



Textile Mills Limited

Condensed Interim Financial Information
For the Nine Months Ended March 31, 2021

Company Information

BOARD OF DIRECTORS	Mohomed Bashir Zain Bashir Mohammed Zaki Bashir Ziad Bashir Dr. Amjad Waheed Ehsan A. Malik Zeeba Ansar	- Chairman - Vice Chairman/ Executive Director - Chief Executive Officer - Non Executive Director - Non Executive Director - Independent Director - Independent Director
CHIEF FINANCIAL OFFICER	Abdul Aleem	
COMPANY SECRETARY	Salim Ghaffar	
AUDIT COMMITTEE	Ehsan A. Malik Mohomed Bashir Dr. Amjad Waheed Salim Ghaffar	- Chairman & Member - Member - Member - Secretary
HUMAN RESOURCE AND REMUNERATION COMMITTEE	Ehsan A. Malik Mohomed Bashir Zain Bashir Salim Ghaffar	- Chairman & Member - Member - Member - Secretary
BANKERS	Allied Bank Limited Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Al Habib Limited Bank Alfalah Limited Bank of Khyber Bankislami Pakistan Limited Citi Bank N.A Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Industrial and Commercial Bank of China JS Bank limited MCB Bank Limited MCB Islamic Bank Limited Meezan Bank Limited National Bank Of Pakistan Samba Bank Limited Silkbank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank limited The Bank Of Punjab United Bank Limited	
AUDITORS	Kreston Hyder Bhimji & Co. Chartered Accountants	
INTERNAL AUDITORS	Grant Thornton Anjum Rahman Chartered Accountants	
LEGAL ADVISORS	A.K. Brohi & Co Advocates	
REGISTERED OFFICE	Plot No.82, Main National Highway, Landhi, Karachi-75120	
SHARE REGISTRAR	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-E-Faisal, Karachi. Phone No. (+92-021) 34380101-5 Fax No. (+92-021) 34380106	
MILLS	Landhi Industrial Area, Karachi-75120	
E-MAIL	finance@gulahmed.Com	
URL	www.gulahmed.com	

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

The Directors of your Company are pleased to present their review of the affairs of the Company for nine months ended March 31, 2021.

ECONOMIC OVERVIEW

According to the World Bank Global monthly report, the world economic recovery is strengthening. However, it is uneven across regions and countries. Commodity prices continue to experience broad-based increase due to firming demand and availability of low cost global liquidity. Adaptation to the pandemic has enabled the global economy to do well despite subdued overall activity and mobility, leading to a stronger-than-anticipated rebound where the IMF now projects a stronger world growth rate of 6 percent in 2021 and 4.4 percent in 2022.

Pakistan's current account surplus for nine months of FY 2020-21 amounted to US\$ 0.9 billion as compared to a current account deficit of US\$ 4.1 billion in same period last year. Trade deficit grew by 18 percent with exports shrinking by 2 percent to US\$ 18.7 billion (and imports expanding by 9 percent to US\$ 37.4 billion in nine months of FY 2020-21. Whereas, workers remittances grew by 26 percent to US\$ 21.5 billion in nine months of FY 2020-21 as compared to US\$ 17 billion in the same period last year. Foreign Currency reserves grew by 24 percent to US\$ 13.5 billion in nine months of FY 2020-21 as compared to US\$ 10.8 billion in same period last year. Moreover, State Bank of Pakistan (SBP) has continued to maintain the policy rate at 7 percent in line with reduction in inflation and a relatively slow economy.

INDUSTRIAL OVERVIEW

The Large-Scale Manufacturing (LSM) sector is continuously showing healthy growth during the current fiscal year. The LSM has surpassed its pre-COVID level of production in the month of January 2021, witnessing 9.1 percent growth on annual basis as against (-5.7) percent in the same period of the previous year.

The textile exports were recorded at US\$ 11.35 billion in July-March (2020-21) against exports of US\$10.41 billion in July-March (2019-20), showing growth of 9.06 percent, according to latest data of Pakistan Bureau of Statistics (PBS). The textile commodities that contributed in trade growth mainly included knitwear exports, which increased from US\$ 2.29 billion last year to US\$ 2.78 billion during the current year (20.92 rise). Likewise, exports of yarn (other than cotton yarn) increased by 12.53 percent from US\$ 20.937 million to US\$ 23.56 million whereas, exports of bed wear increased by 16.50 percent from US\$ 1.76 billion to US\$2.05 billion. Exports of towels increased by 16.84 percent from US\$ 592.37 million to US\$ 692.11 million and readymade garments by 4.53 percent from US\$ 2.17 billion to US\$ 2.27 billion.

FINANCIAL PERFORMANCE

Key performance numbers are presented below:

	Units	Nine months ended March 31, 2021	Nine months ended March 31, 2020
Export sales	Rs. in billions	40.85	28.51
Local sales	Rs. in billions	22.72	16.38
Total sales	Rs. in billions	63.57	44.89
Gross profit	Rs. in billions	12.30	8.12
Profit before tax	Rs. in billions	4.47	1.07
Profit after tax	Rs. in billions	3.46	0.70
Earnings per share (EPS)	Rupees	8.08	1.64
Debt to equity ratio	Times	1.04	0.77
Current ratio	Times	1.13	1.03
Break-up-value per share	Rupees	40.72	35.39
Gross Profit Margin	%	19.35	18.09
Profit before tax Margin	%	7.03	2.44
Profit after tax Margin	%	5.44	1.56

The company has faced many challenges in this fiscal year. The one challenge was unfavorable US\$/PKR parity. The rate was Rs. 168 to US\$ versus, Rs 162 on December 31, 2020 and Rs. 153 approximately on March 31, 2021. This dented both the top and bottom line of the company significantly. The second major factor to affect the company has been global cotton & yarn increasing prices and timely availability. The company was also faced with revision in Gas Tariff along with some supply issues in the winter months. Lastly, the retail sector has been affected significantly due to Covid 19 globally. In Pakistan the year started off with limited operational hours and SOP's in place that have dented the retail revenue by approximately 20% so far. The retail segment of our company has done extraordinarily well given the challenging circumstance's this year.

The management made its best efforts to counter the impact of the above with timely hedging of exchange rates and timely buying of raw materials from multiple destinations resulting in cost reduction and revenue optimization. The retail segment used a combination of strategies including investing in its e-commerce platform to increase market penetration with timely promotions during working hours to ensure optimal inventory turnover. The combined results of these efforts are well reflected in the above table. It is pertinent to note that the Company has performed very well in export sales despite unfavorable exchange rate. Higher sales and effective cost controls helped to achieve higher gross margin, profit before and after tax and an improved earnings per share. It is important to mention the following numbers: Sales have increased by 42%, Gross Profit has increased by 51%, Net Profit before Tax has increased by 317%, and resultantly the EPS has increased by 392%.

FUTURE OUTLOOK

Pakistan's short-term economic prospects are subdued owing to the ongoing third wave of the infection that could trigger more protracted and extensive lockdowns, stifling the fragile recovery.

Delayed deployment of the COVID-19 vaccines, both domestically and globally, would further elevate these risks. At the same time, economic activity is projected to dampen in the short-term by fiscal consolidation measures associated with the IMF stabilization program, which is expected to resume as the economy regains its footing. Moreover, as domestic consumption revives, trade deficit is expected to widen as duty free imports surge in the wake of booming industrial activities.

The Company and its management will continue to focus on investment in balancing and modernization through technologically advanced machinery, rationalize costs and further enhance the sales and production efficiency. Your management is confident to deliver good result in the coming quarter, though the risks like further unfavorable change in US\$/PKR parity, increase in raw material prices, changes in financial costs, change in utility pricing by the Government, may have a material impact.

