



Condensed Interim Financial Information  
For the Nine Months Ended March 31, 2022

## Company Information

<b>BOARD OF DIRECTORS</b>	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
<b>CHIEF FINANCIAL OFFICER</b>	Abdul Aleem	
<b>COMPANY SECRETARY</b>	Salim Ghaffar	
<b>AUDIT COMMITTEE</b>	Ehsan A. Malik Mohomed Bashir Dr. Amjad Waheed Salim Ghaffar	- Chairman & Member - Member - Member - Secretary
<b>HUMAN RESOURCE AND REMUNERATION COMMITTEE</b>	Ehsan A. Malik Mohomed Bashir Zain Bashir Salim Ghaffar	- Chairman & Member - Member - Member - Secretary
<b>BANKERS</b>	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	
<b>AUDITORS</b>	Kreston Hyder Bhimji & Co. Chartered Accountants	
<b>INTERNAL AUDITORS</b>	Grant Thornton Anjum Rahman Chartered Accountants	
<b>LEGAL ADVISORS</b>	A.K. Brohi & Co Advocates	
<b>REGISTERED OFFICE</b>	Plot No.82, Main National Highway, Landhi, Karachi-75120	
<b>SHARE REGISTRAR</b>	FAMCO Associates (Private) Limited 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrach-E-Faisal, Karachi. Phone No. (+92-021) 34380101-5 Fax No. (+92-021) 34380106	
<b>MILLS</b>	Landhi Industrial Area, Karachi-75120	
<b>E-MAIL</b>	<a href="mailto:finance@gulahmed.Com">finance@gulahmed.Com</a>	
<b>URL</b>	<a href="http://www.gulahmed.com">www.gulahmed.com</a>	

## **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 nine months ended March 31<sup>st</sup>, 2022.

### **ECONOMIC OVERVIEW**

Following the emergence of the COVID-19 Omicron variant in late 2021, new infections spiked throughout the world. However, even though the variant is of a highly infectious nature the severity resulting in hospitalization and death remained low and with the increased vaccination along with amplified immunity, the world economy was able to operate more smoothly than before. The Asian Development Bank (ADB) as a result projects the Asian economy to grow by 5.2 percent and 5.3 percent in 2022 and 2023 respectively. The South Asian economy is expected to grow by 7 percent and 7.4 percent in 2022 and 2023 respectively, whereas the ADB projects Pakistan's economy to expand by 4 percent and 4.5 percent in 2022 and 2023 respectively.

With respect to state of economy of Pakistan, during nine months of FY 2021-22, the State Bank of Pakistan has reported that Trade Deficit grew substantially by 56 percent to US\$ 30.1 billion as compared to US\$ 19.3 billion in same period last year. Similarly, the current account deficit for nine months of FY 2021-22 grew exponentially amounting to US\$ 13.1 billion as compared to a current account deficit of US\$ 0.3 billion in same period last year. Imports expanded by 41 percent to US\$ 53.8 billion (9M FY 2020-21: US\$ 38.1 billion) in nine months of FY 2021-22 as a result of significant rise in global commodity prices like petroleum products and LNG owing to geo-political instability on account of Russia-Ukraine conflict. Exports grew by 27 percent to US\$ 23.7 billion (9M FY 2020-21: US\$ 18.7 billion) owing to revival of global economic activity and rising demand

On the other hand, Workers Remittances provided a cushion and grew by 7 percent to US\$ 22.9 billion in nine months of FY 2021-22 as compared to US\$ 21.4 billion in the same period last year. Foreign Currency reserves decreased by 15 percent to US\$ 11.4 billion in nine months of FY 2021-22 as compared to US\$ 13.5 billion in same period last year. With PKR depreciation of 3.9 percent since December 2021, the external geopolitical risks, internal political instability and the above economic developments has led the State Bank of Pakistan (SBP) to increase the policy rate to 12.25 percent to counter the projected inflation trend along with safeguarding stability and sustainability in the economy.

### **TEXTILE SECTOR OVERVIEW**

Textile group accounting for 61 percent of total exports grew by 25 percent to US\$ 14.2 billion in nine months of FY 2021-22 as compared to US\$ 11.3 billion in same period last year. The trend in the nine-month advocate increase in exports of all products except Tents, Canvas and Tarpaulin which decreased by 7.8 percent. Whereas major contributors towards increased exports were Knitwear, Readymade Garments and Bedwear which increased by 34.1 percent, 26.2 percent and 19.3 percent respectively.

On the contrary, domestic cotton production and yield remained insufficient to meet the demand as overall textile imports increased by 25.6 percent to US\$ 3.5 billion in nine months of FY 2021-22 as compared to US\$ 2.8 billion in same period last year impacting the net flow of foreign currency along with containing the profitability of the textile industry as a whole. Among textile imports, major contributors being Raw cotton and synthetic and artificial silk yarn imports increased by 16.8 percent and 30.1 percent respectively in nine months of FY 2021-22 as compared to same period last year.

## FINANCIAL PERFORMANCE

Your Company has a lower turnover during the period in consideration due to lower sales to group companies, whereas sales to external customers were little higher than the preceding quarter. The sales to external customers would have been significantly higher if it were not for the supply chain challenges faced due to the availability of containers. Despite the challenges as mentioned in following paragraph, your Company's strategic planning and effective management of resources have reaped good results.

Key performance numbers are presented below:

	Units	Nine Months Ended March 31, 2022	Nine Months Ended March 31, 2021
Export sales	Rs. in billions	46.96	41.92
Local sales	Rs. in billions	21.25	14.22
Total sales	Rs. in billions	68.21	56.14
Gross profit	Rs. in billions	12.29	10.32
Profit before tax	Rs. in billions	6.87	4.12
Profit after tax	Rs. in billions	5.62	3.07
Earnings per share (EPS)	Rupees	9.09	4.98
Debt to equity ratio	Times	0.62	1.04
Current ratio	Times	1.16	1.13
Break-up-value per share	Rupees	53.32	40.72
Gross Profit Margin	%	18.02	18.39
Profit before tax Margin	%	10.07	7.34
Profit after tax Margin	%	8.24	5.47

The above results were achieved despite unprecedented increase in raw material prices, increase in utility costs, and logistical disruptions along with increased supply chain cost, unfavorable movements in exchange rates, rising inflation etc. During the period in consideration, your Company was conferred with the required volume of export orders along with renegotiated US\$ rates, from January 2022 onwards, leading to increase in export sales by 12 percent. On the local front, the figures for nine months FY 2020-21 includes local sales of Retail Segment amounting to PKR 8.24 billion for July to December, 2020, whereas due to hiving out of our Retail Segment as a 100% subsidiary, figures for nine months FY 2021-22 are without any retail sales. Local sales excluding retail registered a massive growth of 2.5 times from PKR 5.98 billion in FY 2020-21 to PKR 21.25 billion in FY 2021-22. Consequently, as a result of your Company's rigorous efforts to minimize costs and increase efficiency, the bottom-line profits increased by a commendable 83 percent in nine months of FY 2021-22 as compared to same period last year.

With the revival in export demand and resumption of economic activity in the domestic environment, considerable investment in the inventory and debtors, along with efficient cash flow and working capital management, has led the liquidity position and financing position to improve with the current ratio of 1.16 (Mar-2021: 1.13) and debt to equity ratio of 0.62 (Mar-2021: 1.04) in March-2022.

## **FUTURE OUTLOOK**

The world economies have been severely disrupted by the Russia-Ukraine conflict, spiking the geopolitical risks. As a result, shockwaves struck the financial and commodity markets that impacted energy, food and other articles of trade all around the world. As a result of the humanitarian crisis and sanctions aimed at Russia, the International Monetary Fund (IMF) forecast's a deteriorated global outlook and has downscaled the world economic growth to 3.6 percent in 2022 as the war will severely set back global recovery.

Domestic economic risks remain high considering conditions of the IMF Program and international debt repayments for Pakistan with major uncertainty arising from inflationary pressures, Rupee devaluation, increased cost of borrowing, energy availability, affordability and logistical challenges. For the textile industry, oil and energy price increase will impact margins as nation's high record imports are mainly driven by purchase of petroleum products and gasoline. With the expected surge in textile exports, the increase in energy costs and input costs may lead to erosion of export led industrial growth if adequate policy decisions are not taken to ensure global competitiveness. The shortage in gas along with increased cost of imported raw material pose a challenge for the industry as a whole.

