



Condensed Interim Financial Information
For the First Quarter Ended September 30, 2023

Company Information

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

Directors' Report to Shareholders

The Directors of your Company are delighted to present their comprehensive assessment of the Company's performance for the quarter ending September 30, 2023.

Global Economic Landscape

The global economy displayed remarkable resilience during the period under review, although the growth outlook remained modest. The implementation of tighter monetary policies has begun to impact economies. Headline inflation has steadily decreased in many countries, mainly due to the decline in food and energy prices in the first half of 2023. However, core inflation, which excludes the most volatile components (energy and food), has not seen a significant reduction and remains above central banks' targets. One of the key concerns is the possibility of inflation persisting longer than anticipated, necessitating further interest rate adjustments or prolonged higher rates. Most economies concentrated on achieving sustained disinflation while ensuring financial stability, with central banks staying focused on restoring price stability and strengthening financial supervision and risk monitoring.

Pakistan's Economic Landscape

The first quarter of 2023-24 began on a positive note with the approval of the \$3 billion Stand-By Arrangement (SBA) from the IMF (International Monetary Fund) and simultaneous deposits of \$3 billion from the Middle East. As a result, foreign exchange reserves held by State Bank of Pakistan increased to \$8.7 billion by mid-July, eliminating any short-term external payment concerns. However, in securing the bailout, the government was compelled to increase rate of electricity and fuel, which likely contributed to sluggish economic activity, along with a shortage of dollars due to stringent foreign exchange controls.

During the first quarter of the fiscal year 2023-24 (July-Sept), Pakistan's trade deficit narrowed by 42.25%, standing at \$5.289 billion compared to \$9.159 billion during the same period in the previous fiscal year. However, Exports decreased by 3.78% to \$6.899 billion, while imports declined by 25.36% to \$12.188 billion in the current fiscal year's first quarter. Home remittances for 3 Months FY24 recorded \$6.33 billion, reflecting a significant 20% year-on-year decline of \$1.56 billion compared to the same period in 3MFY23. Inflation has proven to be challenging to curb, besides, weakening PKR and increase in fuel costs which resulted in a reduction in the real income of Pakistan's populace. On a positive note, the cotton production, estimated to exceed 12 million bales compared to last year's 5.6 million bales which will, in coming months, reduce the foreign exchange requirement for import and will support the Textile industry.

Pakistan's Textile Sector

Global economic uncertainty, rising production costs involving raw materials and labor, have eroded the global competitiveness of Pakistan's textile industry. Additionally, frequent energy shortages and power outages in the country have hindered the textile industry's ability to maintain consistent production schedules, affecting delivery timelines and eroding customer trust. Compounding these challenges is fierce competition from regional players like Bangladesh, India and Vietnam, who are aggressively expanding their textile sectors, offering competitive pricing and high-quality products. This presents a formidable challenge to Pakistan's market share. Total textile exports during the quarter under review are \$4.12 billion whereas same were \$4.59 billion during the same period last year meaning textile sector continued to maintain a downward trajectory, with year for a year-on-year decline of 10%.

Operational and Financial Performance

As in the effort to secure an IMF bailout, the government was compelled to increase charges for electricity and fuel. This action had the consequence of dampening economic activity, compounded by a scarcity of U.S. dollars due to strict foreign exchange controls. Moreover, our management had to grapple with a set of significant challenges, including increased borrowing costs, elevated material prices, rising fuel & energy prices, higher inflation, adjustments in minimum wages, pressure on yarn prices, fluctuations in the Pakistani Rupee's value compared to the U.S. dollar & other currencies, disruptions in gas supplies etc.

Despite the ongoing decline in textile exports from Pakistan throughout during the period, our company's exports remained on par with the previous year's performance, while domestic sales experienced an increase. This sales level allowed us to optimize our available production capacity. Here are the key performance figures and their comparisons:

	Units	Quarter ended September 30, 2023	Restated Quarter ended September 30, 2022
Export sales including indirect export	Rs. in millions	33,339	24,941
Local sales excluding indirect export	Rs. in millions	2,303	2,556
Total sales	Rs. in millions	35,642	27,497
Gross profit	Rs. in millions	3,989	3,641
Profit before tax	Rs. in millions	1,118	1,698
Profit after tax	Rs. in millions	597	1,372
Earnings per share (EPS)	Rupees	0.81	1.85
Gross Profit Margin	%	11.19	13.24
Profit before tax Margin	%	3.17	6.17
Profit after tax Margin	%	1.67	4.99

Though we managed to achieve higher sales through a strategic approach, our gross profit and overall earnings decreased primarily due to several factors. These included over and above the factors mentioned above, pressure on prices due to reduced demand, the need to use fuel oils caused by reduced and unstable gas supplies, increased human resource expenses, and elevated inflation.

Though the gross profit earned during the period, is higher than the same period last year (SPLY) the two factors which very adversely affected both the gross profit rate as well as net profit includes utilities prices and finance cost. The limited availability and rationing of natural gas have forced our management to turn to more expensive fuel sources, significantly increasing our overall energy costs. In the current period, reduced gas supply and pressure led to the use of costly diesel, furnace oil, and grid electricity, resulting in Fuel & Power costs rising from Rs. 1.48 billion to Rs. 2.34 billion, impacting our profitability. Similarly Finance costs also surged by 128%, mainly due to higher borrowing rates. While borrowing average utilization remaining substantially the same The Export Refinance Facility rate increased from average of 4% to 19%, and KIBOR-based financing rates rose from 15% to 22%, increasing finance costs alone by Rs. 0.90 billion. The Company would have earned higher gross and net profit before tax but for these two factors.

Despite the lower operating profit in the period under review, our effective working capital management resulted in increased fund inflows. Consequently, the Company did not need to resort to any additional bank borrowings for capital expenditures, while still fulfilling all our financial obligations.

Future Outlook

As monetary policies become more prominent and China's recovery lags expectations, global growth is projected to be lower than original forecast. The increasing borrowing costs and persistent inflation, impacting disposable income, may persist longer than expected, with potential disruptions in energy and food markets. The world economy is anticipated to grow by 3.0% in 2023 before slowing to 2.7% in 2024, with a significant portion of global growth coming from Asia, despite China's weaker-than-expected recovery. The IMF maintained its 2023 forecast but expressed concerns about high inflation.

Challenges to Pakistan's economy include the need to bolster foreign exchange reserves, address issues in the gas sector, control rising government expenditure, and focus on trade policy reforms to enhance competitiveness. The World Bank has raised concerns about Pakistan's economy, pointing to high inflation, a widening current account deficit, a weaker currency, high public debt, and political uncertainty as significant risks. While in mid-September, the Asian Development Bank (ADB) revised Pakistan's GDP growth forecast for fiscal year 2024 to 1.9%, with inflation forecast at 25%, higher than the earlier projection of 15%, citing exceptionally high downside risks.

Remarkably, domestic cotton crop improvements have led to falling raw cotton prices in the local market, benefiting local producers and the export value chain. However, high-interest rates are impacting private investment. Further in compliance with the terms of the IMF's Stand-by Facility, the government is obligated to raise gas prices by 100%, which poses additional challenges for the industry, especially the textile segment, in remaining competitive. This, coupled with volatile exchange rates and elevated interest rates, has significantly increased the cost of doing business compared to the same period last year. This could potentially lead to a severe economic slowdown and a reduction in exports.

Despite ongoing challenges and a very significant change in gas prices announced in October which may further reduce the profitability, we are committed to achieving operational and financial results through strategic management.