As previously mentioned the company is in the process of hiving out its retail business “Ideas” to enable it to be a 100% subsidiary within 2021 subject to all necessary approvals.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the Half Year ended December 31, 2020 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

Mohomed Bashir
Chairman

Mohammad Zaki
Chief Executive Officer

April 27, 2021
Karachi

Gul Ahmed Textile Mills Limited
Condensed Interim Un-consolidated
Statement of Financial Position
As at March 31, 2021

		Un-Audited March 2021	Audited June 2020
	Note	-----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 427,794,630 ordinary shares of Rs. 10 each		4,277,946	4,277,946
Reserves		13,143,141	9,685,254
		17,421,087	13,963,200
NON-CURRENT LIABILITIES			
Long term financing - Secured	4	18,190,884	13,445,600
Lease liability against right-of-use assets	5	2,838,165	2,191,703
Provision for Gas Infrastructure Development Cess		1,477,457	-
Deferred liabilities			
Deferred taxation - net		210,167	35,167
Deferred income - government grant		34,212	35,220
Staff gratuity		145,034	136,760
		389,413	207,147
CURRENT LIABILITIES			
Trade and other payables	6	12,963,000	12,111,544
Accrued mark-up/profit		348,216	405,979
Short term borrowings		26,370,086	25,486,947
Current maturity of long term financing	4	2,160,886	420,113
Current maturity of lease liability against right-of-use asset	5	467,121	409,199
Current maturity of deferred income - government grant		97,816	48,921
Unclaimed dividend		9,460	9,739
Unpaid dividend		21,103	21,103
		42,437,688	38,913,545
CONTINGENCIES AND COMMITMENTS			
	7	82,754,694	68,721,195
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	29,091,172	23,936,017
Right-of-use assets	9	2,845,258	2,314,161
Intangible assets	10	87,920	89,568
Long term investment	11	2,423,450	2,423,450
Long term loans and advances		63,343	58,720
Long term deposits		306,312	379,332
		34,817,455	29,201,248
CURRENT ASSETS			
Stores and spares		2,357,921	2,047,067
Stock-in-trade		27,177,778	25,829,952
Trade debts		11,038,699	5,701,537
Loans, advances and other receivables		2,731,841	1,273,805
Short term prepayments		210,878	241,765
Receivable from government		2,771,980	2,804,316
Taxation - net		891,068	1,132,621
Cash and bank balances		757,074	488,884
		47,937,239	39,519,947
		82,754,694	68,721,195

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

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 nine months ended March 31, 2021

		Un-Audited			
		Nine months ended		Quarter ended	
Note	July to March 2021	July to March 2020	January to March 2021	January to March 2020	
-----Rupees in '000-----					
Sales - net	63,567,362	44,892,287	21,971,829	14,237,998	
Cost of sales	51,267,055	36,768,518	17,255,035	12,324,644	
Gross profit	12,300,307	8,123,769	4,716,794	1,913,354	
Distribution costs	4,333,999	3,762,968	1,556,612	1,210,271	
Administrative costs	1,998,131	2,040,706	705,916	738,464	
Other operating costs	481,056	218,238	95,681	40,235	
	6,813,186	6,021,912	2,358,209	1,988,970	
	5,487,121	2,101,857	2,358,585	(75,616)	
Other income	531,212	424,673	97,967	351,683	12
Operating profit	6,018,333	2,526,530	2,456,552	276,067	
Finance cost	1,546,940	1,430,081	389,024	507,197	
Profit before taxation	4,471,393	1,096,449	2,067,528	(231,130)	
Taxation					
- Current	838,506	480,265	359,814	183,176	14
- Deferred	175,000	(83,368)	16,071	(44,528)	
	1,013,506	396,897	375,885	138,648	
Profit after taxation	3,457,887	699,552	1,691,643	(369,778)	
Earning per share - basic and diluted (Rs.)	8.08	1.64	3.95	(0.86)	

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

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 nine months ended March 31, 2021

	Un-Audited			
	Nine months ended		Quarter ended	
	July to March 2021	July to March 2020	January to March 2021	January to March 2020
	-----Rupees in '000-----			
Profit after taxation	3,457,887	699,552	1,691,643	(369,778)
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>3,457,887</u>	<u>699,552</u>	<u>1,691,643</u>	<u>(369,778)</u>

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

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 nine months ended March 31, 2021

	Note	Un-Audited	
		Nine months ended	
		July to March 2021	July to March 2020
-----Rupees in '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		4,471,393	1,096,449
Adjustments for:			
Depreciation on property, plant and equipment	8.3	1,993,385	1,561,282
Depreciation on right-of-use assets	9	505,972	553,546
Amortisation on intangible assets		19,351	17,051
Provision for gratuity		51,793	116,874
Finance cost		1,273,319	1,153,509
Interest on lease liability against right-of-use asset		273,621	276,572
Provision for slow moving/obsolete stores and spares		18,874	17,179
Expected credit losses against doubtful trade debts		42,064	-
Loss on disposal of property, plant and equipment		173,649	125,315
Gain on disposal of property, plant and equipment		(90,246)	(30,969)
		<u>4,261,782</u>	<u>3,790,359</u>
Cash flows from operating activities before adjustments of working capital		8,733,175	4,886,808
Changes in working capital:			
Increase in current assets			
Stores and spares		(329,728)	(308,011)
Stock-in-trade		(1,347,826)	(2,649,856)
Trade debts		(5,379,226)	255,135
Loans, advances and other receivables		(1,458,036)	(1,305,588)
Short term prepayments		30,887	(338,904)
Receivable from Government		32,336	(1,190,925)
		<u>(8,451,593)</u>	<u>(5,538,149)</u>
Increase in current liabilities			
Trade and other payables		2,328,913	4,068,595
		<u>(6,122,680)</u>	<u>(1,469,554)</u>
Cash generated from operations before adjustment of following		<u>2,610,495</u>	<u>3,417,254</u>
Adjustments for:			
Gratuity paid		(43,519)	(38,690)
Finance cost paid		(1,331,082)	(1,421,057)
Income tax paid		(596,953)	(488,036)
(Increase) / Decrease in long term loans and advances		(4,623)	2,803
Decrease / (Increase) in long term deposits		73,020	(13,262)
		<u>(1,903,157)</u>	<u>(1,958,242)</u>
Net Cash generated from Operating activities		<u>707,338</u>	<u>1,459,012</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(7,434,000)	(6,292,481)
Addition to intangible assets		(17,703)	(56,528)
Proceeds from sale of property, plant and equipment		202,057	191,109
Long term investments made during the period		-	(1,069,886)
Net cash used in investing activities		<u>(7,249,646)</u>	<u>(7,227,786)</u>
Balance carried forward		<u>(6,542,308)</u>	<u>(5,768,774)</u>

Gul Ahmed Textile Mills Limited
Condensed Interim Un-Consolidated
Statement of Cash Flows
For the nine months ended March 31, 2021

		Un-Audited	
		Nine months ended	
Note	July to March 2021	July to March 2020	
-----Rupees in '000-----			
	(6,542,308)	(5,768,774)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained	4 6,536,916	3,747,071	
Long term financing repaid	(2,972)	(904,897)	
Payments for lease liability against right of use asset	(606,306)	(356,487)	
Dividend paid	(279)	(891,914)	
Net cash generated from/(used in) financing activities	5,927,359	1,593,773	
Net increase / (decrease) in cash and cash equivalents	(614,949)	(4,175,001)	
Cash and cash equivalents - at the beginning of the period	(24,998,063)	(18,469,899)	
Cash and cash equivalents - at the end of the period	13 <u>(25,613,012)</u>	<u>(22,644,900)</u>	

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

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 nine months ended March 31, 2021

	Share Capital	Capital reserve - Share Premium	Unappropriated Profit	Total Reserves	Total
----- Rupees '000-----					
Balance as at June 30, 2019 (Audited)	3,564,955	1,405,415	10,362,843	11,768,258	15,333,213
Transaction with owners					
Final dividend for the year ended June 30, 2019	-	-	(891,239)	(891,239)	(891,239)
Issuance of bonus shares	712,991	(712,991)	-	(712,991)	-
Total comprehensive income					
Profit after taxation for nine months ended March 31, 2020	-	-	699,552	699,552	699,552
Other comprehensive income	-	-	-	-	-
	-	-	699,552	699,552	699,552
Balance as at March 31, 2020 (Un-audited)	4,277,946	692,424	10,171,156	10,863,580	15,141,526
Total comprehensive loss for the three months ended June 30, 2020					
Loss after taxation	-	-	(1,178,917)	(1,178,917)	(1,178,917)
Other comprehensive income	-	-	591	591	591
	-	-	(1,178,326)	(1,178,326)	(1,178,326)
Balance as at June 30, 2020	4,277,946	692,424	8,992,830	9,685,254	13,963,200
Total comprehensive income					
Profit after taxation for nine months ended March 31, 2021	-	-	3,457,887	3,457,887	3,457,887
Other comprehensive income	-	-	-	-	-
	-	-	3,457,887	3,457,887	3,457,887
Balance as at March 31, 2021 (Un-audited)	4,277,946	692,424	12,450,717	13,143,141	17,421,087

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

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 Statements (Un-audited)
For the nine months ended March 31, 2021

1 LEGAL STATUS AND ITS OPERATIONS

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

The Company's registered office is situated at Plot No. 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>
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 Corp. - Indirect subsidiary	March 19, 2012	U.S.A	100%
Sky Home Corp. - 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%
Worldwide developers (Pvt) limited-Direct	December 22, 2014	Pakistan	54.84%

All subsidiaries are engaged in distribution/trading of textile related products except for Worldwide Developers (Pvt) Limited which was incorporated to carry on real estate business and currently it has rented out certain portion of its property to the Company for warehousing purpose.

- 1.2 Details of leasehold 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.
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.
Plot	4,023.16 Sq. yards	Plot No. H-19/1, Landhi Industrial Area, Landhi Township, Karachi.

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

Address
 Plot# 369, Main National Highway, Landhi, Karachi.
 Plot# HT/3A,KDA Scheme 3, Landhi Industrial area, Karachi.
 Plot# ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.
 Plot# HT/8,KDA Scheme 3, Landhi Industrial area, Karachi.
 Plot# 12, Sector 23, Korangi Industrial area, Karachi.

- 1.4 As at March 31, 2021, the Company has 64 retail outlets, 30 fabric stores, 3 fair price shops, 4 whole sale shops and 6 franchises (June-2020:64 retail outlets, 29 fabric stores, 2 fair price shops, 5 whole sale shops and 6 franchises).

2 BASIS OF PREPARATION

These condensed interim unconsolidated 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.

These condensed interim un-consolidated financial statements comprise of the condensed interim un-consolidated statement of financial position as at March 31, 2021 and the condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated statement of changes in equity and condensed interim un-consolidated statement of cash flows for the period ended March 31, 2021.

The comparative statement of financial position, presented in these condensed interim un-consolidated financial statements, as at June 30, 2020 has been extracted from the audited un-consolidated financial statements of the Company for the year ended June 30, 2020, whereas the comparative condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated statement of changes in equity and condensed interim un-consolidated statement of cash flows for the period ended March 31, 2020.

These condensed interim unconsolidated 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 un-consolidated financial statements for the year ended June 30, 2020.

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 nine months ended March 31, 2021

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on July 1, 2020; however, these do not have any significant impact on these unconsolidated condensed interim financial statements.

(b) Standards, Interpretations and Amendments not yet effective

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

3 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, 2020.

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, 2020.

4 LONG TERM FINANCING - SECURED

	Un-Audited	Audited
	March 2021	June 2020
	-----Rupees in '000-----	
Opening balance	13,865,713	10,037,203
Add: Long term finance obtained during the period / year	5,243,131	4,364,980
Add: Financing for payment of salaries and wages obtain under SBP Re-finance scheme	1,293,785	546,969
Less: Fair value differential - Government grant	(147,604)	(85,199)
Add: Unwinding of interest	99,717	1,196
Less: Repaid during the period / year	(2,972)	(1,083,439)
	<u>20,351,770</u>	<u>13,865,713</u>
Less: Current portion shown under current liabilities	(2,160,886)	(420,113)
	<u>18,190,884</u>	<u>13,445,600</u>

5 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS

	Un-Audited	Audited
	March 2020	June 2020
	-----Rupees in '000-----	
Present value of lease payments as at July 01, 2020	2,600,902	2,638,610
Less: Prepayments as at July 01, 2020	-	(87,237)
	<u>2,600,902</u>	<u>2,551,373</u>
Additions	1,037,069	324,079
Accretion of interest	273,621	368,205
Payments	(606,306)	(642,755)
As at March 31, 2021	<u>3,305,286</u>	<u>2,600,902</u>
Less: Current portion shown under current liabilities	467,121	409,199
	<u>2,838,165</u>	<u>2,191,703</u>

5.1 Lease liabilities are payable as follows

	Minimum Lease payments	Interest	Present value of minimum lease payments
	-----Rs. 000s-----		
Less than one year	845,712	378,591	467,121
Between one and 5 years	2,827,068	826,376	2,000,692
More than five years	1,071,459	233,986	837,473
	<u>4,744,239</u>	<u>1,438,953</u>	<u>3,305,286</u>

6 TRADE AND OTHER PAYABLES

a) In the matter of charging of captive power tariff instead of Industry tariff rate, wherein there is no change in its status as disclosed in note 11.1.3 of the financial statements for the year ended June 30, 2020 except that the Government has filed an appeal in the Honorable High Court and Company has appointed a legal counsel therefore.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2020 remained unchanged during the current period except following:

a) In the matter of Gas Infrastructure Development Cess (GIDC), there is no change in its status as disclosed in note 15.6 of the financial statements for the year ended June 30, 2020 except that the review petition filed by the Company was dismissed. The Company alongwith several other companies filed a suit in Honorable Sindh High Court challenging the chargeability of GIDC. The Honorable Court granted stay order and restrained Sui Southern Gas Company (SSGC) from taking any coercive action against non-payment of installments of GIDC.

- b) In the matter of tax credit on BMR, there is no change in its status as disclosed in note 15.11 of the financial statements for the year ended June 30, 2020 except that the Company has also filed a Constitutional Petition for the tax year 2020.

Guarantees

- (a) Guarantees of Rs. 1,491 million (June-2020: Rs. 1,119 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. 1,102 million (June-2020: Rs. 938 million).
- (b) Post dated cheques of Rs. 3,724 million (June-2020: Rs. 3,753 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted Rs. 5,874 million (June-2020: Rs. 3,903 million).
- (d) Corporate guarantee of Rs 142.6 million (June-2020: Rs. 146 million) Rs.610.7 million (June-2020: 670 million) and Rs. 138.2 million (June-2020: 152 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC- UAE and Sky Home Corporation- USA respectively.

Commitments

- (a) The Company is committed for capital expenditure as at March 31, 2021 of Rs. 3,519 million (June-2020: Rs. 4,440.5million).

8 PROPERTY, PLANT AND EQUIPMENT

		<u>Un-Audited</u> March 2021	<u>Audited</u> June 2021
-----Rupees in '000-----			
Operating fixed assets	8.1 8.2 & 8.3	22,937,381	21,507,415
Capital work in progress (CWIP)	8.4	6,153,791	2,428,602
		<u>29,091,172</u>	<u>23,936,017</u>
		<u>Un-Audited</u> Nine months ended March 2021	<u>Un-Audited</u> Nine months ended March 2020
-----Rupees in '000-----			
8.1 Additions during the period			
Land		-	152,251
Buildings and structures on leasehold land		1,193,574	372,029
Plant and machinery		2,388,297	480,225
Furniture and fixtures		19,738	11,298
Office equipment		86,410	76,239
Vehicles		20,792	9,251
		<u>3,708,811</u>	<u>1,101,293</u>
8.1.1	Additions to building and structure on leasehold land, plant and machinery, furniture and fixture and office equipment include transfers from capital work-in-progress amounting to Rs.1,118 million, Rs. 1,400 million, Rs. 16 million and Rs. 33.1 million (March 2020: Rs. 19.6 million, Rs. 69.5 million, Rs. Nil and Rs. Nil) respectively.		
		<u>Un-Audited</u> Nine months ended March 2021	<u>Un-Audited</u> Nine months ended March 2020
-----Rupees in '000-----			
8.2 Disposals - operating fixed assets (at net book value)			
Plant and machinery		276,320	262,983
Vehicles		9,140	26,106
		<u>285,460</u>	<u>289,089</u>
8.3 Depreciation charge during the period		<u>1,993,385</u>	<u>1,561,283</u>

		<u>Un-Audited</u>	
		<u>Nine months ended</u>	<u>Nine months ended</u>
		<u>March</u>	<u>March</u>
		<u>2021</u>	<u>2020</u>
		-----Rupees in '000-----	
8.4 Additions - capital work in progress (at cost)			
	Machinery	5,454,544	4,103,135
	Building	838,712	1,372,175
		<u>6,293,256</u>	<u>5,475,310</u>
		<u>Un-Audited</u>	<u>Audited</u>
		<u>March</u>	<u>June</u>
		<u>2021</u>	<u>2020</u>
		-----Rupees in '000-----	
9 RIGHT-OF-USE ASSETS			
	Balance as at July 01, 2020	2,314,161	-
	Recognition as at July 01, 2019 upon initial application of IFRS-16	-	2,638,610
	Additions	1,037,069	324,079
	Depreciation expense	(505,972)	(648,528)
	Net book value as at March 31, 2021	<u>2,845,258</u>	<u>2,314,161</u>
	Gross carrying amount as at March 31, 2021		
	Cost	3,999,758	2,962,689
	Accumulated Depreciation	(1,154,500)	(648,528)
		<u>2,845,258</u>	<u>2,314,161</u>
10 INTANGIBLE ASSETS			
	Intangible - net book value	87,920	89,568
		<u>Un-Audited</u>	<u>Un-Audited</u>
		<u>Nine months ended</u>	<u>Nine months ended</u>
		<u>March</u>	<u>March</u>
		<u>2021</u>	<u>2020</u>
		-----Rupees in '000-----	
10.1 Additions - intangibles (at cost)			
	Computer Software	17,703	56,528
		<u>17,703</u>	<u>56,528</u>
10.2 Amortization charge during the period		<u>19,351</u>	<u>17,051</u>
11 LONG TERM INVESTMENT			
		<u>Un-Audited</u>	<u>Audited</u>
		<u>March</u>	<u>June</u>
		<u>2021</u>	<u>2020</u>
		-----Rupees in '000-----	
	Investment in Subsidiary - Gul Ahmed International Limited FZC	58,450	58,450
	Investment in Subsidiary - World Wide Developers (Pvt) Limited	2,295,000	2,295,000
	Investment in Term Finance Certificate	70,000	70,000
		<u>2,423,450</u>	<u>2,423,450</u>
12 OTHER INCOME			
	This includes Rs. 240.9 million on re-measurement of contingent liability of Gas Infrastructure Development Cess.		
13 CASH AND CASH EQUIVALENTS			
		<u>Un-Audited</u>	<u>Un-Audited</u>
		<u>March</u>	<u>March</u>
		<u>2021</u>	<u>2019</u>
		-----Rupees in '000-----	
	Cash and cash equivalents comprises of:		
	Cash and bank balances	757,074	962,027
	Short term borrowings	(26,370,086)	(23,606,927)
		<u>(25,613,012)</u>	<u>(22,644,900)</u>
14 TAXATION			
	Provision for current taxation has been made on the basis of minimum tax liability and final taxation under the Income Tax Ordinance, 2001.		

15 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.

15.1 Segment Profitability

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Elimination Of Inter Segment Transactions		Total	
	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020
	-----Rs. 000s-----											
Sales	17,900,490	11,405,162	3,147,564	2,524,348	18,615,165	16,133,987	42,053,740	30,750,780	(18,149,597)	(15,921,990)	63,567,362	44,892,287
Cost of sales	14,682,442	10,173,593	2,527,031	2,144,088	13,583,535	11,979,592	38,623,644	28,393,235	(18,149,597)	(15,921,990)	51,267,055	36,768,518
Gross profit	3,218,048	1,231,569	620,533	380,260	5,031,630	4,154,395	3,430,096	2,357,545	-	-	12,300,307	8,123,769
Distribution cost and Administrative cost	181,877	135,495	87,925	82,377	3,754,637	3,403,410	2,307,691	2,182,392	-	-	6,332,130	5,803,674
Profit before tax and before charging following	3,036,171	1,096,074	532,608	297,883	1,276,993	750,985	1,122,405	175,153	-	-	5,968,177	2,320,095
Finance Cost											1,546,940	1,430,081
Other operating cost											481,056	218,238
Other income											(531,212)	(424,673)
											1,496,784	1,223,646
Profit before taxation											4,471,393	1,096,449
Taxation											1,013,506	396,897
Profit after taxation											3,457,887	699,552

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Elimination Of Inter Segment Transactions		Total	
	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020	March-2021	March-2020
	-----Rs. 000s-----											
Depreciation and Amortisation Expense	749,573	430,922	268,962	239,335	827,425	793,776	672,748	667,846	-	-	2,518,708	2,131,879

15.2 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
	March-2021	June - 2020	March-2021	June - 2020	March-2021	June - 2020	March-2021	June - 2020	March-2021	June - 2020	March-2021	June - 2020
	-----Rs. 000s-----											
Assets	22,317,879	17,967,254	5,486,931	4,270,692	14,579,907	12,284,442	36,101,974	31,107,650	4,268,003	3,091,157	82,754,694	68,721,195
Liabilities	10,959,391	8,264,759	4,462,246	2,758,394	6,500,223	4,815,246	12,864,104	14,273,075	30,547,643	24,646,521	65,333,607	54,757,995
Segment Capital & Intangible Expenditure	1,875,884	4,664,705	1,787,077	618,138	111,379	466,436	2,967,403	1,377,839	692,257	513,958	7,434,000	7,641,076

15.3 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.

15.4 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.

15.5 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.9,906 million (March-2020: Rs. 7,696 million).

15.6 Information by geographical area

	Revenue		Non-current assets	
	Mar-21	Mar-20	Mar-21	Jun-20
	-----Rupees in '000-----			
Pakistan	29,613,097	20,499,235	34,759,005	29,142,798
Germany	12,929,046	8,256,761	-	-
United States	6,376,048	4,161,732	-	-
France	3,090,952	1,562,360	-	-
Netherlands	2,951,850	2,355,188	-	-
United Kingdom	1,726,602	1,516,604	-	-
Italy	862,829	1,552,483	-	-
Spain	432,588	644,565	-	-
China	288,124	635,670	-	-
Sweden	1,159,694	781,266	-	-
United Arab Emirates	11,261	258,673	58,450	58,450
Other Countries	4,125,271	2,667,750		
	63,567,362	44,892,287	34,817,455	29,201,248

16 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	
		Mar-21	Mar-20
		Rupees in '000	
Parent Company	Dividend paid	-	598,067
Subsidiaries and indirect subsidiaries	Sale of goods	1,582,646	1,628,147
	Sales through subsidiaries acting as agents	1,046,672	154,627
	Commission paid	94,355	295,376
	Rent paid	25,315	
	Utilities paid	3,626	
Associated Companies and other related parties	Purchase of goods	3,086	145,580
	Sale of goods	5,266	8,608
	Services rendered	5,672	-
	Sale of fixed assets	2,202	-
	Gain on disposal of fixed assets	183	-
	Rent paid	23,747	61,581
	Fees paid	2,250	2,500
	Donation paid	8,000	6,000
	Bills discounted	9,077,268	8,516,723
	Markup and other bank charges	83,213	115,669
	Company's contribution to provident fund	170,904	159,479
	Dividend paid	-	36,491
Relationship with the Company	Nature of outstanding balances	Un-Audited Mar-21	Audited Jun-20
		Rupees in '000	
Subsidiary companies	Long term investment	2,353,450	2,353,450
	Corporate guarantee issued in favour of subsidiary company	891,598	969,530
	Trade and other payables	29,102	155,227
	Accrued rent	3,067	
	Trade debts	1,304,290	1,437,347
Associated companies and others related parties	Deposit with banks	76,925	44,564
	Borrowings from Banks	1,155,807	564,694
	Bank guarantee	1,102,612	938,326
	Trade and other payables	45,536	25,773
	Trade debts	8,946	3,743
	Accrued mark-up	6,345	2,810
	Loans to key management personnel & executive	139,141	81,517
	Payable to employee's provident fund	31,316	13,096
	Prepaid Rent	-	2,863
Prepaid fees	500	250	

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the period ending March 31, 2021 amounting to Rs. 1,157 million (2020: Rs.1,044 million) on account of remuneration.

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

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

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

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

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

18 CORRESPONDING FIGURES

For more appropriate presentation and comparison, certain re-classification have been made in the corresponding figures including following;

Reclassification from component	Reclassification to component	Amount Rs '000
Administration cost	Distribution cost	
Utilities	Utilities	166,935
Postage and telecommunication	Postage and telecommunication	20,074
Vehicle up keep and maintenance	Other expenses	20,041
Repairs and maintenance	Other expenses	12,566
Other expenses	Other expenses	1,953

19 EVENTS AFTER BALANCE SHEET DATE

Subsequent Appropriations

The Board of Directors of the Company in its meeting held on 27 April, 2021 has approved 10% interim cash dividend and 20% bonus shares.

20 DATE OF AUTHORISATION

These financial statements were authorised for issue on 27 April, 2021 by the Board of Directors of the Company.

21 GENERAL

21.1 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.

21.2 Figures have been rounded off to the nearest thousand rupees.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Finance Officer



Consolidated Accounts
Consolidated Condensed Interim Financial Information
For the Nine Months Ended March 31, 2021

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Financial Position
As at March 31, 2021

		<u>Un-Audited</u> March 2021	<u>Audited</u> June 2020
	Note	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 427,794,630 ordinary shares of Rs. 10 each		<u>4,277,946</u>	4,277,946
Reserves		<u>13,576,905</u>	10,166,196
Equity attributable to the owners of the Holding Company		17,854,851	14,444,142
Non-controlling interest		<u>1,888,240</u>	1,883,317
Total equity		<u>19,743,091</u>	16,327,459
NON-CURRENT LIABILITIES			
Long term financing - Secured	4	18,190,884	13,445,600
Lease liability against right of use assets	5	2,844,384	2,198,535
Provision for Gas Infrastructure Development Cess		1,477,457	-
Deferred liabilities			
Deferred taxation		<u>210,167</u>	49,532
Deferred government grant		<u>34,212</u>	35,220
Staff gratuity		<u>146,130</u>	140,219
		<u>390,509</u>	224,971
CURRENT LIABILITIES			
Trade and other payables		13,159,828	12,310,931
Accrued mark-up/profit		348,216	405,979
Short term borrowings		26,818,799	25,995,109
Current maturity of long term financing	4	2,160,886	420,113
Current maturity of lease liability against right-of-use asset	5	467,713	411,526
Current maturity of deferred income - government grant		97,816	48,921
Unclaimed dividend		9,460	9,739
Unpaid dividend		21,103	21,103
Provision for taxation		7,127	3,792
		<u>43,090,948</u>	39,627,213
CONTINGENCIES AND COMMITMENTS			
	7		
		<u>85,737,273</u>	<u>71,823,778</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	29,108,231	23,951,846
Right of use Assets	9	2,853,204	2,323,849
Investment Property		4,599,000	4,599,000
Intangible assets	10	223,281	232,449
Long Term investment	11	70,000	70,000
Long term loans and advances		65,478	59,830
Long term deposits		311,443	388,669
Deferred taxation		3,667	3,801
		<u>37,234,304</u>	31,629,444
CURRENT ASSETS			
Stores and spares		2,357,921	2,047,067
Stock-in-trade		27,637,457	26,653,635
Trade debts		10,873,621	5,150,748
Loans, advances and other receivables		2,782,464	1,362,721
Short term prepayments		222,106	270,346
Receivable from Government		2,771,980	2,804,316
Taxation - net		891,068	1,132,621
Cash and bank balances	13	966,352	772,880
		<u>48,502,969</u>	40,194,334
		<u>85,737,273</u>	<u>71,823,778</u>

The annexed notes from 1 to 20 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 Nine Months Ended March 31, 2021

		Un-Audited			
		Nine Months Ended		Quarter Ended	
Note	July to March 2021	July to March 2020	January to March 2021	January to March 2020	
-----Rupees in '000-----					
Sales - net	65,047,288	46,553,226	22,413,214	14,722,054	
Cost of sales	52,378,913	38,055,113	17,593,202	12,768,863	
Gross profit	12,668,375	8,498,113	4,820,012	1,953,191	
Distribution cost	4,360,355	3,568,201	1,572,622	1,147,640	
Administrative cost	2,266,884	2,711,686	802,378	858,651	
Other operating cost	481,056	218,238	95,681	40,235	
	7,108,295	6,498,125	2,470,681	2,046,526	
	5,560,080	1,999,988	2,349,331	(93,335)	
Other income	12 576,450	453,892	100,835	334,092	
Operating profit	6,136,530	2,453,880	2,450,166	240,757	
Finance cost	1,520,684	1,439,313	360,988	509,706	
Profit before taxation	4,615,846	1,014,567	2,089,178	(268,949)	
Taxation					
- Current	14 843,720	481,285	361,968	183,731	
- Deferred	175,000	(83,368)	16,071	-	
	1,018,720	397,917	378,039	183,731	
Profit after taxation	3,597,126	616,650	1,711,139	(452,680)	
Attributable to:					
Equity holders of Parent Company	3,592,203	-	1,711,101	-	
Non-controlling interest holders	4,923	-	38	-	
	3,597,126	-	1,711,139	-	
Earning per share - basic and diluted (Rs.)	8.41	1.44	4.00	(1.06)	

The annexed notes from 1 to 20 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 Nine Months Ended March 31, 2021

	Un-Audited			
	Nine Months Ended		Quarter Ended	
	July to March 2021	July to March 2020	January to March 2021	January to March 2020
	-----Rupees in '000-----			
Profit after taxation	3,597,126	616,650	1,711,139	(452,680)
Other comprehensive income for the period				
Items that will be reclassified to profit and loss account subsequently	-	-		
Exchange difference on translation of foreign subsidiaries	(181,494)	17,700	(45,071)	34,641
Total comprehensive income	3,415,632	634,350	1,666,068	(418,039)
Attributable to:				
Equity holders of Parent Company	3,410,709	-	1,666,030	-
Non-controlling interest holders	4,923	-	38	-
	3,415,632	-	1,666,068	-

The annexed notes from 1 to 20 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 Nine Months Ended March 31, 2021

	Reserves							Non-Controlling Interest	Total
	Share capital	Capital reserve - Share Premium	Revenue reserve				Total equity attributable to the owners of Holding Company		
			General Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit			
-----Rupees '000-----									
Balance as at June 30, 2019 (Audited)	3,564,955	1,405,415	-	285,542	19,827	10,607,627	12,318,411	-	15,883,366
Transfer to unappropriated profit	-	-	-	-	-	-	-	-	-
Transaction with owners									
Final dividend for the year ended June 30, 2019	-	-	-	-	-	(891,239)	(891,239)	-	(891,239)
Issuance of bonus shares	712,991	(712,991)	-	-	-	-	(712,991)	-	-
Total comprehensive income for nine months ended March 31, 2020 (un-audited)									
Profit after taxation	-	-	-	-	-	616,650	616,650	-	616,650
Other comprehensive loss	-	-	-	17,700	-	-	17,700	-	17,700
	-	-	-	17,700	-	616,650	634,350	-	634,350
Balance as at December 31, 2019 (Un-Audited)	4,277,946	692,424	-	303,242	19,827	10,333,038	11,348,531	-	15,626,477
Non-Controlling Interest on business combination	-	-	-	-	-	-	-	1,883,317	1,883,317
Total comprehensive (loss) / income									
Profit after taxation	-	-	-	-	-	(1,242,412)	(1,242,412)	-	(1,242,412)
Other comprehensive income	-	-	-	59,486	-	591	60,077	-	60,077
	-	-	-	59,486	-	(1,241,821)	(1,182,335)	-	(1,182,335)
Balance as at June 30, 2020	4,277,946	692,424	-	362,728	19,827	9,091,217	10,166,196	1,883,317	16,327,459
Transactions with owners									
Total comprehensive income for nine months ended March 31, 2021 (un-audited)									
Profit after taxation	-	-	-	-	-	3,592,203	3,592,203	4,923	3,597,126
Other comprehensive Income	-	-	-	(181,494)	-	-	(181,494)	-	(181,494)
	-	-	-	(181,494)	-	3,592,203	3,410,709	-	3,415,632
Balance as at March 31, 2021 (Un-Audited)	4,277,946	692,424	-	181,234	19,827	12,683,420	13,576,905	1,888,240	19,743,091

The annexed notes from 1 to 20 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
Condensed Interim Consolidated
Statement of Cash Flows
For the Nine Months Ended March 31, 2021

Note	Un-Audited	
	Nine Months Ended	
	July to March 2021	July to March 2020
-----Rupees in '000-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,615,846	1,014,567
Adjustments for:		
Depreciation on property, plant and equipment	1,995,283	1,563,088
Depreciation on right-of-use assets	507,714	553,546
Amortisation	26,872	23,896
Provision for gratuity	51,793	116,874
Finance cost	1,242,108	1,162,741
Interest on lease liability against right-of-use asset	278,576	276,572
Provision for slow moving/obsolete stores spares and loose tools	18,874	17,179
Expected credit losses against doubtful trade debts	71,452	-
Gain on disposal of property, plant and equipment	(90,246)	(30,969)
Loss on disposal of property, plant and equipment	173,649	125,315
Property, plant and equipment scrapped / written off	-	-
	4,276,075	3,808,242
Cash flows from operating activities before adjustments of working capital	8,891,921	4,822,809
Changes in working capital:		
Increase/(decrease) in current assets		
Stores and spares	(329,728)	(308,011)
Stock-in-trade	(983,822)	(2,560,106)
Trade debts	(5,794,325)	21,913
Loans, advances and other receivables	(1,419,743)	(1,210,726)
Short term prepayments	48,240	(340,578)
Refunds due from Government	32,336	(1,190,925)
	(8,447,042)	(5,588,433)
Increase in current liabilities		
Trade and other payables	2,326,354	4,177,943
	(6,120,688)	(1,410,490)
Cash generated from operations before adjustment of following	2,771,233	3,412,319
Adjustment for:		
Gratuity paid	(45,882)	(41,985)
Finance cost paid	(1,299,871)	(1,430,289)
Income tax paid or deducted	(613,063)	(512,907)
(Increase)/Decrease in long term loans and advances	(5,648)	2,644
Decrease/(Increase) in long term deposits	77,226	(13,318)
	(1,887,238)	(1,995,855)
Net Cash generated from Operating activities	883,995	1,416,464
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(7,437,128)	(6,295,243)
Addition to intangible assets	(17,703)	(63,611)
Proceeds from sale of property, plant and equipment	202,056	191,105
Long term investments made during the period	-	(1,069,886)
Net cash used in investing activities	(7,252,775)	(7,237,635)
Balance carried forward	(6,368,780)	(5,821,171)

Gul Ahmed Textile Mills Limited
Condensed Interim Consolidated
Statement of Cash Flows
For the Nine Months Ended March 31, 2021

	Un-Audited	
	Nine Months Ended	
	July to March 2021	July to March 2020
Note	-----Rupees in '000-----	
Balance brought forward	(6,368,780)	(5,821,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	6,536,916	3,747,071
Long term financing repaid	(2,972)	(904,897)
Payments against lease liability against right of use asset	(613,609)	(356,488)
Dividend paid	(279)	(891,914)
Net cash generated from/(used in) financing activities	5,920,056	1,593,772
Exchange difference on translation of foreign subsidiaries	(181,494)	17,700
Net decrease in cash and cash equivalents	(630,218)	(4,209,699)
Cash and cash equivalents - at the beginning of the period	(25,222,229)	(18,440,586)
Cash and cash equivalents - at the end of the period	13 (25,852,447)	(22,650,285)

The annexed notes from 1 to 20 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
Notes to the Condensed Interim Consolidated
Financial Statements (Un-audited)
For the Nine Months Ended March 31, 2021

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
- Worldwide Developers (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. 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 Group is a subsidiary of Gul Ahmed Holdings (Private) Limited and owns 66.78% 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	March 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%
Worldwide Developers (Pvt) Limited-Direct subsidiary	December 22, 2014	Pakistan	54.84%

All subsidiaries are engaged in distribution/trading of textile related products except for Worldwide Developers (Pvt) Limited which was incorporated to carry on real estate business and currently it has rented out certain portion of its property to the Company for warehousing purpose.

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

Unit	Area	Address
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
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
Plot	4,023.16 Sq. yards	Plot No. H-19/1, Landhi Industrial Area, Landhi Township, Karachi

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

Address
 Plot# 369, Main National Highway, Landhi, Karachi
 Plot# HT/3A,KDA Scheme 3, Landhi Industrial area, Karachi
 Plot# ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi
 Plot# HT/8,KDA Scheme 3, Landhi Industrial area, Karachi
 Plot# 12, Sector 23, Korangi Industrial area, Karachi
 295 5th ave, suit 702, NewYork - NY - 10016
 Grane Road Mill, Grane Road, Haslingden, BB4 5ES

1.5 As at March 31, 2021, the Group has 64 retail outlets, 30 fabric stores, 3 fair price shops, 4 whole sale shops and 6 franchises (June-2020:64 retail outlets, 29 fabric stores, 2 fair price shops, 5 whole sale shops and 6 franchises).

2 BASIS OF PREPARATION

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

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

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

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

These condensed interim consolidated financial statements comprise of the condensed interim consolidated statement of Financial Position as at March 31, 2021 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 nine months ended March 31, 2021.

The comparative statement of Financial Position, presented in these condensed interim consolidated financial statements, as at June 30, 2020 has been extracted from the audited financial statements of the Group for the year ended June 30, 2020 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, 2021 have been extracted from the condensed interim consolidated financial statements of the Group for the nine months ended March 31, 2020.

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, 2020.

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 nine months ended March 31, 2021

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Group's annual accounting period beginning on July 1, 2020; however, these do not have any significant impact on these consolidated condensed interim financial statements hence not detailed.

(b) Standards, Interpretations and Amendments not yet effective

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

3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of 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 June 30, 2020.

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, 2020.

	Un-Audited	Audited
	March 2021	June 2020
	-----Rupees in '000-----	
Opening balance	13,865,713	10,037,203
Add: Obtained during the period / year	5,243,131	4,364,980
Add: Financing for payment of salaries and wages under SBP Re-finance scheme	1,293,785	546,969
Less: Fair value differential - Government grant	(147,604)	
Add: Unwinding of interest	99,717	
Less: Repaid during the period / year	(2,972)	(1,083,439)
	20,351,770	13,865,713
Less: Current portion shown under current liabilities	(2,160,886)	(262,370)
	18,190,884	13,445,600

5 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

	Un-Audited	Audited
	March 2021	June 2020
	-----Rupees in '000-----	
Present value of lease payments as at July 01, 2020	2,610,061	2,650,039
Less: Prepayments as at July 01, 2020	529	(87,954)
	2,610,590	2,562,085
Additions	1,037,069	324,079
Accretion of interest	273,844	368,465
Payments	(609,406)	(644,568)
As at March 31, 2021	3,312,097	2,610,061
Less: Current portion shown under current liabilities	467,713	411,526
	2,844,384	2,198,535

5.1 Lease liabilities are payable as follows

	Minimum Lease payments	Interest	Present value of minimum lease payments
	-----Rs. 000s-----		
Less than one year	848,104	378,822	469,282
Between one and 5 years	2,831,949	826,607	2,005,342
More than five years	1,071,459	233,986	837,473
	4,751,512	1,439,415	3,312,097

6 TRADE AND OTHER PAYABLES

- a) In the matter of charging of captive power tariff instead of Industry tariff rate, wherein there is no change in its status as disclosed in note 11.1.3 of the consolidated financial statements for the year ended June 30, 2020 except that the Government has filed an appeal in the Honorable High Court and Holding Company has appointed a legal counsel therefore.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2020 remained unchanged during the current period except following;

- a) In the matter of Gas Infrastructure Development Cess (GIDC), there is no change in its status as disclosed in note 15.6 of the consolidated financial statements for the year ended June 30, 2020 except that the review petition filed by the Holding Company was dismissed. The Holding Company alongwith several other companies filed a suit in Honorable Sindh High Court challenging the chargeability of GIDC. The Honorable Court granted stay order and restrained Sui Southern Gas Company (SSGC) from taking any coercive action against non-payment of installments of GIDC.
- b) In the matter of tax credit on BMR, there is no change in its status as disclosed in note 15.11 of the consolidated financial statements for the year ended June 30, 2020 except that the Holding Company has also filed a Constitutional Petition for the tax year 2020.

Guarantees

- (a) Guarantees of Rs. 1,491 million (June-2020: Rs. 1,119 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. 1,102 million (June-2020: Rs. 938 million).
- (b) Post dated cheques of Rs. 3,724 million (June-2020: Rs. 3,753 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted Rs. 5,874 million (June-2020: Rs. 3,903 million).
- (d) Corporate guarantee of Rs 142.6 million (June-2020: Rs. 146 million) Rs.610.7 million (June-2020: 670 million) and Rs. 138.2 million (June-2020: 152 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

- (a) The Group is committed for capital expenditure as at March 31, 2021 of Rs. 3,519 million (June-2020: Rs. 4,440.5million).

8 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-Audited March 2021	Audited June 2020
Operating fixed assets	8.1 & 8.2	22,954,440	21,523,244
Capital work in progress (CWIP)	8.4	6,153,791	2,428,602
		29,108,231	23,951,846

Rupees in '000

8.1 Additions during the period

	Note	Un-Audited Nine Months ended March 2021	Nine Months ended March 2020
Land		-	152,251
Buildings and structures on leasehold land		1,193,574	183,110
Plant and machinery		2,388,297	331,844
Furniture and fixtures		19,738	4,819
Office equipment		86,410	46,763
Vehicles		20,792	3,325
		3,708,811	722,112

Rupees in '000

- 8.1.1 Additions to building and structure on leasehold land, plant and machinery, furniture and fixture and office equipment include transfers from capital work-in-progress amounting to Rs.1,118 million, Rs. 1,400 million, Rs. 16 million and Rs. 33.1 million (March 2020: Rs. 19.6 million, Rs. 69.5 million, Rs. Nil and Rs. Nil) respectively.

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

	Note	Un-Audited Nine Months ended March 2021	Nine Months ended March 2020
Plant and machinery		276,320	126,717
Vehicles		9,140	22,072
		285,460	148,789

Rupees in '000

- 8.2.1 Disposals include assets scrapped/written off at Net book value during the period of Rs. 24.3 million (2019: Rs. Nil).

	Note	Un-Audited	
		Nine Months ended March 2021	Nine Months ended March 2020
Rupees in '000			
8.3 Depreciation charge during the period		<u>1,995,283</u>	<u>1,563,088</u>
8.4 Additions - capital work in progress (at cost)			
Machinery		5,454,544	2,191,346
Building		<u>838,712</u>	<u>736,801</u>
		<u>6,293,256</u>	<u>2,928,147</u>
		Un-Audited	Audited
		March 2021	June 2020
		Rupees in '000	
9 RIGHT OF USE ASSETS			
Recognition as at July 01, 2020		2,323,849	2,650,039
Additions		1,037,069	324,079
Depreciation expense		<u>(507,714)</u>	<u>(650,814)</u>
Foreign currency retranslation difference		-	545
Net book value as at March 31, 2021		<u>2,853,204</u>	<u>2,323,849</u>
Gross carrying amount as at March 31, 2021			
Cost		4,009,446	2,974,118
Accumulated Depreciation		<u>(1,156,242)</u>	<u>(650,814)</u>
Foreign currency retranslation difference		-	545
		<u>2,853,204</u>	<u>2,323,849</u>
10 INTANGIBLE ASSETS			
Intangible - net book value	10.1 & 10.2	<u>223,281</u>	<u>232,449</u>
		<u>223,281</u>	<u>232,449</u>
		Un-Audited	Audited
		Nine Months ended March 2021	Nine Months ended March 2020
		Rupees in '000	
10.1 Additions - intangibles (at cost)			
Computer Software		<u>17,703</u>	<u>63,611</u>
10.2 Amortisation charge during the period		<u>26,872</u>	<u>23,896</u>
11 LONG TERM INVESTMENT			
Investment in Term Finance Certificate		<u>70,000</u>	<u>70,000</u>
		<u>70,000</u>	<u>70,000</u>
12 OTHER INCOME			
This includes Rs. 240.9 million on re-measurement of contingent liability of Gas Infrastructure Development Cess.			
		Un-Audited	Audited
		March 2021	March 2020
		Rupees in '000	
13 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents comprises of:			
Cash and bank balances		966,352	1,084,241
Short term borrowings		<u>(26,818,799)</u>	<u>(23,734,526)</u>
		<u>(25,852,447)</u>	<u>(22,650,285)</u>
14 TAXATION			
Provision for current taxation has been made on the basis of normal tax liability, final taxation, tax credit and separate block income under the Income Tax Ordinance, 2001.			

15 SEGMENT INFORMATION

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

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

Transactions among the business segments are recorded at cost.

15.1 Segment profitability

	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		Worldwide Developers (Private) Limited		Elimination Of Inter Segment Transactions		Total		
	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	
	Rupees '000																										
Sales	17,900,490	11,405,162	3,147,564	2,524,348	18,615,165	16,133,987	42,053,740	30,750,780	336,431	344,658	1,633,741	1,650,653	-	-	190,698	127,318	-	9,288	899,427	1,157,169	-	-	(19,539,270)	(17,422,819)	65,047,288	46,553,226	
Cost of sales	14,682,442	10,173,593	2,527,031	2,144,088	13,583,535	11,979,592	38,623,644	28,393,235	313,518	287,906	1,514,896	1,540,763	-	-	147,941	106,170	-	8,360	857,013	969,948	-	-	(19,723,266)	(17,442,392)	52,378,913	38,055,113	
Gross profit	3,218,048	1,231,569	620,533	380,260	5,031,630	4,154,395	3,430,096	2,357,545	22,913	56,752	118,745	109,870	-	-	42,757	21,148	-	928	42,414	187,221	-	-	183,996	19,573	12,668,375	8,498,113	
Distribution costs and administrative costs	181,877	135,495	87,925	82,377	3,754,637	3,403,410	2,307,691	2,182,392	49,949	57,422	97,227	107,577	-	-	39,969	61,447	-	1,933	255	119,781	249,512	11,522	-	(25,272)	61,447	6,627,239	6,279,887
Profit/(loss) before tax and before changing the following	3,036,171	1,096,074	532,608	297,883	1,276,993	750,985	1,122,405	175,153	(27,036)	(670)	21,518	2,293	-	-	2,788	(40,299)	-	(1,933)	673	(77,367)	(62,291)	(11,522)	-	209,268	(41,874)	6,041,136	2,218,226
Other operating costs																										481,058	218,238
Other income																										(576,450)	(453,892)
Finance costs																										1,520,694	1,439,313
Profit before taxation																										1,425,290	1,203,659
Taxation																										4,615,846	1,014,567
Profit after taxation																										1,018,720	397,917
																										3,997,126	616,650

	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		Worldwide Developers (Private) Limited		Elimination Of Inter Segment Transactions		Total			
	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020	Mar-2021	Mar-2020		
	Rupees '000																											
Depreciation and Amortisation Expense	749,573	430,922	268,962	239,335	827,425	793,776	672,748	667,846	4,744	3,138	378	272	-	-	5,002	4,601	-	-	1,037	640	-	-	-	-	-	-	2,529,869	2,140,530

15.2 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		Worldwide Developers (Private) Limited		Unallocated		Total Group		
	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	Un-Audited Mar-2021	Audited June - 2020	
	Rupees '000																										
Assets	22,317,879	17,967,254	5,486,931	4,270,892	14,579,907	12,284,442	36,101,974	31,107,650	518,626	409,767	910,240	738,578	73,584	72,467	447,972	463,763	8,072	15,029	234,142	708,504	4,442,627	4,430,537	4,084,356	3,091,900	89,206,309	75,560,583	
Elimination of intragroup balances																										(3,469,036)	(3,736,805)
Liabilities	10,959,391	8,264,759	4,462,246	2,758,394	6,500,223	4,815,246	12,864,104	14,273,075	59,312	47,290	1,065,158	1,327,259	-	-	186,419	109,668	1,383	13,333	148,398	428,544	454,943	453,754	30,547,642	24,660,886	67,249,220	57,152,208	
Elimination of intragroup balances																										(1,255,038)	(1,655,889)
Segment Capital Expenditure	1,875,884	4,664,705	1,787,077	618,138	111,379	466,436	2,967,403	1,377,839	3,128	2,046	-	1,078	-	-	-	-	-	-	-	6,802	-	-	-	709,960	513,958	7,454,831	7,651,002

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 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.

15.5 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.9,906 million (March-2020: Rs. 7,696 million).

15.6 Information by geographical area

	Revenue		Non-current assets	
	For the nine months ended (Un-audited)		Un-Audited	Audited
	Mar - 2021	Mar - 2020	Mar - 2021	Jun - 2020
	-----Rupees in '000-----			
Pakistan	29,613,097	20,499,235	37,081,914	31,447,050
Germany	12,929,046	8,256,761	-	-
United States	7,132,220	5,229,828	5,089	9,988
Netherlands	2,951,850	2,355,188	-	-
Italy	862,829	1,552,483	-	-
United Kingdom	2,145,883	1,808,351	119,283	125,408
Spain	432,588	644,565	-	-
France	3,090,952	1,562,360	-	-
Sweden	1,159,694	781,266	-	-
China	288,124	635,670	-	-
United Arab Emirates	315,734	559,769	28,018	46,998
Other Countries	4,125,271	2,667,750	-	-
Total	65,047,288	46,553,226	37,234,304	31,629,444

16 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	
		Mar - 2021	Mar - 2020
		Rupees in '000	
Associated Companies and other related parties	Purchase of goods	3,086	145,580
	Sale of goods	5,266	8,608
	Sale of services rendered	5,672	-
	Sale of fixed assets	2,202	-
	Gain on disposal of fixed assets	183	-
	Rent paid	23,747	61,581
	Fees paid	2,250	2,500
	Donation paid	8,000	6,000
	Bills discounted	9,077,268	8,516,723
	Markup and other bank charges	83,213	115,669
	Holding Company's contribution to provident fund	170,904	159,479
	Dividend paid	-	36,491
Relationship with the Group	Nature of outstanding balances	Un-Audited Mar - 2021	Audited Jun - 2020
		Rupees in '000	
Associated companies and others related parties	Deposit with banks	76,925	44,564
	Borrowings from Banks	1,155,807	564,694
	Bank guarantee	1,102,612	938,326
	Trade and other payables	45,536	25,773
	Trade debts	8,946	3,743
	Accrued mark-up	6,345	2,810
	Loans to key management personnel & executive	139,141	81,517
	Payable to Holding Company's employee's provident fund	31,316	13,096
	Prepaid Rent	-	2,863
	Prepaid fees	500	250

There are no transactions with directors of the Holding Company and key management personnel other than under the terms of employment for the period ending March 31, 2021 amounting to Rs.1,213 million (March 31, 2020: Rs.1,254 million) on account of remuneration.

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

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

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

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

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

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
Administration cost	Distribution cost	
Utilities	Utilities	166,935
Postage and telecommunication	Postage and telecommunication	20,074
Vehicle up keep and maintenance	Other expenses	20,041
Repairs and maintenance	Other expenses	12,566
Other expenses	Other expenses	1,953

19 EVENTS AFTER BALANCE SHEET DATE

Subsequent Appropriations

The Board of Directors of the Company in its meeting held on 27 April, 2021 has approved 10% interim cash dividend and 20% bonus shares.

20 DATE OF AUTHORISATION

These financial statements were authorised for issue on 27 March, 2021 by the Board of Directors of the Group.

21 GENERAL

- 21.1 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.
- 21.2 Figures have been rounded off to the nearest thousand rupees.

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer