in '000			
9 INTANGIBLE ASSETS			
Intangible - net book value	9.1 & 9.2	214,936	171,880
		214,936	171,880
		Un-Audited	Audited
		for the first quarter September 2019	for the first quarter September 2018
Rupees in '000			
9.1 Additions - intangibles (at cost)			
Computer Software		50,250	34,534
9.2 Amortisation charge during the period		7,192	3,478
10 LONG TERM INVESTMENT			
		Un-Audited	Audited
		September 2019	June 2019
Rupees in '000			
Investment in Subsidiary - Gul Ahmed International Limited FZC		0	0
Investment in Associate	10.1	459,000	-
Investment in Term Finance Certificate-Held to maturity	10.2	70,000	-
		529,000	-
10.1	The shareholders of the company in the Extraordinary general meeting held on August 30, 2019 have approved to invest an amount of Rs. 2,295 million in an associated company World Wide Developers (Pvt) Limited in order to acquire 50% shares from existing shareholders of the associated company and to subscribe for further issue by the associated company.		
10.2	This includes Rs. 70 million to Habib Bank limited (HBL) against issuance of its Term Finance Certificate, which is Held to Maturity.		
		Un-Audited	Audited
		September 2019	September 2018
Rupees in '000			
11 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents comprises of:			
Cash and bank balances		557,831	425,025
Short term borrowings		(19,660,756)	(18,745,405)
		(19,102,925)	(18,320,380)
12 TAXATION	Provision for current taxation has been made on the basis of normal tax liability, final taxation, tax credit and separate block income under the Income Tax Ordinance, 2001.		

13 SEGMENT INFORMATION

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

- a) **Spinning** : Production of different qualities of yarn using both natural and artificial fibers.
- b) **Weaving**: Weaving is a method of fabric production in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric.
- c) **Retail and Processing, Home Textile and Apparel**: On the retail front, Ideas by Gul Ahmed offers fabrics and made-ups, ranging from home accessories to clothing. Production of greig fabric, its processing into various types of fabrics for sale as well as manufacture and sale of made-ups and home textile products.
- d) **Subsidiary Company** s.: These subsidiaries are also in the textile business reselling products to the ultimate customers, imported from Parent Group.

Transactions among the business segments are recorded at cost.

13.1 Segment profitability
TO BE PUBLISHED

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Gul Ahmed International Limited		GTM (Europe) Limited - UK		JCCO 406 Ltd.		Vantona Home Ltd.		GTM USA Corp.		SKY Home Corporation		Elimination Of Inter Segment		Total					
	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018	Sep-2019	Sep-2018				
	-----Rupees '000-----																											
Sales	#####	#####	816,284	368,633	#####	#####	#####	#####	139,278	151,443	42,318	419,973	-	-	32,372	-	4,138	60,472	562,257	257,151	#####	#####	#####	#####				
Cost of sale	#####	#####	690,473	418,986	#####	#####	#####	#####	129,021	117,671	-	348,836	-	-	32,065	-	4,138	55,835	458,600	155,343	#####	#####	#####	#####				
Gross profit	322,799	392,915	125,811	(50,353)	#####	#####	#####	#####	10,257	33,772	42,318	71,137	-	-	307	-	-	4,637	103,657	101,808	42,606	12,609	#####	#####				
Distribution costs and administrative costs	38,430	31,215	25,779	13,281	#####	#####	767,277	557,790	21,168	25,241	62,839	45,214	-	-	16,289	-	-	3,964	139,712	85,886	-	-	#####	#####				
Profit/(loss) before tax and before charging th	284,369	361,700	100,032	(63,634)	80,518	118,116	572,830	603,345	(10,911)	8,531	(20,521)	25,923	-	-	(15,982)	-	673	(36,055)	15,922	42,606	12,609	996,578	#####	#####				
Other operating costs																								58,634	93,141			
Other income																									47,410	(67,444)		
Finance costs																									378,491	292,744		
Profit before taxation																										484,535	288,441	
Taxation																											612,043	794,744
Profit after taxation																											165,153	89,027
Depreciation Expense	124,756	131,926	79,527	74,670	79,885	72,561	186,206	179,378	1,165	-	88	-	-	-	1,486	-	-	-	-	-	-	-	-	-	-	-	473,112	458,535