However, your management is confident to achieve very good results in FY 2021-22 by implementing timely strategies and measures such as timely purchase of raw material and cost optimization. Moreover, investments in various projects that are extremely innovative, and technology driven that would lead to a large increase in exports as well as enhanced profitability. Your Company's strong financial position and strategic management are anticipated to further support its Vision to enrich lives through operational efficiencies and enhance shareholders' value through reiterating our mission of innovative technology and teamwork. The company has two projects coming online by the middle of May 2022 and a third project in October 2022. All the projects are very technologically advanced would continue to build on the company's growth in the near, medium and long term.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated financial statements for the nine months ended March 31, 2022 of the Company and its subsidiaries Gul Ahmed International Limited (FZC) – UAE, GTM (Europe) Limited – UK, GTM USA Corp. – USA Sky Home Corporation USA, Vantona Home Limited, UK and IDEAS (Private) Limited are attached.

## **ACKNOWLEDGEMENT**

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

For and on behalf of the Board

April 29, 2022  
Karachi

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Mohomed Bashir  
Chairman

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Mohammed Zaki Bashir  
Chief Executive Officer

**Gul Ahmed Textile Mills Limited**  
**Condensed Interim Un-consolidated**  
**Statement of Financial Position**  
**As at March 31, 2022**

		Un-Audited	Re-stated
		March	Un-Audited
Note		2022	June
		-----Rupees in '000-----	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
	Authorised share capital		
	750,000,000 ordinary shares of Rs.10 each	<b>7,500,000</b>	7,500,000
	Issued, subscribed and paid-up capital	<b>6,167,162</b>	5,311,573
	616,716,230 ordinary shares of Rs. 10 each		
	(June-21:531,157,300 ordinary shares of Rs. 10 each)		
	Reserves	<b>26,701,181</b>	21,951,673
		<b>32,868,343</b>	27,263,246
<b>NON-CURRENT LIABILITIES</b>			
	Long term financing - Secured	5	20,373,482
	Provision for Gas Infrastructure Development Cess		954,206
			18,571,409
			1,325,299
	Deferred liabilities		
	Deferred taxation - net	457,699	257,699
	Deferred government grant	183,222	142,003
	Defined benefit plan- Staff Gratuity	195,754	156,424
		<b>836,675</b>	556,126
<b>CURRENT LIABILITIES</b>			
	Trade and other payables	16,254,184	11,856,077
	Accrued mark-up/profit	569,549	341,473
	Short term borrowings	34,534,670	29,108,282
	Current maturity of long term financing	5	2,935,194
	Current maturity of deferred income - government grant		69,303
			108,416
	Taxation-net	-	30,200
	Unclaimed dividend	297,582	297,702
	Unpaid dividend	6,969	23,505
		<b>54,667,450</b>	44,266,596
<b>CONTINGENCIES AND COMMITMENTS</b>			
		6	
		<b>109,700,156</b>	91,982,676
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
	Property, plant and equipment	7	44,208,149
	Intangible assets	8	57,979
	Long term investment	9	3,594,889
	Long term loans and advances		63,344
	Long term deposits		237,906
		<b>48,162,267</b>	42,176,442
<b>CURRENT ASSETS</b>			
	Stores and spares	976,346	891,463
	Stock-in-trade	31,794,059	23,275,250
	Trade debts	22,313,736	17,930,597
	Loans, advances and other receivables	1,647,725	3,336,473
	Short term prepayments	33,514	28,422
	Receivable from government	3,733,721	4,087,419
	Taxation - net	659,352	-
	Cash and bank balances	379,436	256,610
		<b>61,537,889</b>	49,806,234
		<b>109,700,156</b>	91,982,676

The annexed notes from 1 to 17 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, 2022**

Note	Un-Audited			
	Nine months ended		Quarter ended	
	July to	July to	January to	January to
	March	March	March	March
	2022	2021	2022	2021
-----Rupees in '000-----				
Sales - net	68,204,647	56,140,349	21,278,751	14,880,534
Cost of sales	55,910,802	45,816,333	16,837,528	12,160,850
Gross profit	12,293,845	10,324,016	4,441,222	2,719,684
Distribution costs	1,428,950	2,967,382	439,536	413,651
Administrative costs	1,623,816	1,930,318	579,585	419,548
Other operating costs	685,502	482,603	123,492	301,495
	3,738,269	5,380,303	1,142,614	1,134,693
	8,555,576	4,943,713	3,298,608	1,584,991
Other income	10 139,864	479,521	49,138	276,550
Operating profit	8,695,440	5,423,234	3,347,746	1,861,541
Finance cost	1,817,622	1,302,440	648,574	144,524
Profit before taxation	6,877,818	4,120,794	2,699,172	1,717,017
Taxation	11			
- Current				
- Deferred				
	1,072,721	873,712	360,031	395,020
	200,000	175,000	90,055	16,071
	1,272,721	1,048,712	450,086	411,091
Profit after taxation	5,605,097	3,072,082	2,249,086	1,305,926
Earning per share - basic and diluted (Rs.)	9.09	4.98	3.65	2.12

The annexed notes from 1 to 17 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, 2022**

	Un-Audited			
	Nine months ended		Quarter ended	
	July to	July to	January to	January to
	March	March	March	March
	2022	2021	2022	2021
	-----Rupees in '000-----			
Profit after taxation	5,605,097	3,072,082	2,249,086	1,305,926
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>5,605,097</u>	<u>3,072,082</u>	<u>2,249,086</u>	<u>1,305,926</u>

The annexed notes from 1 to 17 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, 2022**

	Share Capital	Capital reserve - Share Premium	Capital reserve- Amalgamation Reserve	Unappropriated Profit	Total Reserves	Total
	----- Rupees '000-----					
Balance as at June 30, 2020 (Audited)	4,277,946	692,424	-	8,992,830	9,685,254	13,963,200
Share capital issued under the Scheme of arrangement (Note 2)	1,033,627	-	-	-	-	1,033,627
Amalgamation reserve arising under the Scheme (Note 2)	-	-	8,252,059	-	8,252,059	8,252,059
<b>Total comprehensive income</b>						
Profit after taxation for nine months ended March 31, 2021	-	-	-	3,072,082	3,072,082	3,072,082
Other comprehensive income	-	-	-	-	-	-
	-	-	-	3,072,082	3,072,082	3,072,082
<b>Transaction with owners</b>						
Interim dividend for nine months ended 30 March, 2021	-	-	-	(427,795)	(427,795)	(427,795)
<b>Balance as at March 31, 2021 (Un-audited, restated)</b>	5,311,573	692,424	8,252,059	11,637,117	20,581,600	25,893,173
<b>Total comprehensive income for the three months ended June 30, 2021</b>						
Profit after taxation	-	-	-	1,352,458	1,352,458	1,352,458
Other comprehensive income	-	-	-	17,615	17,615	17,615
	-	-	-	1,370,073	1,370,073	1,370,073
<b>Balance as at June 30, 2021 (un-audited, restated)</b>	5,311,573	692,424	8,252,059	13,007,190	21,951,673	27,263,246
<b>Transaction with owners</b>						
20% Bonus shares issued	855,589	(692,424)		(163,165)	(855,589)	-
<b>Total comprehensive income for the nine months ended March 31, 2022</b>						
Profit after taxation	-	-	-	5,605,097	5,605,097	5,605,097
Other comprehensive income	-	-	-	-	-	-
	-	-	-	5,605,097	5,605,097	5,605,097
<b>Balance as at March 31, 2022 (Un-audited)</b>	6,167,162	-	8,252,059	18,449,122	26,701,181	32,868,343

The annexed notes from 1 to 17 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**  
**Condensed Interim Un-Consolidated**  
**Statement of Cash Flows**  
**For the nine months ended March 31, 2022**

	Note	Un-Audited	
		Half year ended	
		July to March 2022	July to March 2021
-----Rupees in '000-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		6,877,818	4,120,794
Adjustments for:			
Depreciation on property, plant and equipment	7.3	2,110,233	1,889,590
Depreciation on right-of-use assets		-	322,173
Amortisation on intangible assets		20,356	17,649
Provision for gratuity		84,194	51,317
Finance cost		1,817,622	1,134,894
Government grant		40,302	-
Interest on lease liability against right-of-use asset		-	167,548
Provision for slow moving/obsolete stores and spares		30,166	18,874
Expected credit losses against doubtful trade debts		46,271	42,064
Net loss on disposal of property, plant and equipment		199,019	83,403
		<b>4,348,163</b>	<b>3,727,512</b>
Cash flows from operating activities before adjustments of working capital		<b>11,225,981</b>	<b>7,848,306</b>
Changes in working capital:			
(Decrease)/ Increase in current assets			
Stores and spares		(115,049)	16,433
Stock-in-trade		(8,518,809)	5,657,137
Trade debts		(4,429,410)	(4,123,935)
Loans, advances and other receivables		1,688,748	(7,801,041)
Short term prepayments		(5,092)	203,770
Receivable from Government		353,698	(22,578)
		<b>(11,025,913)</b>	<b>(6,070,214)</b>
Increase in current liabilities			
Trade and other payables		4,027,014	(390,603)
		<b>(6,998,900)</b>	<b>(6,460,817)</b>
Cash generated from operations before adjustment of following		<b>4,227,081</b>	<b>1,387,489</b>
Adjustments for:			
Gratuity paid		(44,865)	(43,314)
Finance cost paid		(1,589,546)	(1,360,210)
Income tax paid		(1,762,273)	(615,750)
(Increase) / Decrease in long term loans and advances		19,713	(4,623)
Decrease / (Increase) in long term deposits		(168,819)	306,650
		<b>(3,545,789)</b>	<b>(1,717,247)</b>
Net Cash generated from / (used in) Operating activities		<b>681,293</b>	<b>(329,758)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property, plant and equipment		(8,297,294)	(5,772,040)
Addition to intangible assets		(123)	(17,703)
Proceeds from sale of property, plant and equipment		131,246	202,057
Long term investments made during the period		(157)	(1,167,756)
Net cash used in investing activities		<b>(8,166,328)</b>	<b>(6,755,442)</b>
<b>Balance carried forward</b>		<b>(7,485,036)</b>	<b>(7,085,200)</b>

**Gul Ahmed Textile Mills Limited**  
**Condensed Interim Un-Consolidated**  
**Statement of Cash Flows**  
**For the nine months ended March 31, 2022**

		Un-Audited		
		Half year ended		
Note		July to March 2022	July to March 2021	
		-----Rupees in '000-----		
	Balance brought forward	(7,485,036)	(7,085,200)	
CASH FLOWS FROM FINANCING ACTIVITIES				
	Long term financing obtained	5	4,082,780	6,536,916
	Long term financing repaid		(1,884,650)	(2,972)
	Payments for lease liability against right of use asset		-	(589,515)
	Dividend paid		(16,657)	(279)
	Net cash generated from financing activities		2,181,473	5,944,150
	Net decrease in cash and cash equivalents		(5,303,562)	(1,141,050)
	Cash and cash equivalents - at the beginning of the period		(28,851,672)	(24,998,063)
	Cash and cash equivalents - at the end of the period	10	(34,155,234)	(26,139,113)

The annexed notes from 1 to 17 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**  
**Notes to the Condensed Interim Un-consolidated**  
**Financial Statements (Un-audited)**  
**For the nine months ended March 31, 2022**

**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%
Ideas (Pvt) limited	December 27, 2004 (Become subsidiary)	Pakistan	100%

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

- 1.2 Details of leasehold lands owned by the Company are as follows;

<u>Area</u>	<u>Address</u>
25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi, Karachi.
14.9 Acres	Survey No. 82, Deh Landhi, Karachi.
18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi.
4.17 Acres	Plot No. H-19, Landhi Industrial Area, Landhi, Karachi.
44.04 acres	P.U. No. 48, 49, 50, & 51, Deh Khanto Tapo Landhi, Karachi.
2 Kanal, 19	Plot No. 24-A, C-III, Gulberg, Lahore.
4,023.16 Sq. yards	Plot No. H-19/1, Landhi Industrial Area, Landhi, Karachi
4.17 acres	Plot No. H-19 Landhi Industrial Area, Landhi Karachi
6.83 acres	Plot 368, 369 & 446, Deh Landhi, Karachi
12 acres	HT 3/A, Landhi, Karachi
51.1 Acre	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi

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

**Address**

Plot# ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.  
 Plot# HT/8, KDA Scheme 3, Landhi Industrial area, Karachi.  
 W/2/1-14, Western industrial zone, Port Qasim, Karachi

**2 SCHEME OF ARRANGEMENT FOR THE REORGANIZATION / RE-ARRANGEMENT OF THE ASSETS, LIABILITIES, OBLIGATIONS AND UNDERTAKINGS**

The Scheme of Arrangement dated May 5, 2021 involving the Gul Ahmed Textile Mills Limited (the Company), Ideas (Private) Limited (Ideas), Worldwide Developers (Private) Limited (WWDL), Grand Industries (Private) Limited (Grand) and Ghafooria Industries (Private) Limited (Ghafooria) has been sanctioned by honorable High Court of Sindh through order dated 29th October 2021. According to the Scheme with effect from the start of business on January 1, 2021 (the "Effective Date"),

- Retail Segment of the Company stands de merged from the company and has been amalgamated with and into Ideas, accordingly net assets of the retail segment aggregating to Rs. 1,133 million stands transferred to and vested in Ideas against which 113,279,100 ordinary shares of Rs 10 each of Ideas have been issued to the Company, and Ideas has become the wholly owned subsidiary of the Company after cancellation of existing share capital of Ideas.
- The entire undertaking of WWDL, a subsidiary company, stands merged with and into the Company and in consideration thereof the Company has issued 29,838,102 ordinary shares of Rs 10 each in favour of the other shareholders of WWDL (other than the Company). Furthermore, as part of the arrangement, the loans provided to WWDL by its Directors stands adjusted / settled against the issuance of 4,733,350 shares of the Company to the said directors of WWDL;
- One of the business / undertaking of Grand comprising certain immovable properties valued at Rs. 1,500 million stands merged with and into the Company against which the Company has issued 15,823,087 shares to Grand. Further, a business undertaking constituting certain immovable properties of Grand valued at Rs. 2,329,965 million has been merged with and into Ideas against which the Company has issued 24,578,160 shares to Grand and Ideas will issue bonus shares to the Company at later stage hence the value of the investment in Ideas is adjusted accordingly;
- One of the business / undertaking of Ghafooria comprising an immovable property valued at Rs. 1,058 million stands merged with and into the Company against which the Company has issued 11,162,850 shares Ghafooria; and,

The valuation of the business / undertakings, properties and assets etc and swap ratios for issuance of shares, as mentioned above, are based on the reports of Independent Valuers and Consultant, i.e., Joseph Lobo (Private) Limited, Iqbal. A. Nanjee & Co (Private) Limited and A.F Ferguson & Co which are made part of the Scheme.

The amalgamation is a business combination of entities under common control and therefore scoped out of IFRS-3 'Business Combinations'. The assets and liabilities acquired or transferred by the Company has been accounted for in the books at the values used to determine the swap ratios for issuing Company shares as mentioned in the Scheme. The difference in value of the net assets acquired and shares issued has been carried in the equity under the head "Amalgamation reserve". Consequently, corresponding figures of condensed interim statements of financial position as at June 30, 2021 are clubbed to include assets and liabilities acquired / transferred under the Scheme.

The summary of the net assets acquired / transferred as at January 01, 2021, shares issued there against and computation of amalgamation reserve is as follows;

As at effective date of scheme i.e , January 01, 2021					
	WWDL	Grand	Ghafooria	Ideas	Total
	(Rupees '000')				
<b>Assets acquired / (transferred)</b>					
Property, plant and equipment	6,688,483	1,500,000	1,058,218	(1,976,915)	7,269,786
Right -of- use assets	-	-	-	(2,492,179)	(2,492,179)
Stock -in-trade	-	-	-	(6,005,005)	(6,005,005)
Receivable from Ideas Private Ltd	-	-	-	6,559,272	6,559,272
Cash and bank balances	2,000	-	-	-	2,000
Other assets	7,131	-	-	(1,384,317)	(1,377,186)
	6,696,904	1,500,000	1,058,218	(5,591,311)	3,663,811
<b>Less: liabilities assumed / (transferred)</b>					
Lease liability against right-of-use assets	-	-	-	(2,870,157)	(2,870,157)
Trade and other payables	4,002	-	-	-	4,002
Other liabilities	4,002	-	-	(95,943)	(91,941)
	4,401	-	-	(4,458,520)	(4,454,119)
<b>Net assets acquired</b>	6,692,503	1,500,000	1,058,218	(1,132,791)	8,117,930
<b>Shares issued pursuant to the Scheme</b>					
Shares issued to WWDL's shareholders /Grand / Ghafooria	(298,381)	(404,012)	(111,629)	-	(814,022)
Shares issued to Directors of WWDL	-	-	-	-	-
Impact of bonus shares allotted subsequently	(69,143)	(80,802)	(22,326)	-	(172,271)
Value of investment in share issued by Ideas to GTML	(414,857)	(484,815)	(133,954)	-	(1,033,627)
Investment in WWDL eliminated	-	-	-	3,462,756	3,462,756
	(2,295,000)	-	-	-	(2,295,000)
	3,982,646	1,015,185	924,264	2,329,965	8,252,059

### 3 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 December 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 December 31, 2021.

The comparative statement of financial position, presented in these condensed interim un-consolidated financial statements, as at June 30, 2021 has been extracted from the audited un-consolidated financial statements of the Company for the year ended June 30, 2021, 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 December 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, 2021.

### 3.1 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 half-year ended December 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, 2021; 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.

### 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, 2021.

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, 2021.

## 5 LONG TERM FINANCING - SECURED

	Un-Audited March 2022	Un-Audited June 2021
	-----Rupees in '000-----	
Opening balance	21,072,350	13,865,713
Add: Long term finance obtained during the period / year	4,082,780	7,673,112
Less: Fair value differential - Government grant	(54,398)	(296,993)
Add: Unwinding of interest	92,594	130,715
Less: Repaid during the period / year	(1,884,650)	(300,197)
	23,308,676	21,072,350
Less: Current portion shown under current liabilities	(2,935,194)	(2,500,941)
	20,373,482	18,571,409

## 6 CONTINGENCIES AND COMMITMENTS

### Contingencies

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2021 remained unchanged during the current period except increase in amount for provisions required.

### Guarantees

- Guarantees of Rs. 1,784 million (June-2021: Rs. 1,526 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-2021: Rs. 1,102 million).
- Post dated cheques of Rs. 4,193 million (June-2021: Rs. 3,725 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. 5,691 million (June-2021: Rs. 4,885 million), including bills discounted from Associated company amounting to Rs. 1,765 million (June-2021: Rs. 5,945 million).
- Corporate guarantee of Rs. 172.6 million (June-2021: Rs. 149.1 million) Rs. 733.3 million (June-2021: 633.6 million) and Rs. 164.8 million (June-2021: 142.4 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

- The Company is committed for capital expenditure as at March 31, 2022 of Rs. 3,123 million (June-2021: Rs. 5,312.5 million).

## 7 PROPERTY, PLANT AND EQUIPMENT

	Un-Audited March 2022	Un-Audited June 2021
	-----Rupees in '000-----	
Operating fixed assets	35,258,403	32,328,904
Capital work in progress (CWIP)	8,950,818	6,022,419
	44,209,221	38,351,323
	-----Rupees in '000-----	
<b>7.1 Additions during the period</b>		
Land	-	-
Buildings and structures on leasehold land	1,532,151	1,193,574
Plant and machinery	3,502,398	2,388,297
Furniture and fixtures	17,935	19,738
Office equipment	214,024	86,410
Vehicles	102,416	20,792
	5,368,924	3,708,811
<b>7.1.1 Additions to building and structure on leasehold land, plant and machinery, furniture and fixtures and office equipments include transfers from capital work-in-progress amounting to Rs.590 million and Rs. 2,204 million (March-2021: Rs. 1,118 million, Rs. 1,400 million, Rs. 16 million and Rs.33.1 million) respectively.</b>		
	-----Rupees in '000-----	
<b>7.2 Disposals - operating fixed assets (at net book value)</b>		
Plant and machinery	315,719	276,320
Vehicles	14,546	9,140
	330,265	285,460
<b>7.3 Depreciation charge during the period</b>	2,110,233	1,290,990
	-----Rupees in '000-----	
<b>7.4 Additions - capital work in progress (at cost)</b>		
Machinery	2,630,989	4,232,495
Building	3,092,128	777,698
Others	-	27,135
	5,723,117	5,037,328

## 8 INTANGIBLE ASSETS

Intangible - net book value

Note	Un-Audited March 2022	Un-Audited June 2021
	-----Rupees in '000-----	
8.1	<u>57,979</u>	<u>78,213</u>
	Un-Audited Nine months ended March 2022	Un-Audited Nine months ended March 2021
	-----Rupees in '000-----	
8.1 Amortization charge during the period	<u>20,356</u>	<u>12,906</u>

## 9 LONG TERM INVESTMENT

Investment in subsidiary companies at cost  
- Gul Ahmed International Limited  
- Ideas (Pvt) Limited

Investment in Term Finance Certificate  
- at amortised cost  
Investment in mutual funds

Un-Audited March 2022	Un-Audited June 2021
-----Rupees in '000-----	
58,450	58,450
3,462,756	3,462,756
3,521,206	3,521,206
70,000	70,000
3,684	3,526
<u>3,594,890</u>	<u>3,594,732</u>

## 10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises of:

Cash and bank balances  
Short term borrowings

Un-Audited March 2022	Un-Audited March 2021
-----Rupees in '000-----	
379,436	230,973
(34,534,670)	(26,370,086)
<u>(34,155,234)</u>	<u>(26,139,113)</u>

## 11 TAXATION

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



## 12 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. This segment has been amalgamated into Ideas (Private) Limited (ideas) under the Scheme of Arrangement as mentioned in note 2 therefore with effect from January 01, 2021 the same has been excluded from the Company to Ideas.  
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.

### 12.1 Segment Profitability

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Elimination Of Inter Segment Transactions		Total	
	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021
-----Rs. 000s-----												
Sales	33,646,150	17,900,490	3,979,732	3,147,564	-	8,690,731	39,691,175	32,198,387	(9,112,410)	(5,796,823)	68,204,647	56,140,349
Cost of sales	24,476,417	14,682,442	3,267,165	2,527,031	-	5,722,264	37,279,629	28,681,420	(9,112,410)	(5,796,823)	55,910,802	45,816,333
Gross profit	9,169,733	3,218,048	712,566	620,533	-	2,968,468	2,411,546	3,516,968	-	-	12,293,845	10,324,016
Distribution cost and Administrative cost	294,631	181,877	97,987	87,925		2,312,117	2,660,149	2,315,781	-	-	3,052,767	4,897,700
Profit before tax and before charging following	8,875,102	3,036,171	614,579	532,608	-	656,350	(623,821)	1,201,187	-	-	9,241,078	5,426,316
Finance Cost											1,817,622	1,302,440
Other operating cost											685,502	482,603
Other income											(139,864)	(479,521)
											2,363,260	1,305,522
Profit before taxation											6,877,818	4,120,794
Taxation											1,272,721	1,048,712
Profit after taxation											5,605,097	3,072,082

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Elimination Of Inter Segment Transactions		Total	
	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021	March-2022	March-2021
-----Rs. 000s-----												
Depreciation and Amortisation Expense	824,366	749,573	359,480	268,962	-	538,129	946,743	672,748	-	-	2,130,589	2,229,412

### 12.2 Segment assets and liabilities

	Spinning		Weaving		Retail and Distribution		Processing, Home Textile and Apparel		Unallocated		Total	
	Un-Audited March-2022	Un-Audited June-2021	Un-Audited March-2022	Un-Audited June-2021	Un-Audited March-2022	Un-Audited June-2021	Un-Audited March-2022	Un-Audited June-2021	Un-Audited March-2022	Un-Audited June-2021	Un-Audited March-2022	Un-Audited June-2021
-----Rs. 000s-----												
Assets	32,214,052	23,565,307	6,324,307	4,831,057	-	-	69,294,512	48,635,043	1,867,283	14,951,269	109,700,154	91,982,676
Liabilities	14,580,314	10,418,058	4,597,592	4,578,826	-	-	20,918,449	11,729,605	36,735,458	37,992,941	76,831,812	64,719,430
Segment Capital & Intangible Expenditure	2,052,694	4,153,188	306,508	1,416,276	-	281,167	4,085,282	3,546,692	1,852,810	674,869	8,297,294	10,072,192

12.3 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.

12.4 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.

### 12.5 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.7.167 million (Mar-2021: Rs. 9,906 million).

## 12.6 Information by geographical area

	Revenue		Non-current assets	
	For the nine months ended		Un-Audited	Un-Audited
	March-2022	March-2021	March-2022	June-2021
	-----Rupees in '000-----			
Pakistan	32,685,330	22,186,084	48,103,817	42,117,992
Germany	10,042,383	12,929,046	-	-
United States	7,960,618	6,376,048	-	-
France	3,398,345	3,090,952	-	-
Netherlands	3,151,160	2,951,850	-	-
United Kingdom	2,684,591	1,726,602	-	-
Italy	1,745,674	862,829	-	-
Spain	1,656,682	432,588	-	-
China	1,195,553	288,124	-	-
Sweden	893,632	1,159,694	-	-
United Arab Emirates	566,484	11,261	58,450	58,450
Other Countries	2,224,195	4,125,271	-	-
	<b>68,204,647</b>	<b>56,140,349</b>	<b>48,162,267</b>	<b>42,176,442</b>

## 13 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	Un-Audited
		March-2022	March-2021
		Rupees in '000	
Parent Company	Bonus Shares issued	57,414	-
Subsidiaries and indirect subsidiaries	Sale of goods	2,590,907	1,582,646
	Sales through subsidiaries acting as agents	1,740,908	1,046,672
	Commission paid	155,087	94,355
	Rent paid	-	16,115
	Utilities paid	-	3,626
	Share of common expenses	515,623	-
Associated Companies and other related parties	Purchase of goods	47,826	3,086
	Services rendered	611	5,672
	Sale of fixed assets	3,409	2,202
	Gain on disposal of fixed assets	1,303	183
	Rent paid	720	21,797
	Fees paid	20,000	2,250
	Donation paid	-	8,000
	Bills discounted	12,389,687	9,077,268
	Markup and other bank charges	225,053	83,213
	Company's contribution to provident fund	190,172	170,904
	Dividend paid	17,516	-
Relationship with the Company	Nature of outstanding balances	Un-Audited	Un-Audited
		March-2022	June-2021
		Rupees in '000	
Subsidiary companies	Long term investment	3,521,206	3,521,206
	Corporate guarantee issued in favour of subsidiary company	1,070,615	925,285
	Trade and other payables	31,762	8,161
	Accrued rent	-	-
	Trade debts	8,665,886	1,143,008
Associated companies and others related parties	Deposit with banks	9,087,491	52,393
	Borrowings from Banks	3,953,717	975,464
	Bank guarantee	1,102,162	1,102,162
	Trade and other payables	56,658	29,385
	Trade debts	-	779,381
	Loans, Advances And Receivables	-	3,681
	Accrued mark-up	74,401	752
	Loans to key management personnel & executive	196,103	137,249
	Payable to employee's provident fund	27,477	31,942

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, 2022 amounting to Rs. 1,035.7 million (2021: Rs.1,157 million) on account of remuneration.

#### **14 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.

#### **15 CORRESPONDING FIGURES**

- 15.1** The corresponding figures as at June 30, 2021 as presented in the condensed interim un consolidated statement of financial position are the revised figures after incorporating the effect of scheme of arrangement in the figures reported in the annual audited financial statements for the year ended June 30, 2021.

#### **16 DATE OF AUTHORISATION**

These financial statements were authorised for issue on April 29, 2022 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.

**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, 2022

**Gul Ahmed Textile Mills Limited**  
**Condensed Interim Consolidated**  
**Statement of Financial Position**  
**As at March 31, 2022**

		Un-Audited	Re-stated
		March	Audited
	Note	2022	June
		Rupees in '000	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital			
750,000,000 ordinary shares of Rs.10 each		7,500,000	7,500,000
Issued, subscribed and paid-up capital		6,167,162	5,311,573
616,716,230 ordinary shares of Rs. 10 each			
Reserves		28,295,323	23,035,977
Equity attributable to the owners of the Holding Company		34,462,485	28,347,550
Non-controlling interest		-	-
Total equity		34,462,485	28,347,550
<b>NON-CURRENT LIABILITIES</b>			
Long term financing - Secured	4	20,373,482	18,571,409
Loan from director		-	410
Lease liability against right of use assets	5	3,212,512	3,279,224
Provision for Gas Infrastructure Development Cess		954,206	1,325,299
Deferred liabilities			
Deferred taxation		80,610	(43,633)
Deferred government grant		183,222	142,003
Staff gratuity		196,340	157,347
		460,172	255,717
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	17,808,282	21,612,074
Accrued mark-up/profit		569,549	341,473
Short term borrowings		34,534,670	29,162,163
Current maturity of long term financing	4	2,935,194	2,500,941
Current maturity of lease liability against right-of-use asset	5	639,079	568,220
Current maturity of deferred income - government grant		69,302	108,416
Unclaimed dividend		297,582	297,702
Unpaid dividend		6,969	23,505
Provision for taxation		-	-
		56,860,627	54,614,494
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7		
		116,323,484	106,394,103
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	48,451,178	42,490,276
Right of use Assets	9	3,153,520	3,302,289
Intangible assets	10	186,587	210,497
Long Term investment	11	73,683	73,526
Long term loans and advances		63,343	83,057
Long term deposits		494,965	296,145
Deferred taxation		-	-
		52,423,276	46,455,790
<b>CURRENT ASSETS</b>			
Stores and spares		1,213,332	991,844
Stock-in-trade		39,336,738	31,567,468
Trade debts		15,124,983	18,653,526
Loans, advances and other receivables		1,880,990	3,726,994
Short term prepayments		164,576	167,726
Receivable from Government		3,733,721	4,087,419
Taxation - net		542,250	(236,593)
Cash and bank balances	12	1,903,618	979,929
		63,900,208	59,938,313
		116,323,484	106,394,103

The annexed notes from 1 to 19 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, 2022**

Note	Un-Audited			
	Nine Months Ended		Quarter Ended	
	July to March 2022	July to March 2021	January to March 2022	January to March 2021
	-----Rupees in '000-----			
Sales - net	82,953,848	65,047,288	26,189,312	22,413,214
Cost of sales	<b>63,852,234</b>	52,378,913	<b>19,067,793</b>	17,593,202
Gross profit	19,101,614	12,668,375	<b>7,121,519</b>	4,820,012
Distribution cost	<b>5,767,352</b>	4,360,355	<b>2,251,581</b>	1,572,622
Administrative cost	<b>3,272,256</b>	2,266,884	<b>1,295,785</b>	802,378
Other operating cost	<b>725,357</b>	481,056	<b>121,429</b>	95,681
	<b>9,764,965</b>	7,108,295	<b>3,668,795</b>	2,470,681
	<b>9,336,649</b>	5,560,080	<b>3,452,724</b>	2,349,331
Other income	<b>294,037</b>	576,450	<b>73,288</b>	100,835
Operating profit	<b>9,630,685</b>	6,136,530	<b>3,526,012</b>	2,450,166
Finance cost	<b>1,949,926</b>	1,520,684	<b>565,436</b>	360,988
Profit before taxation	<b>7,680,759</b>	4,615,846	<b>2,960,576</b>	2,089,178
Taxation				
- Current	<b>1,305,961</b>	843,720	<b>387,447</b>	361,968
- Deferred	<b>200,000</b>	175,000	<b>129,172</b>	16,071
	<b>1,505,961</b>	1,018,720	<b>516,619</b>	378,039
Profit after taxation	<b>6,174,798</b>	3,597,126	<b>2,443,957</b>	1,711,139
<b>Attributable to:</b>				
Equity holders of Parent Company	<b>6,174,798</b>	<b>3,597,126</b>	<b>2,443,957</b>	1,711,139
Non-controlling interest holders	-	-	-	-
	<b>6,174,798</b>	<b>3,597,126</b>	<b>2,443,957</b>	<b>1,711,139</b>
Earning per share - basic and diluted (Rs.)	<b>10.01</b>	5.83	<b>3.96</b>	2.77

The annexed notes from 1 to 19 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, 2022**

For the Nine Months Ended March 31, 2022									
	Share capital	Capital reserve		Revenue reserve			Total equity attributable to the owners of Holding Company	Non-Controlling Interest	Total
		Share Premium	Reserve on merger	General Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary			
-----Rupees '000-----									
Balance as at June 30, 2020 (Audited)	4,277,946	692,424	-	362,728	19,827	9,091,217	10,166,196	1,883,317	16,327,459
Share capital issued on reconstruction scheme	1,033,627.00						-		1,033,627
Reserve on merger			10,469,088.00				10,469,088		10,469,088
Elimination on merger	-	-		-	-	-	-	(1,883,317)	(1,883,317)
Transaction with owners									
Final dividend for the nine months ended March 30, 2021	-	-		-	-	-	(427,795)	(427,795)	(427,795)
Issuance of bonus shares							-	-	-
Total comprehensive income									
Profit after taxation for nine months ended March 31, 2021				-	-	-	3,592,203	3,592,203	3,592,203
Other comprehensive income	-	-		-	(181,494)	-	(181,494)		(181,494)
	-	-		-	(181,494)	-	3,592,203	3,410,709	3,410,709
Balance as at March 31, 2021 (Un-Audited)	5,311,573	692,424	10,469,088	-	181,234	19,827	12,255,625	23,618,198	28,929,771
Total comprehensive income for the three months ended June 30, 2021									
Profit after taxation							1,684,721	1,684,721	1,684,721
Other comprehensive income					45,408		17,615	63,023	63,023
					45,408		1,702,336	1,747,744	1,747,744
Balance as at June 30, 2021	5,311,573	692,424	10,469,088	-	226,642	19,827	13,957,961	25,365,942	30,677,515
Transactions with owners									
20% Bonus shares issued	855,589	(692,424)					(163,165)	(855,589)	-
	-	-		-	-	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2022 (un-audited)									
Elimination on merger			(2,329,965)				(2,329,965)		(2,329,965)
							-		-
Profit after taxation	-	-		-	-	-	6,174,798	6,174,798	6,174,798
Other comprehensive Income	-	-		-	(59,863)	-	-	(59,863)	(59,863)
	-	-		-	(59,863)	-	6,174,798	6,114,935	6,114,935
Balance as at March 31, 2022 (un-audited)	6,167,162	-	8,139,123	-	166,779	19,827	19,969,594	28,295,323	34,462,484

The annexed notes from 1 to 19 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 Comprehensive Income**  
**For the Nine Months Ended March 31, 2022**

	Un-Audited			
	Nine Months Ended		Quarter Ended	
	July to March 2022	July to March 2021	January to March 2022	January to March 2021
	-----Rupees in '000-----			
<b>Profit after taxation</b>	<b>6,174,798</b>	<b>3,597,126</b>	<b>2,443,957</b>	<b>1,711,139</b>
<b>Other comprehensive income for the period</b>				
Items that will be reclassified to profit and loss account subsequently	-	-		
Exchange difference on translation of foreign subsidiaries	(59,863)	(181,494)	(120,673)	(45,071)
<b>Total comprehensive income</b>	<b>6,114,935</b>	<b>3,415,632</b>	<b>2,323,284</b>	<b>1,666,068</b>
<b>Attributable to:</b>				
Equity holders of Parent Company	6,114,935	3,415,632	2,323,284	1,666,068
Non-controlling interest holders	-	-	-	-
	<b>6,114,935</b>	<b>3,415,632</b>	<b>2,323,284</b>	<b>1,666,068</b>

The annexed notes from 1 to 19 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 Nine Months Ended March 31, 2022**

	Un-Audited	
	Nine Months Ended	
	July to March 2022	July to March 2021
Note	-----Rupees in '000-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,680,759	4,615,846
Adjustments for:		
Depreciation on property, plant and equipment	2,468,301	1,995,283
Depreciation on right-of-use assets	742,884	507,714
Amortisation	21,881	26,872
Provision for gratuity	84,194	51,793
Finance cost	1,949,926	1,242,108
Interest on lease liability against right-of-use asset	113,638	278,576
Provision for slow moving/obsolete stores spares and loose tools	30,166	18,874
Liabilities no longer payable written back	-	-
Expected credit losses against doubtful trade debts	46,271	71,452
Government grant	40,302	-
Gain on disposal of property, plant and equipment	-	(90,246)
Derecognition / Adjustment	-	-
Loss on disposal of property, plant and equipment	193,096	173,649
Property, plant and equipment scrapped / written off	-	-
	<b>5,690,659</b>	<b>4,276,075</b>
Cash flows from operating activities before adjustments of working capital	13,371,418	8,891,921
Changes in working capital:		
Increase/(decrease) in current assets		
Stores and spares	(251,654)	(329,728)
Stock-in-trade	(7,769,270)	(983,822)
Trade debts	3,482,272	(5,794,325)
Loans, advances and other receivables	1,846,004	(1,419,743)
Short term prepayments	3,150	48,240
Refunds due from Government	353,698	32,336
	<b>(2,335,800)</b>	<b>(8,447,042)</b>
Increase in current liabilities		
Trade and other payables	(4,215,187)	2,323,382
	<b>(6,550,987)</b>	<b>(6,123,660)</b>
Cash generated from operations before adjustment of following	<b>6,820,431</b>	<b>2,768,261</b>
Adjustment for:		
Gratuity paid	(45,201)	(45,882)
Finance cost paid	(1,721,850)	(1,299,871)
Income tax paid or deducted	(2,210,576)	(613,063)
(Increase)/Decrease in long term loans and advances	19,304	(5,648)
Decrease/(Increase) in long term deposits	(198,819)	77,226
	<b>(4,157,143)</b>	<b>-1,887,238</b>
Net Cash generated from Operating activities	<b>2,663,289</b>	<b>881,023</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(8,773,833)	(7,437,128)
Addition to intangible assets	2,029	(17,703)
Proceeds from sale of property, plant and equipment	151,534	202,056
Merger effects	-	-
Long term investments made during the period	(157)	-
Net cash used in investing activities	<b>(8,620,427)</b>	<b>(7,252,775)</b>
<b>Balance carried forward</b>	<b>(5,957,138)</b>	<b>(6,371,752)</b>

**Gul Ahmed Textile Mills Limited**  
**Condensed Interim Consolidated**  
**Statement of Cash Flows**  
**For the Nine Months Ended March 31, 2022**

	Un-Audited	
	Nine Months Ended	
	July to March 2022	July to March 2021
	-----Rupees in '000-----	
<b>Note</b>		
<b>Balance brought forward</b>	<b>(5,957,138)</b>	<b>(6,371,752)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing obtained	<b>2,238,431</b>	6,536,916
Payments against lease liability against right of use asset	<b>(703,606)</b>	(613,609)
Dividend paid	<b>(16,656)</b>	(279)
Net cash generated from/(used in) financing activities	<b>1,518,169</b>	5,923,028
Exchange difference on translation of foreign subsidiaries	<b>(9,849)</b>	(181,494)
<b>Net decrease in cash and cash equivalents</b>	<b>(4,448,818)</b>	(630,218)
Cash and cash equivalents - at the beginning of the period	<b>(28,182,234)</b>	(25,222,229)
<b>Cash and cash equivalents - at the end of the period</b>	<b>12 (32,631,052)</b>	<b>(25,852,447)</b>

The annexed notes from 1 to 19 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, 2022**

**1 LEGAL STATUS AND ITS OPERATIONS**

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

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

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

The Holding Company's registered office is situated at Plot No. 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	December 19, 2012	U.S.A	100%
Sky Home- Indirect Subsidiary	February 28, 2017	U.S.A	100%
Vantona Home Limited-Indirect Subsidiary	April 22, 2013	U.K	100%
JCCO 406 Limited-Indirect Subsidiary	September 29, 2017	U.K	100%
Ideas (Pvt) limited	December 27, 2004 (Became subsidiary on Jan 01, 2021)	Pakistan	100%

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

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

<u>Area</u>	<u>Address</u>
25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi, Karachi
14.9 Acres	Survey No. 82, Deh Landhi, Karachi
18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
4.17 acres	Plot No. H-19 Landhi Industrial Area, Landhi Karachi
4,023.16 Sq. yards	Plot No. H-19/1, Landhi Industrial Area, Landhi , Karachi
6.83 acres	Plot 368, 369 & 446, Deh Landhi, Karachi
12 acres	Plot- HT 3/A, Landhi, Karachi
51.1 Acre	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi

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

**Address**  
 Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.  
 Plot# HT/8,KDA Scheme 3, Landhi Industrial area, Karachi.  
 Plot W/2/1-14,Western industrial zone, Port Qasim, Karachi  
 295 5th ave, suit 702, NewYork - NY - 10016  
 Grane Road Mill, Grane Road, Haslingden, BB4 5ES

**1.5** As at December 31, 2021, the Group has 64 retail outlets, 30 fabric stores, 3 fair price shops, 4 whole sale shops and 6 franchises (June-2021:64 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 December 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 December 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, 2022

The comparative statement of Financial Position, presented in these condensed interim consolidated financial statements, as at June 30, 2021 has been extracted from the audited financial statements of the Group for the year ended June 30, 2021 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, 2022.

These condensed interim consolidated financial statements do not include all the information required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should be read in conjunction with the consolidated financial statements for the year ended June 30, 2021.

### 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, 2022

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, 2021; however, these do not have any significant impact on these consolidated 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 an material impact on the consolidated condensed interim financial statements.

### 3 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim consolidated financial statements requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended June 30, 2021.

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, 2021.

### 4 LONG TERM FINANCING - SECURED

Opening balance  
Add: Long term finance obtained during the period / year  
Less: Fair value differential - Government grant  
Add: Unwinding of interest  
Less: Repaid during the period / year

Less: Current portion shown under current liabilities

Un-Audited	Audited
March	June
2022	2021
-----Rupees in '000-----	
21,072,350	13,865,713
4,082,780	7,673,112
(54,398)	(296,993)
92,594	130,715
(1,884,650)	(300,197)
23,308,676	21,072,350
(2,935,194)	(2,500,941)
20,373,482	18,571,409

### 5 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Present value of lease payments as at July 01, 2021  
Less: Prepayments as at July 01, 2021

Additions  
Accretion of interest  
Derecognition / Adjustment  
Payments

As at March 31, 2022

Less: Current portion shown under current liabilities

Un-Audited	Audited
March	June
2022	2021
-----Rupees in '000-----	
3,847,443	2,610,061
-	-
3,847,443	2,610,061
593,338	1,709,294
113,638	350,438
-	(8,392)
(702,828)	(813,958)
3,851,591	3,847,443
639,079	568,220
3,212,512	3,279,223

#### 5.1 Lease liabilities are payable as follows

Less than one year  
Between one and 5 years  
More than five years

Minimum Lease payments	Interest	Present value of minimum lease payments
-----Rs. 000s-----		
1,023,007	345,669	677,338
2,857,940	785,784	2,072,156
1,353,128	256,789	1,096,339
5,234,075	1,388,242	3,845,833

## 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, 2021 except that the Government has filled 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, 2021 remained unchanged during the current period except increase in amount for provisions required.

### Guarantees

- (a) Guarantees of Rs. 1,784 million (June-2021: Rs. 1,526 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-2021: Rs. 1,102 million).
- (b) Post dated cheques of Rs. 4,193 million (June-2021: Rs. 3,725 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. 5,691 million (June-2021: Rs.4,885 million), including bills discounted from Associated company amounting to Rs. 1,765 million (June-2021:Rs. 5,945 million).
- (d) Corporate guarantee of Rs. 172.6 million (June-2021: Rs. 149.1 million) Rs.733.3 million (June-2021: 633.6 million) and Rs. 164.8 million (June-2021: 142.4 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, 2022 of Rs. 3,123 million (June-2021: Rs. 5,312.5 million).

## 8 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets  
Capital work in progress (CWIP)

Note	Un-Audited March 2022	Audited June 2021
	Rupees in '000	

8.1 & 8.2	39,425,786	36,324,058
8.4	9,025,392	6,166,218
	<u>48,451,178</u>	<u>42,490,276</u>

Note	Un-Audited Nine Months Ended March 2022	Nine Months Ended March 2021
	Rupees in '000	

### 8.1 Additions during the period

Land	-	-
Buildings and structures on leasehold land	1,828,551	1,193,574
Plant and machinery	3,504,406	2,388,297
Furniture and fixtures	82,561	19,738
Office equipment	382,153	86,410
Vehicles	102,928	20,792
	<u>5,900,599</u>	<u>3,708,811</u>

- 8.1.1 Additions to building and structure on leasehold land, plant and machinery, furniture and fixtures and office equipments include transfers from capital work-in-progress amounting to Rs.844 million and Rs. 2,364 million (March-2021: Rs. 1,118 million, Rs. 1,400 million, Rs. 16 million and Rs.33.1 million) respectively.

Un-Audited	
March 2022	March 2021
	Rupees in '000

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

Plant and machinery	315,719	276,320
Vehicles	14,546	9,140
	<u>330,265</u>	<u>285,460</u>

	Note	Un-Audited	
		Nine Months Ended March 2022	Nine Months Ended March 2021
		Rupees in '000	
<b>8.3 Depreciation charge during the period</b>		<b>2,468,301</b>	1,995,283
<b>8.4 Additions - capital work in progress (at cost)</b>			
Machinery		1,020,515	5,454,544
Building		1,431,916	838,712
Others		-	-
		<b>2,452,431</b>	6,293,256
		<b>Un-Audited</b>	<b>Audited</b>
		<b>March</b>	<b>June</b>
		<b>2022</b>	<b>2021</b>
		Rupees in '000	
<b>9 RIGHT OF USE ASSETS</b>			
Recognition as at July 01,2021		3,302,289	2,323,849
Additions		594,115	1,709,294
Derecognition / Adjustment		-	(32,024)
Depreciation expense		(742,884)	(698,257)
Foreign currency retranslation difference		-	(573)
Net book value as at March 31, 2022		<b>3,153,520</b>	3,302,289
<b>Gross carrying amount as at March 31, 2022</b>			
Cost		4,274,783	4,651,388
Accumulated Depreciation		(1,121,235)	(1,349,071)
Foreign currency retranslation difference		(28)	(28)
		<b>3,153,520</b>	3,302,289
<b>10 INTANGIBLE ASSETS</b>			
Intangible - net book value	10.1 & 10.2	186,587	210,497
		<b>186,587</b>	210,497
		<b>Un-Audited</b>	<b>Audited</b>
		<b>Nine Months Ended</b>	<b>Nine Months Ended</b>
		<b>March</b>	<b>March</b>
		<b>2022</b>	<b>2021</b>
		Rupees in '000	
<b>10.1 Additions - intangibles (at cost)</b>			
Computer Software		4,501	17,703
<b>10.2 Amortisation charge during the period</b>		<b>21,881</b>	26,872
<b>11 LONG TERM INVESTMENT</b>			
		<b>Un-Audited</b>	<b>Audited</b>
		<b>March</b>	<b>June</b>
		<b>2022</b>	<b>2021</b>
		Rupees in '000	
Investment in Ideas (Pvt) Limited		-	-
Investment in mutual funds		3,683	3,526
Investment in Term Finance Certificate		70,000	70,000
		<b>73,683</b>	73,526
		<b>Un-Audited</b>	<b>Audited</b>
		<b>March</b>	<b>March</b>
		<b>2022</b>	<b>2021</b>
		Rupees in '000	
<b>12 CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents comprises of:			
Cash and bank balances		1,903,618	966,352
Short term borrowings		(34,534,670)	(26,818,799)
		<b>(32,631,052)</b>	(25,852,447)
<b>13 TAXATION</b>			
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.			

#### 14 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 creige 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.

##### 14.1 Segment profitability

	Spinning		Weaving		Processing, Home Textile and Apparel		Ideas (Private) Limited		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		JCCO 406 Ltd.		Vantona Home Ltd.		GTM USA Corp.		SKY Home Corporation		Elimination Of Inter Segment Transactions		Total	
	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021
	Rupees '000																							
Sales	33,646,150	17,900,490	3,979,732	3,147,564	39,691,175	43,752,655	16,301,226	4,372,778	398,042	336,431	2,621,712	1,633,741	-	-	230,555	190,698	-	-	979,185	899,427	(14,893,929)	(7,186,496)	82,953,848	65,047,288
Cost of sales	24,476,417	14,682,442	3,267,165	2,527,031	37,279,629	37,194,344	10,041,400	2,328,123	343,587	313,518	2,384,650	1,514,996	-	-	167,309	147,941	-	-	746,827	857,013	(14,854,750)	(7,186,496)	63,852,235	52,378,912
Gross profit	9,169,733	3,218,048	712,566	620,533	2,411,546	6,558,311	6,259,826	2,044,655	54,455	22,913	237,062	118,745	-	-	63,246	42,757	-	-	232,358	42,414	(39,179)	-	19,101,613	12,668,376
Distribution costs and administrative costs	294,631	181,877	97,987	87,925	2,660,149	4,667,783	5,579,320	1,501,423	29,677	49,949	159,381	97,227	-	-	50,786	39,969	1,183	1,933	175,734	119,781	(9,240)	(120,628)	9,039,608	6,627,239
Profit/(loss) before tax and before charging the following	8,875,102	3,036,171	614,579	532,608	(248,603)	1,890,529	680,506	543,232	24,778	(27,036)	77,681	21,518	-	-	12,460	2,788	(1,183)	(1,933)	56,624	(77,367)	(29,939)	120,628	10,062,005	6,041,137
Other operating costs																							725,357	481,056
Other income																							(294,037)	(576,450)
Finance costs																							1,949,926	1,520,684
Profit before taxation																							2,381,246	1,425,290
Taxation																							7,680,759	4,615,847
Profit after taxation																							1,505,961	1,018,720
																							6,174,798	3,597,127

	Spinning		Weaving		Processing, Home Textile and Apparel		Ideas (Private) Limited		Gul Ahmed International Limited (FZC)-UAE		GTM (Europe) Limited - UK		JCCO 406 Ltd.		Vantona Home Ltd.		GTM USA Corp.		SKY Home Corporation		Elimination Of Inter Segment Transactions		Total	
	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021	Mar-2022	Mar-2021
	Rupees '000																							
Depreciation and Amortisation	824,366	489,656	359,480	169,819	937,365	1,235,070	1,099,080	288,268	4,232	4,744	2,003	378	-	-	5,426	5,002	-	-	1,114	1,037	-	-	3,233,066	2,193,974
Expense																								

##### 14.2 Segment assets and liabilities

	Spinning		Weaving		Processing, Home Textile and Apparel		Ideas (Private) Limited		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	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	Un-Audited	Audited	
	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	Mar-2022	June - 2021	
	Rupees '000																								
Assets	32,214,052	23,565,307	6,324,307	4,831,057	69,294,512	53,052,187	16,410,323	17,324,120	543,492	477,409	2,669,160	1,067,616	-	76,525	442,370	383,998	3,633	816	748,370	507,132	1,867,283	14,951,269	130,517,502	116,160,911	
Elimination of intragroup balances																							(4,431,599)	(7,233,142)	
																							126,085,903	108,927,769	
Liabilities	14,580,314	10,418,058	4,597,592	4,578,826	20,918,449	12,183,359	11,945,780	13,265,922	30,350	14,197	2,057,146	82,446	-	-	872,063	96,976	10,812	713	1,426,273	351,495	36,735,458	39,288,878	93,174,236	80,280,870	
Elimination of intragroup balances																							(3,880,760)	(2,038,831)	
																							89,293,475	78,242,039	
Segment Capital Expenditure	2,052,694	4,153,188	306,508	1,416,276	4,085,282	3,546,692	536,056	281,167	-	606	-	2,733	-	-	-	-	-	-	-	-	-	1,376,991	619,108	8,357,531	10,019,770

14.3 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.

14.4 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.

##### 14.5 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs.7.167 million (Mar-2021: Rs. 9.906 million).



#### 14.6 Information by geographical area

	Revenue		Non-current assets	
	For the Nine Months Ended (Un-audited)		Un-Audited	Audited
	March - 2022	March - 2021	Mar - 2022	June - 2021
	-----Rupees in '000-----			
Pakistan	46,981,892	30,814,247	52,270,886	46,218,057
Germany	10,042,383	12,929,046	-	-
United States	8,069,270	6,460,582	5,089	4,394
Netherlands	3,398,345	3,090,952	-	-
Italy	3,151,160	2,951,850	-	-
United Kingdom	2,757,650	1,788,588	119,283	91,308
Spain	1,745,674	862,829	-	-
France	1,656,682	432,588	-	-
Sweden	1,195,553	288,124	-	-
China	893,632	1,159,694	-	-
United Arab Emirates	648,753	87,726	28,018	142,031
Other Countries	2,412,855	4,181,062	-	-
Total	82,953,848	65,047,288	52,423,276	46,455,790

#### 15 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.

		Un-Audited	
		Mar - 2022	Mar - 2021
		Rupees in '000	
Relationship with the Group	Nature of transactions		
Associated Companies and other related parties	Purchase of goods	47,826	3,086
	Sale of goods	-	5,266
	Sale of services rendered	611	5,672
	Sale of fixed assets	3,409	2,202
	Gain on disposal of fixed assets	1,303	183
	Rent paid	720	23,747
	Fees paid	20,000	2,250
	Donation paid	-	8,000
	Bills discounted	12,389,687	9,077,268
	Markup and other bank charges	225,053	83,213
	Holding Company's contribution to provident fund	190,172	170,904
	Dividend paid	17,516	-
Relationship with the Group	Nature of outstanding balances	Un-Audited	Audited
		Mar - 2022	Jun - 2021
Rupees in '000			
Associated companies and others related parties	Deposit with banks	9,087,491	52,393
	Borrowings from Banks	3,953,717	975,464
	Bank guarantee	1,102,162	1,102,162
	Trade and other payables	56,658	29,385
	Advance to supplier	-	779,381
	Trade debts	-	3,681
	Accrued mark-up	74,401	752
	Loans to key management personnel & executive	196,103	137,249
	Payable to Holding Company's employee's provident fund	27,477	31,942

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, 2022 amounting to Rs. 715.9 million (2021: Rs.1,157 million) on account of remuneration.

## 16 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 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 Holding Company does not expect that unobservable inputs may have significant effect on fair values.

## 17 CORRESPONDING FIGURES

The corresponding figures as at June 30, 2021 as presented in the condensed interim consolidated statement of financial position are the revised figures after incorporating the effect of scheme of arrangement in the figures reported in the annual audited financial statements for the year ended June 30, 2021.

## 18 DATE OF AUTHORISATION

These financial statements were authorised for issue on April 29, 2022 by the Board of Directors of the Group.

## 19 GENERAL

- 19.1 Allocations for the workers' profit participation fund, workers' welfare fund and taxation are provisional and final liability including liability for deferred taxation will be determined on the basis of annual results.
- 19.2 Figures have been rounded off to the nearest thousand rupees.

**MOHOMED BASHIR**  
Chairman

**MOHAMMED ZAKI BASHIR**  
Chief Executive Officer

**ABDUL ALEEM**  
Chief Financial Officer