Acknowledgement

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

For and on behalf of the Board

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

October 30, 2023
Karachi

Gul Ahmed Textile Mills Limited
Unconsolidated Condensed Interim Statement of Financial Position
As at 30 September 2023

		(Unaudited)	(Audited)
		30 September	30 June
	Note	2023	2023
		(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	50,824,579	50,121,838
Intangible assets	5	32,183	38,251
Long term investment	6	3,591,206	3,591,206
Long term loans		54,776	67,901
Long term deposits		132,668	132,947
Total non-current assets		54,635,412	53,952,143
Current Assets			
Stores and spares		2,018,036	1,762,858
Stock-in-trade		40,628,580	38,450,431
Trade debts		28,185,832	23,421,883
Loans, advances and other receivables		3,157,209	2,070,610
Short term prepayments		185,510	172,505
Receivable from government		3,158,711	3,301,038
Cash and bank balances		308,142	334,471
Total current assets		77,642,020	69,513,796
TOTAL ASSETS		132,277,432	123,465,939
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorised share capital 5,000,000,000 (30 June 2023: 5,000,000,000) ordinary shares of Rs.10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital 740,059,458 ordinary shares of Rs. 10 each (30 June 2023: 740,059,458 ordinary shares of Rs. 10 each)		7,400,594	7,400,594
Reserves	7	33,267,570	32,670,783
		40,668,164	40,071,377
Non-Current Liabilities			
Long term financing - secured	8	19,686,185	20,117,007
Deferred taxation		257,699	257,699
Deferred income - government grant		95,576	102,606
Defined benefit plan - staff gratuity		363,953	329,018
Total non-current liabilities		20,403,413	20,806,330
Current Liabilities			
Trade and other payables		30,246,295	23,062,549
Accrued mark-up / profit		827,480	1,570,154
Short term borrowings		32,045,489	30,205,729
Current maturity of long term financing - secured	8	3,095,248	3,096,186
Current maturity of deferred income - government grant		31,119	32,388
Current maturity of gas infrastructure development cess payable		4,268,419	4,157,746
Unclaimed dividend		9,924	9,931
Unpaid dividend		23,505	23,505
Taxation-net		658,376	430,044
Total current liabilities		71,205,855	62,588,232
Contingencies and commitments	9	-	-
TOTAL EQUITY AND LIABILITIES		132,277,432	123,465,939

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

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the three months ended 30 September 2023

	Note	July to September 2023 (Rupees in '000)	July to September 2022
Sales - net	11	35,641,767	27,497,071
Cost of sales		(31,652,884)	(23,856,468)
Gross profit		<u>3,988,883</u>	<u>3,640,603</u>
Selling and distribution cost		(743,861)	(504,603)
Administrative cost		(949,430)	(757,767)
Other operating cost		(91,562)	(113,400)
		<u>(1,784,853)</u>	<u>(1,375,770)</u>
Operating profit		<u>2,204,030</u>	<u>2,264,833</u>
Other income		504,259	131,781
Finance costs		(1,590,148)	(698,713)
Profit before taxation		<u>1,118,141</u>	<u>1,697,901</u>
Taxation	12	(521,354)	(325,404)
Profit after taxation		<u><u>596,787</u></u>	<u><u>1,372,497</u></u>
		September 2023	September 2022 (Restated)
		(Rupees)	
Earnings per share - basic and diluted		<u><u>0.81</u></u>	<u><u>1.85</u></u>

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

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the three months ended 30 September 2023

	July to September 2023	July to September 2022
	(Rupees in '000)	
Profit after taxation	596,787	1,372,497
Other comprehensive income	-	-
Total comprehensive income for the period	596,787	1,372,497

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

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Unconsolidated Condensed Interim Statement of Changes in Equity
For the three months ended 30 September 2023

	Issued, subscribed and paid-up share capital	Reserves			Total reserves	Total Equity
		Capital reserve - against long-term investments, capacity expansion and BMR	Capital reserve - amalgamation reserve	Unappropriated profit		
(Rupees in '000)						
Balance as at 30 June 2022 (Audited)	6,167,162	-	8,252,059	21,714,078	29,966,137	36,133,299
Total comprehensive income for the three months ended 30 September 2022						
Profit after taxation	-	-	-	1,372,497	1,372,497	1,372,497
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,372,497	1,372,497	1,372,497
Balance as at 30 September 2022 (Unaudited)	<u>6,167,162</u>	<u>-</u>	<u>8,252,059</u>	<u>23,086,575</u>	<u>31,338,634</u>	<u>37,505,796</u>
Total comprehensive income for the nine months ended 30 June 2023 (Un-audited)						
Profit after taxation	-	-	-	2,613,522	2,613,522	2,613,522
Other comprehensive income	-	-	-	(47,941)	(47,941)	(47,941)
Total comprehensive income for the period	-	-	-	2,565,581	2,565,581	2,565,581
Transaction with owners						
Issuance of bonus shares @ 20%	1,233,432	-	-	(1,233,432)	(1,233,432)	-
Balance as at 30 June 2023 (Audited)	<u>7,400,594</u>	<u>-</u>	<u>8,252,059</u>	<u>24,418,724</u>	<u>32,670,783</u>	<u>40,071,377</u>
Reclassification of Reserves (note 7)	<u>-</u>	<u>23,000,000</u>	<u>-</u>	<u>(23,000,000)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the three months ended 30 September 2023						
Profit after taxation	-	-	-	596,787	596,787	596,787
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	596,787	596,787	596,787
Balance as at 30 September 2023 (Unaudited)	<u>7,400,594</u>	<u>23,000,000</u>	<u>8,252,059</u>	<u>2,015,511</u>	<u>33,267,570</u>	<u>40,668,164</u>

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

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Unconsolidated Condensed Interim Statement of Cash Flows (Unaudited)
For the three months ended 30 September 2023

	Note	July to September 2023	July to September 2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,118,141	1,697,901
Adjustments for non-cash items:			
Depreciation of property, plant and equipment	4.1	1,055,556	750,823
Amortisation of intangible assets	5	6,068	6,210
Expense recognised for defined benefit plan		52,445	34,989
Finance costs		1,590,148	698,713
Provision for slow moving / obsolete stores and spares		300	27,676
Government Grant recognised in income		(8,299)	(19,301)
Loss / (gain) on disposal of property, plant and equipment - net		1,922	(752)
Expected credit loss against doubtful trade debts		16,966	16,966
		2,715,106	1,515,324
Changes in working capital:			
Stores and spares		(255,478)	(114,291)
Stock-in-trade		(2,178,149)	(16,949)
Trade debts		(4,780,915)	(1,344,145)
Loans, advances and other receivables		(1,086,599)	(828,446)
Short term prepayments		(13,005)	(35,776)
Receivable from government		142,327	(1,274,024)
Trade and other payables		7,183,746	3,586,892
Net decrease in working capital		(988,073)	(26,739)
Cash generated from operating activities		2,845,174	3,186,486
Payment made to defined benefit plan		(17,510)	(20,970)
Income taxes paid		(293,022)	(335,019)
		(310,532)	(355,989)
Net cash from operating activities		2,534,642	2,830,497
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(1,777,396)	(2,894,250)
Payments for acquisition of intangible assets		-	(12,353)
Proceeds from disposal of property, plant and equipment		17,177	7,132
Long term loans		13,125	15,573
Long term deposits		279	(130,515)
Net cash used in investing activities		(1,746,815)	(3,014,413)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing	8	358,000	1,611,973
Repayment of long term financing	8	(798,059)	(786,905)
Increase / (decrease) in short term borrowings		1,063,627	(1,477,459)
Finance costs paid		(2,213,851)	(739,378)
Dividend paid		(7)	(25)
Net cash used in financing activities		(1,590,290)	(1,391,794)
Net decrease in cash and cash equivalents		(802,463)	(1,575,710)
Cash and cash equivalents at the beginning of the period		(1,411,989)	(344,794)
Cash and cash equivalents at the end of the period	10	(2,214,452)	(1,920,504)

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

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Notes to the Unconsolidated Condensed Interim Financial Statements

For the three months ended 30 September 2023

1 LEGAL STATUS AND ITS OPERATIONS

- 1.1 Gul Ahmed Textile Mills Limited (the Company) was incorporated on 01 April 1953 in Pakistan as a private limited company, subsequently converted into public limited company on 07 January 1955 and is listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of Gul Ahmed Holdings (Private) Limited (the Parent Company) is a composite textile unit engaged in the manufacture and sale of textile products. The registered office is situated at Plot No. H-7, Landhi Industrial Area, Karachi.

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

Details of Subsidiaries	Country of Incorporation	Principal place of business
Direct Subsidiaries		
Gul Ahmed International Limited FZC - UAE	United Arab Emirates	Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.
Ideas (Private) Limited	Pakistan	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Indirect Subsidiaries		
GTM USA Corporation	United States of America	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Sky Home Corporation - USA	United States of America	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Vantona Home Limited	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
JCCO 406 Limited	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM (Europe) Limited	United Kingdom	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.

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

Area	Address
25.07 Acres	Plot No. HT-4, Landhi Industrial Area, Landhi, Karachi
14.9 Acres	Survey No. 82, Deh Landhi, Karachi
18.56 Acres	Plot No. H-7, Landhi Industrial Area, Landhi, Karachi
44.04 Acres	P.U. No. 48, 49, 50, & 51, Deh Khjanto Tapo Landhi, Karachi
4.17 Acres	Plot No. H-19, Landhi Industrial Area, 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 Acres	Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi

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

- 1.3 Geographical locations and addresses of all premises obtained on rental basis are as follows;

Address

Plot ST-17/1 and ST-17/3, Federal 'B' Area, Azizabad, Karachi.
Plot No. H-17 / A, Landhi Industrial area, Karachi.
Plot # HT/2 Landhi Industrial Area, Karachi
Plot # HT/8, KDA Scheme 3, Landhi Industrial area, Karachi.
Plot W2/1-14, Western industrial zone, Port Qasim, Karachi
Plot # H19/2-B Bin Qasim, Landhi Industrial area Karachi
Survey # 613, Deh Jorejee, Bin Qasim town, Karachi
Survey # 614, Deh Jorejee, Bin Qasim town, Karachi
Survey # 615, Deh Jorejee, Bin Qasim town, Karachi

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

2 BASIS OF PREPARATION

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the audited unconsolidated financial statements for the year ended 30 June 2023.

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

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

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on or after July 1, 2023; however, these do not have any significant impact on these unconsolidated condensed interim financial statements.

(b) Standards, Interpretations and Amendments to published approved accounting standards not yet effective

There are certain amendments to published accounting and reporting standards that will be applicable for the financial year beginning on or after July 1, 2024 but are considered not to be relevant or to have any significant effect on these condensed interim unconsolidated financial statements.

3.3 USE OF JUDGEMENTS AND ESTIMATES:

The preparation of these unconsolidated condensed interim financial statements requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets 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 unconsolidated financial statements are the same as those that were applied to annual audited unconsolidated financial statements as at and for the year ended 30 June 2023.

	Note	(Unaudited) 30 September 2023	(Audited) 30 June 2023
(Rupees in '000)			
4			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	47,250,601	47,869,843
Capital work in progress (CWIP)	4.4	3,573,978	2,251,995
		<u>50,824,579</u>	<u>50,121,838</u>
4.1 Operating Fixed Asset			
Opening book value		47,869,843	36,609,500
Transfers during the period / year	4.2	455,413	14,990,273
Disposals during the period / year	4.3	(19,099)	(90,408)
Depreciation charged during the period / year		(1,055,556)	(3,639,522)
Closing book value		<u>47,250,601</u>	<u>47,869,843</u>
4.2 Transfers during the period / year			
Buildings and structures on leasehold land		79,760	3,862,099
Plant and machinery		304,584	10,703,902
Furniture and fixtures		2,370	37,243
Office equipment		67,979	334,042
Vehicles		720	52,987
		<u>455,413</u>	<u>14,990,273</u>
4.3 Disposals during the period / year			
Buildings and structures on leasehold land		-	508
Plant and machinery		19,099	59,926
Furniture and fixtures		-	3,187
Office equipment		-	22,351
Vehicles		-	4,436
		<u>19,099</u>	<u>90,408</u>
4.4 Capital work in progress (CWIP)			
Opening book value		2,251,995	9,232,408
Additions during the period / year	4.5	1,777,396	8,009,860
Transfers during the period / year		(455,413)	(14,990,273)
Closing book value		<u>3,573,978</u>	<u>2,251,995</u>
4.5 Additions during the period / year			
Plant and machinery		1,539,783	6,636,229
Buildings and structures on leasehold land		182,058	1,177,663
Others		55,555	195,968
		<u>1,777,396</u>	<u>8,009,860</u>
5			
INTANGIBLE ASSETS			
Opening book value		38,251	51,720
Additions during the period / year		-	12,838
Amortisation charged during the period / year		(6,068)	(26,307)
Closing book value		<u>32,183</u>	<u>38,251</u>

	(Unaudited) 30 September 2023	(Audited) 30 June 2023
	(Rupees in '000)	
6 LONG TERM INVESTMENTS		
Investment in subsidiary companies at cost		
- Gul Ahmed International Limited	58,450	58,450
- Ideas (Private) Limited	<u>3,462,756</u>	<u>3,462,756</u>
	3,521,206	3,521,206
Investment in Term Finance Certificate - at amortised cost	<u>70,000</u>	<u>70,000</u>
	<u>3,591,206</u>	<u>3,591,206</u>

7 RESERVES

Capital reserves

Amalgamation reserve

Against long-term investments, capacity expansion and BMR 7.1

8,252,059

8,252,059

23,000,000

-

31,252,059

8,252,059

Revenue reserve

Unappropriated profit

2,015,511

24,418,724

33,267,570

32,670,783

- 7.1 The Board of Directors of the Company in its meeting held on September 25, 2023 decided to earmark a sum of Rs. 23 billion as not available for distribution by way of dividend on account of long-term investments, capacity expansions and BMR to more accurately reflect the nature of these reserves. Based on this decision, the reserves against long-term investments, capacity expansions and BMR amounting to Rs. 23 billion have been separately disclosed as capital reserve not available for distribution in these unconsolidated condensed interim financial statements.

	(Unaudited) 30 September 2023	(Audited) 30 June 2023
	(Rupees in '000)	
8 LONG TERM FINANCING - SECURED		
Opening balance	23,213,193	23,852,585
Long term finance obtained during the period / year	358,000	2,395,568
Unwinding of interest	8,299	54,679
Repayments made during the period / year	<u>(798,059)</u>	<u>(3,089,639)</u>
	22,781,433	23,213,193
Current portion long term financing	<u>(3,095,248)</u>	<u>(3,096,186)</u>
	<u>19,686,185</u>	<u>20,117,007</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

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

9.2 Guarantees and others

- (a) Guarantees of Rs. 2,733 million (30 June 2023: Rs. 2,733 million) have been issued by banks on behalf of the Company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 1,104 million (30 June 2023: Rs. 1,104 million).
- (b) Post dated cheques of Rs.24,095 million (30 June 2023: Rs. 25,199 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted Rs.10,636 million (30 June 2023: Rs. 11,730 million), including bills discounted from Habib Metropolitan Bank Limited, an associated company, amounting to Rs.2,888 million (30 June 2023: Rs. 2,337 million).

- (d) Corporate guarantee of Rs.240 million (30 June 2023: Rs. 248 million), Rs. 1,157 million (30 June 2023: 1,149 million) and Rs. 260 million (30 June 2023: Rs. 258 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp-USA respectively.

	Note	(Unaudited) 30 September 2023 (Rupees in '000)	(Audited) 30 June 2023
9.3 Commitments			
Capital expenditure for plant and machineries		326,948	1,234,621
Other than capital expenditure	9.3.1	3,722,987	3,921,495

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

9.3.2 The forward covers outstanding as at 30 September 2023 Rs. 10 million (30 June 2023: Rs. Nil.)

	(Unaudited) 30 September 2023 (Rupees in '000)	(Unaudited) 30 September 2022
10 CASH AND CASH EQUIVALENTS		
Cash and bank balances	308,142	1,024,188
Running finance	(2,522,594)	(2,944,692)
	<u>(2,214,452)</u>	<u>(1,920,504)</u>

	(Unaudited) 30 September 2023 (Rupees in '000)	(Unaudited) 30 September 2022
11 SALES - NET		
Export sales		
Direct	25,419,687	19,489,082
Indirect	9,938,829	8,310,566
	<u>35,358,516</u>	<u>27,799,648</u>
Export rebate	188,626	125,867
Trade and other discount	(261,147)	(274,391)
Commission	(749,612)	(815,020)
Sales tax	(1,197,611)	(1,209,149)
	<u>33,338,772</u>	<u>25,626,955</u>
Local sales	11.1	2,286,437
Brokerage	(100,158)	(83,655)
Sales tax	(329,250)	(332,666)
	<u>2,302,995</u>	<u>1,870,116</u>
	<u><u>35,641,767</u></u>	<u><u>27,497,071</u></u>

11.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 144 million (30 September 2022: Rs. 113 million).

11.2 Information with respect to disaggregation of revenue by internal segment and geographical location is disclosed in note 13 of these unconsolidated condensed interim financial statements.

12 TAXATION

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

13 SEGMENT INFORMATION

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

- a) Spinning: Production of different qualities of yarn using both natural and artificial fibres.
- b) Apparel: Processing of different types of woven and knitted garments.
- c) Home Textile: Production of different types and qualities of products falling under the definition of home textile.
- d) Others: Weaving, Fiber Bleaching, Knitting, Yarn dyeing and Dyed yarn fabric etc.

Transactions among the business segments are recorded at cost.

13.1 Segment Profitability (Unaudited)

	Spinning		Apparel		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	September 2023	September 2022	September 2023	September 2022	September 2023	September 2022	September 2023	September 2022	September 2023	September 2022	September 2023	September 2022
	----- (Rupees in ' 000) -----											
Sales	9,702,396	7,525,303	3,828,082	1,406,862	24,540,856	20,332,665	3,324,796	2,144,232	(5,754,363)	(3,911,991)	35,641,767	27,497,071
Cost of sales	(8,207,310)	(5,392,878)	(3,592,744)	(1,425,813)	(22,265,176)	(18,428,260)	(3,342,017)	(2,521,508)	5,754,363	3,911,991	(31,652,884)	(23,856,468)
Gross profit	1,495,086	2,132,425	235,338	(18,951)	2,275,680	1,904,405	(17,221)	(377,276)	-	-	3,988,883	3,640,603
Distribution cost and Administrative cost	(119,169)	(146,735)	(248,723)	(126,761)	(1,143,771)	(846,981)	(181,628)	(141,893)	-	-	(1,693,291)	(1,262,370)
Profit before tax and before charging following	1,375,917	1,985,690	(13,385)	(145,712)	1,131,909	1,057,424	(198,849)	(519,169)	-	-	2,295,592	2,378,233
Finance Cost											(1,590,148)	(698,713)
Other operating cost											(91,562)	(113,400)
Other income											504,259	131,781
											(1,177,451)	(680,332)
Profit before taxation											1,118,141	1,697,901
Taxation											(521,354)	(325,404)
Profit after taxation											596,787	1,372,497
Depreciation and Amortisation expense	342,562	259,036	47,901	30,477	242,719	190,564	428,441	276,956	-	-	1,061,623	757,033

13.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segments		Unallocated		Total	
	Unaudited Sep-2023	Audited Jun-2023	Unaudited Sep-2023	Audited Jun-2023	Unaudited Sep-2023	Audited Jun-2023	Unaudited Sep-2023	Audited Jun-2023	Unaudited Sep-2023	Audited Jun-2023	Unaudited Sep-2023	Audited Jun-2023
	----- (Rupees in '000) -----											
Assets	37,158,490	36,506,601	6,512,516	5,884,071	48,687,264	41,017,970	14,872,144	13,595,356	25,047,018	26,461,941	132,277,432	123,465,939
Liabilities	16,017,023	13,875,597	3,811,110	3,160,419	25,127,902	18,826,945	8,865,295	8,396,099	37,787,938	39,135,502	91,609,268	83,394,562
Segment capital & Intangible expenditure	183,296	2,289,143	32,256	522,778	397,565	1,507,131	256,745	2,373,769	907,534	1,329,877	1,777,396	8,022,698

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

13.4 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 8,066 million (30 September 2022: Rs. 8,720 million).

13.5 Information by geographical area

	Revenue		Non-current assets	
	Three months ended (Unaudited)		(Unaudited)	(Audited)
	Sep-2023	Sep-2022	Sep-2023	Jun-2023
	----- (Rupees in '000) -----			
Pakistan	11,144,371	9,055,188	54,576,962	53,893,693
Germany	7,593,366	7,412,298	-	-
United States of America	4,121,955	3,493,793	-	-
United Kingdom	2,920,828	899,768	-	-
Italy	1,770,029	1,357,245	-	-
France	1,567,641	1,407,127	-	-
Netherlands	1,120,140	1,737,778	-	-
Spain	1,092,071	249,639	-	-
China	621,366	321,320	-	-
Sweden	504,481	509,147	-	-
United Arab Emirates	174,484	126,314	58,450	58,450
Other Countries	3,933,325	1,974,653	-	-
	36,564,058	28,544,270	54,635,412	53,952,143

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Name of the related party	Relationship and percentage of shareholding	Transactions during the period	(Unaudited)	
			Three Months Ended	
			Sep - 2023	Sep - 2022
			----- (Rupees in '000) -----	
Ideas (Private) Limited	Subsidiary Company	Sale of goods	404,510	422,972
		Sharing of common expense	398,427	238,004
GTM (Europe) Limited - UK	Subsidiary Company	Sale of goods	372,774	311,637
		Sales through subsidiaries acting as agents	1,035,644	1,162,381
Vantona Home Limited	Subsidiary Company	Sales through subsidiaries acting as agents	29,201	66,237
GTM USA Corporation	Subsidiary Company	Sale of goods	118,374	191,608
Sky Home Corporation - USA	Subsidiary Company	Sale of goods	25,739	77,589
		Commission paid	94,879	69,331
Grand Industries (Pvt) Limited	Associated company	Rent expense	877	-
Swisstex Chemicals (Private) Limited	Associate Company	Sale of goods	-	825
		Purchase of goods	57,789	40,048
Win Star (Pvt) Limited	Associated company	Purchase of goods	4,495	-
		Services rendered	-	1,446
Haji Ali Mohammad Foundation	Associated company	Rent paid	240	240
The Pakistan Business Council	Associated company	Fees paid	2,500	2,500
Board of Directors	Associated company	Meeting Fees	1,900	400
Habib Metropolitan Bank	Associated company	Bills discounted	1,375,646	3,257,235
Habib Metropolitan Bank	Associated company	Markup and other bank charges	54,791	50,356
Employee Provident Fund Trust	Employee Retirement Fund	Company's contribution to provident fund	94,780	71,818

Name of the related party	Relationship and percentage of shareholding	Nature of outstanding balances	(Unaudited)	(Audited)
			30 September 2023	30 June 2023
			----- (Rupees in '000) -----	
Ideas (Private) Limited	Subsidiary Company	Trade debts	6,325,576	6,653,253
GTM (Europe) Limited - UK	Subsidiary Company	Trade debts	2,446,313	1,623,438
Vantona Home Limited	Subsidiary Company	Trade debts	34,960	87,722
Sky Home Corporation - USA	Subsidiary Company	Trade debts	8,611	48,720
GTM USA Corporation - USA	Subsidiary Company	Trade debts	524,843	239,714
Gul Ahmed International Limited (FZC) - UAE	Subsidiary Company	Trade debts	10,440	-
Gul Ahmed International Limited (FZC) - UAE	Subsidiary Company	Trade and other payables	-	780
Win Star (Private) Limited	Associated company	Trade and other payables	11,301	9,292
Swisstex Chemicals (Private) Limited	Associated company	Trade and other payables	42,694	88,019
Grand Industries (Private) Limited	Associated company	Trade and other payables	4,389	3,511
TPL Properties Limited	Associated company	Trade and other payables	29,677	29,677
Habib Metropolitan Bank	Associated company	Deposit with banks	165,133	91,359
Habib Metropolitan Bank	Associated company	Short term borrowings	1,424,421	3,505,174
Habib Metropolitan Bank	Associated company	Accrued mark-up	59,594	14,540
Key management Personnel	Associate	Loan provided	119,253	137,705
Employee Provident Fund Trust	Employee Retirement Fund	Payable to employee's provident fund	55,626	46,400

There are no transactions with directors of the Company and key management personnel other than under the terms of employment for the three months ended 30 September 2023 amounting to Rs.694 million (30 September 2022: Rs. 412 million) on account of remuneration.

15 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

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

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

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

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 free-hold land, lease-hold 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.

16 CORRESPONDING FIGURES

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

17 GENERAL

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

18 DATE OF AUTHORISATION

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

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer



Consolidated Accounts
Consolidated Condensed Interim Financial Information
For the First Quarter Ended September 30, 2023

Gul Ahmed Textile Mills Limited
Consolidated Condensed Interim Statement of Financial Position
As at 30 September 2023

		(Unaudited)	(Audited)
	Note	30 September 2023	30 June 2023
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	55,436,588	54,750,180
Right of use assets	5	2,911,009	2,860,182
Intangible assets	6	179,526	197,892
Long term investment	7	70,000	70,000
Long term loans		345,497	67,901
Long term deposits		473,011	491,434
Deferred Taxation - net		536,356	497,001
Total non-current assets		59,951,987	58,934,590
CURRENT ASSETS			
Stores and spares		2,317,204	1,913,060
Stock-in-trade		49,732,217	47,583,004
Trade debts		20,747,830	16,621,547
Loans, advances and other receivables		4,615,701	3,434,354
Short term prepayments		409,529	272,534
Receivable from government		3,256,442	3,681,857
Cash and bank balances		1,258,278	1,200,791
Total current assets		82,337,201	74,707,147
Total Assets		142,289,188	133,641,737
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
5,000,000,000 (30 June 2023: 5,000,000,000) ordinary shares of Rs.10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital			
740,059,458 ordinary shares of Rs. 10 each		7,400,594	7,400,594
(30 June 2023: 740,059,458 ordinary shares of Rs. 10 each)			
Reserves	8	35,585,716	35,164,997
		42,986,310	42,565,591
NON-CURRENT LIABILITIES			
Long term financing	9	19,686,185	20,117,007
Lease Liability against right of use asset	10	3,582,770	2,991,771
Deferred income - government grant		95,576	102,606
Defined benefit plan - staff gratuity		372,427	337,549
Long term deposits		19,710	31,420
Total non-current liabilities		23,756,668	23,580,353
CURRENT LIABILITIES			
Trade and other payables		33,915,349	26,293,998
Accrued mark-up / profit		870,297	1,611,026
Short term borrowings		32,609,097	31,191,367
Current maturity of long term financing	9	3,095,248	3,096,186
Current maturity of lease liability against right of use asset		103,870	609,749
Current maturity of deferred government grant		31,119	32,388
Current maturity of Gas Infrastructure Development Cess payable		4,268,419	4,157,746
Unclaimed dividend		9,924	9,931
Unpaid dividend		23,505	23,505
Taxation-net		619,382	469,897
Total current liabilities		75,546,210	67,495,793
CONTINGENCIES AND COMMITMENTS	11	-	-
Total Equity and Liabilities		142,289,188	133,641,737

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Consolidated Condensed Interim Statement of Profit or Loss (Unaudited)

For the quarter ended 30 September 2023

	Note	July to September 2023	July to September 2022
(Rupees in '000)			
Sales - net	13	42,505,944	31,703,009
Cost of sales		<u>35,804,678</u>	<u>26,095,661</u>
Gross profit		6,701,266	5,607,348
Selling and distribution cost		<u>2,365,693</u>	<u>1,722,388</u>
Administrative cost		<u>1,567,916</u>	<u>1,178,634</u>
Other operating cost		<u>92,830</u>	<u>113,400</u>
		<u>4,026,439</u>	<u>3,014,422</u>
Operating profit		2,674,827	2,592,926
Other income		604,065	218,302
Finance cost		2,166,577	1,071,282
Profit before taxation		<u>1,112,315</u>	<u>1,739,946</u>
Taxation		568,206	392,084
Profit after taxation		<u>544,109</u>	<u>1,347,862</u>
		September 2023	September 2022 (Restated)
		(Rupees)	
Earnings per share - diluted (Rs.)		<u>0.74</u>	<u>1.82</u>

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended 30 September 2023

	July to September 2023	July to September 2022
	(Rupees in '000)	
Profit after taxation	544,109	1,347,862
Other comprehensive income		
Exchange difference on translation of foreign subsidiaries	(123,390)	(11,262)
Total comprehensive income	420,719	1,336,600

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Consolidated Condensed Interim Statement of Cash Flows (Unaudited)
For the quarter ended 30 September 2023

	Note	July to September 2023	July to September 2022
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,112,315	1,739,946
Adjustments for:			
Depreciation on property, plant and equipment	4.1	1,184,606	1,061,070
Depreciation on right-of-use assets	5	168,968	175,024
Amortisation	6	11,046	12,173
Provision for gratuity		52,445	35,057
Finance cost		2,166,577	1,071,282
Provision for slow moving / obsolete stores and spares		300	
Provision for slow moving stock		-	29,155
Provision written off during the year		-	-
Amortisation of government grant		(8,299)	(19,301)
Gain on remeasurement of provision for GIDC		-	-
Expected credit loss against doubtful trade debts		16,946	16,966
		3,567,472	2,380,674
Changes in working capital:			
Stores and spares		(404,444)	(192,544)
Stock-in-trade		(2,149,213)	(1,679,340)
Trade debts		(4,143,229)	(709,101)
Loans, advances and other receivables		(1,181,347)	(576,686)
Short term prepayments		(136,995)	18,268
Receivable from government		425,415	(1,274,024)
Long term loans		(277,596)	15,573
Long term deposits		6,713	8,778
Trade and other payables		7,621,351	3,492,471
Net increase / (decrease) in working capital		(239,345)	(896,605)
Gratuity paid		(17,627)	(21,023)
Tax paid		(458,076)	(359,088)
		(475,703)	(380,111)
Net cash generated from operating activities		3,964,739	2,843,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(1,890,113)	(3,240,562)
Additions in intangible assets		-	(12,353)
Proceeds from sale of property, plant and equipment		17,177	7,132
Long term investments encashed during the year		-	-
Net cash used in investing activities		(1,872,936)	(3,245,783)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		358,000	1,611,973
Long term financing repaid		(798,059)	(786,904)
Payments against lease liability against right-of-use assets		(219,000)	(231,314)
Short term borrowings - net		1,067,640	(1,477,459)
Finance cost paid		(2,676,940)	(1,021,054)
Dividend paid		(7)	(25)
Net cash generated from financing activities		(2,268,366)	(1,904,783)
Exchange difference on translation of foreign subsidiaries		(123,390)	(11,262)
Net (decrease) / increase in cash and cash equivalents		(299,953)	(2,317,924)
Cash and cash equivalents at the beginning of the year		(1,531,307)	148,642
Cash and cash equivalents at the end of the year	12	(1,831,260)	(2,169,282)

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

MOHOMED BASHIR

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Consolidated Condensed Interim Statement of Changes in Equity

For the quarter ended 30 September 2023

	Reserves							Total reserves	Total Equity
	Capital reserve			Revenue reserve					
	Share capital	Against long-term investments, capacity expansion and BMR	Amalgamation Reserve	Exchange difference on translation of foreign subsidiaries	Statutory reserve created by foreign subsidiary	Unappropriated profit			
-----Rupees '000-----									
Balance as at June 30, 2022 (Audited)	6,167,162	-	8,252,059	61,390	20,845	23,534,288	31,868,582	38,035,744	
Total comprehensive income									
Other comprehensive income	-	-	-	(11,262)	-	-	(11,262)	(11,262)	
	-	-	-	(11,262)	-	1,347,862	1,336,600	1,336,600	
Balance as at September 30, 2022 (Unaudited)	6,167,162	-	8,252,059	50,128	20,845	24,882,150	33,205,182	39,372,344	
Total comprehensive income for the nine months ended June 30, 2023									
Profit after taxation	-	-	-	-	-	3,549,623	3,549,623	3,549,623	
Other comprehensive income	-	-	-	(308,435)	-	(47,941)	(356,376)	(356,376)	
	-	-	-	(308,435)	-	3,501,682	3,193,247	3,193,247	
Transaction with owners									
Issuance of bonus shares @ 20%	1,233,432	-	-	-	-	(1,233,432)	(1,233,432)	-	
Balance as at June 30, 2023 (Audited)	7,400,594	-	8,252,059	(258,307)	20,845	27,150,400	35,164,997	42,565,591	
Reclassification of Reserves (note 8)	-	23,000,000	-	-	-	(23,000,000)	-	-	
Total comprehensive income for the quarter ended September 30, 2023 (Unaudited)									
Profit after taxation	-	-	-	-	-	544,109	544,109	544,109	
Other comprehensive Income	-	-	-	(123,390)	-	-	(123,390)	(123,390)	
	-	-	-	(123,390)	-	544,109	420,719	420,719	
Balance as at September 30, 2023 (Unaudited)	7,400,594	23,000,000	8,252,059	(381,697)	20,845	4,694,509	35,585,716	42,986,310	

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

MOHOMED BASHIR
Chairman

MOHAMMED ZAKI BASHIR
Chief Executive Officer

ABDUL ALEEM
Chief Financial Officer

Gul Ahmed Textile Mills Limited
Notes to the Consolidated Condensed Interim Financial Statements
For the quarter ended 30 September 2023

1 LEGAL STATUS AND ITS OPERATIONS

1.1 Gul Ahmed Textile Mills Limited (the Group) comprises the following:

Holding Company

- Gul Ahmed Textile Mills Limited

Subsidiary Companies

- Ideas (Private) Limited
- Gul Ahmed International Limited (FZC) - UAE
- GTM (Europe) Limited
- GTM USA Corp.
- Sky Home Corp.
- JCCO 406 Limited

Gul Ahmed International Limited (FZC) - UAE and Ideas (Private) Limited are wholly owned subsidiaries of Gul Ahmed Textile Mills Limited.

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

Gul Ahmed Textile Mills Limited (the Holding Company) was incorporated on 01 April 1953 in Pakistan as a private limited company, subsequently converted into public limited company on 07 January 1955 and is listed on Pakistan Stock Exchange Limited. The Holding Company is a composite textile unit engaged in the manufacture and sale of textile products. The registered office is situated at Plot No. H-7, Landhi Industrial Area, Karachi.

The Holding Company is a subsidiary of Gul Ahmed Holdings (Private) Limited and comprises of following wholly owned subsidiaries which are engaged in distribution / trading of textile related products while Ideas (Private) Limited also carries out production of finished goods.

Details of subsidiaries	Country of incorporation	Percentage of Holding	Principal place of business
Direct subsidiaries			
Gul Ahmed International Limited (FZC) - UAE	United Arab Emirates	100%	Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates.
Ideas (Private) limited	Pakistan	100%	Plot No. 65/I, Sector-30, Korangi Industrial Area, Karachi, Pakistan.
Indirect subsidiaries			
GTM USA Corp.	United States of America	100%	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Sky Home Corporation	United States of America	100%	106 LangTree Village Dr, Suite 301 Mooresville, NC 28117, United States of America.
Vantona Home limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
JCCO 406 limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.
GTM (Europe) Limited	United Kingdom	100%	Grane Road Mill, Grane Road Haslingden, Rossendale Lancashire BB4 5ET, United Kingdom.

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

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.

1.3 Geographical locations and addresses of all immovable properties owned by the Group are as follows:

Area Address

25.07 Plot No. HT - 4, Landhi Industrial Area, Karachi
14.9 A Survey No. 82, Deh Landhi, Karachi
18.56 Plot No. H - 7, Landhi Industrial Area, Karachi
44.04 P.U. No. 48, 49, 50, & 51, Deh Khjanto Tapo Landhi, Karachi
4.17 A Plot No. H - 19, Landhi Industrial Area, Karachi
4,023 Plot No. H - 19/1, Landhi Industrial Area, Karachi
6.83 A Plot 368, 369 & 446, Deh Landhi, Karachi
12 Ac Plot - HT 3/A, Landhi, Karachi
51.1 A Plot No. H-5 and HT-6, Landhi Industrial Area, Karachi
1.997 Plot No. 65/I, Deh Dig, Sector-30, Korangi Industrial Area (Eastern), Karachi
0.306 24/A, Block C/3, Gulberg-III, Lahore
0.082 Shop Nos. 5 & 6, Bahadurabad, Karachi

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

- 1.4 Geographical locations and addresses of all premises obtained on rental basis are as follows:

Address

Plot ST-17/1 and ST-17/3, Federal 'B' area, Azizabad, Karachi.
Plot No. H-17 / A, Landhi Industrial area, Karachi.
Plot # HT/2 Landhi Industrial area, Karachi
Plot # HT/8, KDA Scheme 3, Landhi Industrial area, Karachi.
Plot W2/1-14, Western industrial zone, Port Qasim, Karachi
Plot # H19/2-B Bin Qasim, Landhi Industrial area Karachi
Survey # 613, Deh Jorejee, Bin Qasim town, Karachi
Survey # 614, Deh Jorejee, Bin Qasim town, Karachi
Survey # 615, Deh Jorejee, Bin Qasim town, Karachi
Plot No. 12, Sector 23, Korangi Industrial area, Karachi

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

2 BASIS OF PREPARATION

The condensed interim consolidated financial information comprise the consolidated statement of Financial Position of Gul Ahmed Textile Mills Limited, its wholly owned subsidiary companies Ideas (Private) Limited, Gul Ahmed International Limited (FZC), GTM (Europe) Limited, GTM USA Corporation, Sky Home Corporation, JCCO 406 Limited are wholly owned subsidiaries of Gul Ahmed International Limited (FZC), Vantona Home Limited which is the wholly owned subsidiary of JCCO 406 Limited as at September 30, 2023 and the related consolidated statement of profit or loss, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof for the period then ended. The financial statements of the subsidiary companies have been consolidated on a line by line basis.

These condensed interim consolidated financial statements 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 September 30, 2023 and the condensed interim un-consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the period ended September 30, 2023.

The comparatives statement of Financial Position, presented in these condensed interim consolidated financial statements, as at September 31, 2023 has been extracted from the audited financial statements of the Group for the year ended June 30, 2023 whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity for the quarter ended September 31, 2022 have been extracted from the condensed interim consolidated financial statements of the Group for the quarter ended September 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, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of the audited consolidated financial statements for the year ended 30 June 2023.

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

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

There are certain amendments and interpretations to approved accounting and reporting standards which are mandatory for the Group's annual accounting period beginning on or after July 1, 2023; however, these are do not have any significant impact on these consolidated condensed interim financial statements.

(b) Standards, Interpretations and Amendments to published approved accounting standards not yet effective

There are certain amendments to published accounting and reporting standards that will be applicable for the financial year beginning on or after July 1, 2024 but are considered not to be relevant or to have any significant effect on these condensed interim consolidated financial statements.

3 USE OF JUDGEMENTS AND ESTIMATES:

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

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, 2023.

		(Unaudited) September 2023	(Audited) June 2023
		(Rupees in '000)	
4	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	4.1 51,742,299	52,340,673
	Capital work in progress (CWIP)	4.4 3,694,289	2,409,507
		55,436,588	54,750,180
4.1	Operating Fixed Asset		
	Opening book value	52,340,674	40,823,078
	Additions / Transfers during the period / year	4.2 607,216	15,751,366
	Disposals during the period / year	4.3 (19,099)	(84,875)
	Depreciation charged during the period / year	(1,184,606)	(4,162,282)
	Foreign currency translation	(1,886)	13,386
	Land	51,742,299	52,340,673
4.2	Additions / Transfers during the period / year		
	Plant and machinery	305,055	10,709,985
	Furniture and fixtures	28,743	96,804
	Office equipment	116,383	521,427
	Vehicles	720	70,376
		607,216	15,751,366
4.3	Disposals - operating fixed assets (at net book value)		
	Leasehold land	-	-
	Plant and machinery	19,099	60,329
	Furniture and fixtures	-	76
	Office equipment	-	20,033
	Vehicles	-	4,437
		19,099	84,875
4.4	Capital work in progress (CWIP)		
	Opening book value	2,409,507	9,427,867
	Additions during the period / year	4.5 1,891,545	8,728,844
	Transfers during the period / year	(606,763)	(15,747,204)
	Closing book value	3,694,289	2,409,507
4.5	Additions - capital work in progress (at cost)		
	Machinery	1,539,783	6,636,229
	Building	182,058	1,581,756
	Others	169,704	510,859
		1,891,545	8,728,844
5	RIGHT OF USE ASSETS		
	Balance as at 01 July	2,860,182	2,957,461
	Assets recognized during the year	252,678	722,285
	Derecognition / Adjustment	(32,921)	(64,667)
	Depreciation expense		
	- Charged to Cost of sales	(6,663)	(29,159)
	- Charged to Distribution cost	(151,215)	(669,673)
	- Charged to Administrative cost	(11,090)	(57,844)
		(168,968)	(756,676)
	Foreign currency retranslation difference	38	1,779
	Net book value	2,911,009	2,860,182
	Gross carrying amount as at 30 June		
	Cost	4,931,147	4,085,553
	Accumulated Depreciation	(2,020,176)	(1,227,150)
	Foreign currency retranslation difference	38	1,779
	Balance as at 30 September	2,911,009	2,860,182

6	INTANGIBLE ASSETS	Note	(Unaudited)	(Audited)
			September 2023	June 2023
			(Rupees in '000)	
	Opening book value		197,892	190,838
	Additions during the period / year		-	17,532
	Write-off		-	(15,405)
	Amortisation charged during the period / year		(11,046)	(42,579)
	Foreign Currency Translation		(7,320)	47,506
	Closing book value		<u>179,526</u>	<u>197,892</u>

7 LONG TERM INVESTMENT

Investment in Term Finance Certificate - at amortised cost	7.1	<u>70,000</u>	<u>70,000</u>
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7.1 This represent Rs. 70 million invested in Term Finance Certificate issued by Habib Bank Limited which carries profit at the rate of KIBOR+1.6% receivable on quarterly basis. This is of perpetual nature.

RESERVES

	(Unaudited)	(Audited)
	September 2023	June 2023
	(Rupees in '000)	
Capital reserves		
Amalgamation reserve	8,252,059	8,252,059
Against long-term investments, capacity expansion and BMR	<u>23,000,000</u>	-
	<u>31,252,059</u>	<u>8,252,059</u>
Revenue reserve		
Exchange difference on translation of foreign subsidiaries	(381,697)	(258,307)
Statutory reserve created by foreign subsidiary	20,845	20,845
Unappropriated profit	<u>4,694,509</u>	<u>27,150,400</u>
	<u>4,333,657</u>	<u>26,912,938</u>
	<u>35,585,716</u>	<u>35,164,997</u>

8.1 The Board of Directors of the Holding Company in its meeting held on September 25, 2023 decided to earmark a sum of Rs. 23 billion as not available for distribution by way of dividend on account of long-term investments, capacity expansions and BMR to more accurately reflect the nature of these reserves. Based on this decision, the reserves against long-term investments, capacity expansions and BMR amounting to Rs. 23 billion have been separately disclosed as capital reserve not available for distribution in these consolidated condensed interim financial statements.

9	LONG TERM FINANCING - SECURED	Note	(Unaudited)	(Audited)
			September 2023	June 2023
			(Rupees in '000)	
	Opening balance		23,213,193	23,852,585
	Long term finance obtained during the period / year		358,000	2,395,568
	Unwinding of interest		8,299	54,679
	Repayments made during the period / year		(798,059)	(3,089,639)
			<u>22,781,433</u>	<u>23,213,193</u>
	Current portion long term financing		(3,095,248)	(3,096,186)
			<u>19,686,185</u>	<u>20,117,007</u>

10 LEASE LIABILITY AGAINST RIGHT OF USE ASSETS

Opening balance	3,601,520	3,652,873
Additions	252,678	722,285
Accretion of Interest	111,357	410,329
Derecognition / Adjustment	(59,960)	(132,785)
Payments	(219,000)	(1,053,011)
Foreign currency retranslation difference	45	1,829
Closing balance	<u>3,686,640</u>	<u>3,601,520</u>
Current portion shown under current liabilities	103,870	609,749
Non-Current portion	<u>3,582,770</u>	<u>2,991,771</u>
	<u>3,686,640</u>	<u>3,601,520</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 The status of contingencies, as reported in the annual unconsolidated financial statements for the year ended 30 June 2023 remained unchanged during the current period except increase in amount of provisions required.

11.2 Guarantees and others

- (a) Guarantees of Rs. 2,733 million (30 June 2023: Rs. 2,733 million) have been issued by banks on behalf of the Company which are secured by pari passu hypothecation charge over stores and spares, stock-in-trade, trade debts and other receivables. These guarantees includes guarantees issued by related party amounting to Rs. 1,104 million (30 June 2023: Rs. 1,104 million).
- (b) Post dated cheques of Rs.24,095 million (30 June 2023: Rs. 25,199 million) are issued to Custom Authorities in respect of duties on imported items availed on the basis of consumption and export plans.
- (c) Bills discounted Rs.10,636 million (30 June 2023: Rs. 11,730 million), including bills discounted from Habib Metropolitan Bank Limited, an associated company, amounting to Rs.2,888 million (30 June 2023: Rs. 2,337 million).
- (d) Corporate guarantee of Rs.240 million (30 June 2023: Rs. 248 million), Rs. 1,157 million (30 June 2023: 1,149 million) and Rs. 260 million (30 June 2023: Rs. 258 million) have been issued to various banks in favor of subsidiary companies - GTM (Europe) Limited - UK, Gul Ahmed International FZC - UAE and Sky Home Corp- USA respectively.

	(Unaudited) September 2023	(Audited) June 2023
	(Rupees in '000)	
11.3 Commitments		
Capital expenditure	326,948	1,234,621
Other than capital expenditure	3,722,987	3,965,192

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

11.3.2 Pension Commitments

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

	(Unaudited) September 2023	(Unaudited) September 2022
	(Rupees in '000)	

12 CASH AND CASH EQUIVALENTS

Cash and bank balances	1,254,943	1,755,813
Running Finance	(3,086,202)	(3,925,095)
	<u>1,831,260</u>	<u>(2,169,282)</u>

13 SALES-NET

Export sales		
Direct	26,158,706	19,336,476
Indirect	9,938,829	8,310,566
	<u>36,097,535</u>	<u>27,647,042</u>
Export rebate	188,626	125,867
Trade and other discount	(280,470)	(274,391)
Commission	(657,647)	(815,020)
Sales tax	(1,197,611)	(1,209,149)
	<u>34,150,433</u>	<u>25,474,349</u>
Local sales	8,784,919	6,644,981
Brokerage	(100,158)	(83,655)
Sales tax	(329,250)	(332,666)
	<u>8,355,511</u>	<u>6,228,660</u>
	<u>42,505,944</u>	<u>31,703,009</u>

13.1 Local sales include revenue from inhouse manufacturing services on behalf of third party of Rs. 144 million (30 September 2022: Rs. 113 million).

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

14 TAXATION

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

15 SEGMENT INFORMATION

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

- a) Spinning: Production of different qualities of yarn using both natural and artificial fibres.
- b) Apparel: Processing of different types of woven and knitted garments.
- c) Home Textile: Production of different types and qualities of products falling under the definition of home textile.
- d) Others: Weaving, Fiber Bleaching, Knitting, Yarn dyeing and Dyed yarn fabric etc.

Transactions among the business segments are recorded at cost.

15.1 Segment Profitability (Unaudited)

	Spinning		Apparel		Home Textile		All other segments		Elimination Of Inter Segment Transactions		Total	
	Sep-23	Sep-22	Sep-23	Sep-22	Sep-23	Sep-22	Sep-23	Sep-22	Sep-23	Sep-22	Sep-23	Sep-22
Sales	9,702,396	7,525,303	3,828,082	1,406,862	24,540,856	20,332,665	12,080,337	8,651,927	(7,645,727)	(6,213,748)	42,505,944	31,703,009
Cost of sales	(8,207,310)	(5,392,878)	(3,592,744)	(1,425,813)	(22,265,176)	(18,428,260)	(9,519,328)	(7,069,993)	7,779,880	6,221,283	(35,804,678)	(26,095,661)
Gross profit	1,495,086	2,132,425	235,338	(18,951)	2,275,680	1,904,405	2,561,009	1,581,934	134,153	7,535	6,701,266	5,607,348
Distribution and Administrative cost	(119,169)	(146,735)	(248,723)	(126,761)	(1,143,771)	(846,981)	(2,421,946)	(1,780,545)	-	-	(3,933,609)	(2,901,022)
Profit before tax and before charging following	1,375,917	1,985,690	(13,385)	(145,712)	1,131,909	1,057,424	139,063	(198,611)	134,153	7,535	2,767,657	2,706,326
Finance Cost											(2,166,577)	(1,071,282)
Other operating cost											(92,830)	(113,400)
Other income											604,065	218,302
Profit before taxation											(1,655,342)	(966,380)
Taxation											1,112,315	1,739,946
Profit after taxation											(568,206)	(392,084)
Depreciation and Amortisation expense	342,562	259,036	47,901	30,477	242,719	190,564	731,438	768,190	-	-	1,364,620	1,248,267

15.2 Segment assets and liabilities

	Spinning		Apparel		Home Textile		All other segments		Unallocated		Total	
	Sep-23	Jun-23	Sep-23	Jun-23	Sep-23	Jun-23	Sep-23	Jun-23	Sep-23	Jun-23	Sep-23	Jun-23
	(Rupees in '000)											
Assets	37,158,490	36,506,601	6,512,516	5,884,071	48,687,264	41,017,970	40,022,395	38,462,128	9,908,523	11,770,967	142,289,188	133,641,737
Liabilities	16,017,023	13,875,597	3,811,110	3,160,419	25,127,902	18,826,945	27,325,418	26,162,111	27,021,425	29,051,074	99,302,878	91,076,146
Segment Capital & Intangible expenditure	183,296	2,289,143	32,256	522,778	397,565	1,507,131	369,462	3,154,978	907,534	1,329,877	1,890,113	8,803,907

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

15.4 Information about major customer

Revenue from major customer whose revenue exceeds 10% of gross sales is Rs. 8,066 million (30 September 2022: Rs. 8,720 million).

Revenue		Non-current assets	
Three months ended (Unaudited)		(Unaudited)	(Audited)
September 2023	September 2022	September 2023	June 2023

(Rupees in '000)

15.5 INFORMATION BY GEOGRAPHICAL AREA

Pakistan	17,196,887	12,941,052	59,474,532	58,731,749
Germany	7,593,366	7,412,298	-	-
United States of America	4,584,363	3,531,955	2,472	3,069
United Kingdom	3,115,378	1,067,723	165,400	179,750
Italy	1,770,029	1,357,245	-	-
France	1,567,641	1,407,127	-	-
Netherlands	1,120,140	1,737,778	-	-
Spain	1,092,071	249,639	-	-
China	621,366	321,320	-	-
Sweden	504,481	509,147	-	-
	256,545	156,616	309,582	20,022
Other Countries	3,933,325	1,011,109	-	-
	43,355,593	31,703,009	59,951,987	58,934,590

The related parties comprise of 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.

Name of the related party	Relationship and percentage of shareholding	Transactions during the period	(Unaudited)	
			Three Months Ended	
			Sep - 2023	Sep - 2022
			(Rupees in '000)	
Grand Industries (Pvt) Limited	Associated Company	Rent expense	877	-
Swisstex Chemicals (Private) Limited	Associated Company	Sale of goods	-	825
		Purchase of goods	57,789	40,048
Win Star (Private) Limited -	Associated Company	Purchase of goods	4,495	-
		Services rendered	-	1,446
Arwen Tech. (Private) Limited	Associated Company	Services rendered	214,547	149,467
Haji Ali Mohammad Foundation	Associated Company	Rent paid	240	240
The Pakistan Business Council	Associated Company	Fees paid	2,500	2,500
Habib Metropolitan Bank	Associated Company	Bills discounted	1,375,646	3,257,235
		Markup and other bank charges	54,791	50,356
Board of Directors	Associate	Meeting Fees	1,900	400
Ideas (Private) Limited - Employees Provident Fund Trust	Employee Retirement Fund	Subsidiary Company's contribution to provident fund	28,964	28,956
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Employee Retirement Fund	Holding Company's contribution to provident fund	94,780	71,818

Name of the related party	Relationship and percentage of shareholding	Nature of outstanding balances	(Unaudited)	(Audited)
			30 September 2023	30 June 2023
			(Rupees in '000)	
Win Star (Private) Limited	Associated company	Trade and other payables	11,301	9,292
Swisstex Chemicals (Private) Limited	Associated company	Trade and other payables	42,694	88,019
Grand Industries (Private) Limited	Associated company	Trade and other payables	4,389	3,511
TPL Properties Limited	Associated company	Trade and other payables	29,677	29,677
Arwen Tech. (Private) Limited	Associated Company	Trade and other payables	70,067	13,086
Habib Metropolitan Bank	Associated company	Deposit with banks	165,133	91,359
Habib Metropolitan Bank	Associated company	Short term borrowings	1,424,421	3,505,174
Habib Metropolitan Bank	Associated company	Accrued mark-up	59,594	14,540
Key management Personnel	Associate	Loan provided	119,253	137,705
Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Employee Retirement Fund	Payable to employee's provident fund	55,626	46,400
Ideas (Private) Limited - Employees Provident Fund Trust	Employee Retirement Fund	Payable to employee's provident fund	28,964	7,153

16.1 There are no transactions with directors of the Group and key management personnel other than under the terms of employment for the three months ended 30 September 2023 amounting to Rs.694 million (30 September 2022: Rs. 412 million) on account of remuneration.

17 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

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

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

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

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

Financial assets and liabilities of the Group 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 Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of changes in market and trading activity and changes in inputs used in valuation techniques.

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

18 CORRESPONDING FIGURES

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

19 GENERAL

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

20 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised and approved for issue on _____ by the Board of Directors of the Group.

Mohomed Bashir
Chairman

Mohammed Zaki Bashir
Chief Executive Officer

Abdul Aleem
Chief Financial Officer