13.2 Segment assets and liabilities

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		JCCO 406 Ltd.		Vantona Home Ltd.		GTM USA Corp.		SKY Home Corporation		Unallocated		Total Group		
	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	Un-Audited Sep-2019	Audited June - 2019	
	-----Rupees '000-----																								
Assets	#####	#####	#####	#####	#####	#####	#####	#####	566,726	598,772	633,456	463,119	19	20	736,448	659,482	15,265	8,199	940,487	723,278	#####	#####	#####	#####	
Elimination of intragroup balances																									#####
Liabilities	#####	#####	#####	#####	#####	#####	#####	#####	202,404	165,275	999,849	#####	-	-	632,750	222,201	8,241	4,334	461,123	273,015	#####	#####	#####	#####	
Elimination of intragroup balances																									#####
Segment C	#####	#####	27,885	844,451	141,290	367,046	651,740	#####	123	595	-	-	-	-	-	-	-	-	-	-	-	61,413	287,171	#####	

13.3 The Group has implemented Microsoft Dynamics 365 for Retail & Distribution, which has now enabled the Company to disclose the figures separately for the segment.

13.3 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.

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

13.5 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.3,391 million (Sep.-2018: Rs. 2,966 million).

13.6 Information by geographical area

	Revenue		Non-current assets	
	For the first quarter ended (Un-audited)		Un-Audited	Audited
	Sep - 2019	Sep - 2018	Sep - 2019	Jun - 2019
-----Rupees in '000-----				
Pakistan	4,940,220	4,732,864	21,716,111	19,472,046
Germany	3,056,986	2,565,645	-	-
United States	2,164,657	1,361,331	-	-
Netherlands	741,856	344,846	-	-
Italy	622,434	591,452	-	-
United Kingdom	645,618	447,327	119,444	118,891
Spain	297,331	489,925	-	-
France	399,327	171,664	-	-
Sweden	201,092	322,518	-	-
China	172,506	327,628	-	-
United Arab Emirates	258,543	511,069	20,412	33,322
Other Countries	1,430,533	481,241	-	-
Total	14,931,102	12,347,510	21,855,967	19,624,259

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Group	Nature of transactions	Un-Audited	
		Sep - 2019	Sep - 2018
Rupees in '000			
Associated Companies and other related parties	Purchase of goods	69,723	44,493
	Sale of goods	-	-
	Rent paid	7,906	21,733
	Fees paid	2,000	2,000
	Donation paid	-	417
	Bills discounted	3,255,822	1,532,671
	Markup and other bank charges	59,464	22,583
	Holding Company's contribution to provident fund	42,833	40,472
Relationship with the Group	Nature of outstanding balances	Un-Audited	Audited
		Sep - 2019	Jun - 2019
Rupees in '000			
Associated companies and others related parties	Long term investment	459,000	-
	Deposit with banks	91,393	46,495
	Borrowings from Banks	263,926	959,025
	Bank guarantee	898,326	893,326
	Trade and other payables	16,431	7,781
	Trade debts	-	845
	Accrued mark-up	501	14,348
	Advances to suppliers	-	2,882
	Loans to key management personnel & executive	77,661	100,129
	Payable to Holding Company's employee's provident fund	22,374	22,644
	Prepaid Rent	33,230	40,054
Prepaid fees	1,500	-	

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the period ending September 30, 2019 amounting to Rs. 460 million (2018: Rs.260 million) on account of remuneration.

15 FAIR VALUES

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

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

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

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

16 DATE OF AUTHORISATION

These financial statements were authorised for issue on October 29, 2019 by the Board of Directors of the Group.

17 GENERAL

- 17.1 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.
- 17.2 Figures have been rounded off to the nearest thousand rupees.

18 CORRESPONDING FIGURES

For better presentation and due to revisions in the Companies Act 2017, certain re-classification have been made in the corresponding figures including following;

Reclassification from component	Reclassification to component	Amount Rs '000
Other income	Sales	
Other income	Sales - net (Exchange gain on realization of export receivables)	(112,587)
Finance cost	Cost of sales	15,532
Finance cost	Cost of sales (Exchange gain on purchase)	

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer