



# Ghazi Fabrics International Limited

8-C, E-III, Gulberg-III, Lahore - 54660, Pakistan



## DIRECTORS' REPORT

The directors of Ghazi Fabrics International Limited ("the Company") are pleased to present the financial statements for the <sup>Three</sup> months ended September 30, 2024.

### Economic/Industry Overview

Due to increase in cost of raw material and increase in utilities cost the cost of production remained higher.

In order to reduce the losses, the production of Spinning Division was stopped and reduced the production of Weaving Division. This resulted in reduced sales but the management managed to reduce the loss after taxation with timely operating decisions.

The future outlook looks very challenging. The Textile business is very competitive globally and is commoditizing worldwide. Furthermore, the higher cost of production as compared to our regional competitors is making difficult to compete in international market.

### Operating Financial Results

During the period under review the Company's gross loss was Rs. (86.59) million (corresponding period loss: Rs (43.05 million) and the loss after tax of Rs. (119.11) million (corresponding period loss: Rs. (123.04) million). Loss per share is Rs. (3.65) (corresponding period loss per share: Rs. (3.77)).

### Financial highlights


	For The Three Months Ended	
	September 30,	
	2024	2023
	Rupees	
Sales	540,824,921	845,456,761
Gross profit / (loss)	(86,598,796)	(43,057,945)
Profit / (loss) after tax	(119,115,024)	(123,044,364)
Earnings / (Loss) per share –EPS- Rs.	(3.65)	(3.77)

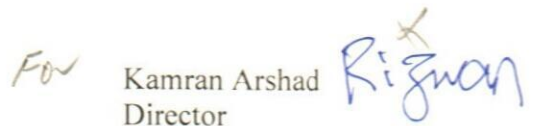
Indicative from the figures above, sales decreased by 36.03 % and gross loss increased by 101.12 % as compared to corresponding period. However, the loss after tax reduced by 3.19 %. The future prospects of your Company are encouraging on account of the Management's efforts in increasing the Company's performance through implementing best business practices.

### Acknowledgement

We are grateful to the management and employees of the Company for their hard-work and dedication. We also express our gratitude to our shareholders, bankers, suppliers and valued customers who cooperated with us throughout the period.

For and on behalf of the Board

  
Mohammad Arshad Chaudhry  
Chief Executive Officer  
Lahore  
OCTOBER 30, 2024

  
Kamran Arshad  
Director



# Ghazi Fabrics International Limited

8-C, E-III, Gulberg-III, Lahore - 54660, Pakistan



## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

غازی فبرکس انٹرنیشنل لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 2024ء کو ختم ہونے والے پہلی سہ ماہی کے مالیاتی گوشوارے پیش کرتے ہیں۔

اقتصادی / صنعت کا جائزہ

خام مال کی لاگت میں اضافے اور یوٹیلٹیوں کی لاگت میں اضافے کی وجہ سے پیداواری لاگت زیادہ رہی۔

نقصانات کو کم کرنے کے لئے سپنگ ڈویژن کی پیداوار روک دی گئی اور ویونگ ڈویژن کی پیداوار کم کر دی گئی۔ اس کے نتیجے میں فروخت میں کمی آئی لیکن انتظامیہ نے بروقت

آپریٹنگ فیصلوں کے ساتھ ٹیکس لگانے کے بعد ہونے والے نقصان کو کم کرنے کا انتظام کیا۔

مستقبل کا نقطہ نظر بہت مشکل لگتا ہے۔ ٹیکسٹائل کا کاروبار عالمی سطح پر بہت مسابقتی ہے اور دنیا بھر میں کموڈٹیٹائز کر رہا ہے۔ مزید برآں، ہمارے علاقائی حریفوں کے مقابلے پیداوار

کی زیادہ لاگت بین الاقوامی مارکیٹ میں مقابلہ کرنا مشکل بنا رہی ہے۔

آپریٹنگ نتائج:

زیر جائزہ مدت کے دوران کمپنی کا خام نقصان 86.59 ملین روپے رہا جو پچھلے سال اسی مدت کے دوران نقصان 43.05 ملین روپے تھا اور بعد از ٹیکس نقصان 119.11

ملین روپے رہا جو پچھلے سال اسی مدت کے مطابق نقصان 123.04 ملین روپے تھا۔ فی شیئر نقصان 3.65 روپے رہا۔ (نقصان 3.77 : 2023)

ستمبر 2023

ستمبر 2024

روپے

روپے

845,456,761

540,824,921

فروخت

(43,057,945)

(86,598,796)

خام منافع / نقصان

(123,044,364)

(119,115,024)

بعد از ٹیکس نقصان

(3.77)

(3.65)

فی شیئر نقصان

مندرجہ بالا اعداد و شمار کے مطابق کمپنی کی مجموعی فروخت پچھلے سال اسی مدت کے مقابلے میں 36.03% کم ہو گئی اور خام نقصان 101.12% بڑھ گیا۔

تاہم بعد از ٹیکس نقصان 3.19% سے کم ہوا۔ بہترین کاروباری طریقوں کو نافذ کرنے کے ذریعے سے کمپنی کی کارکردگی کو بڑھانے میں انتظامیہ کی کوششوں کی وجہ سے آپ کی کمپنی

کے مستقبل کے امکانات حوصلہ افزا ہیں۔

اعتراف:

ہم کمپنی کی انتظامیہ اور ملازمین کی انتھک محنت اور توجہ کے شکر گزار ہیں۔ ہم اپنے حصص یافتگان، بینکاروں، سپلائرز اور اپنے قابل قدر صارفین کے تعاون کا بھی شکریہ

ادا کرتے ہیں جو اس مدت میں انہوں نے ہمارے ساتھ کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

ڈائریکٹر

لاہور، 30 اکتوبر 2024ء

# GHAZI FABRICS INTERNATIONAL LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2024

	Note	September 30, 2024 (Unaudited)	June 30, 2024 (Audited)
<b>Rupees</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		400,000,000	400,000,000
Issued, subscribed and paid up share capital		326,356,000	326,356,000
Capital reserves - revaluation surplus on property, plant and equipment		2,979,034,752	2,979,034,752
Revenue reserves - accumulated loss		(2,774,898,301)	(2,655,783,277)
		530,492,451	649,607,475
Directors' loan - unsecured		4,226,236,878	3,835,736,878
<b>Total equity</b>		<b>4,756,729,329</b>	<b>4,485,344,353</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities		4,475,534	171,065
		4,475,534	171,065
<b>CURRENT LIABILITIES</b>			
Trade and other payables		253,186,038	387,181,592
Unclaimed dividend		5,901,824	5,901,824
Accrued mark-up		-	2,657,351
Short term borrowings		-	40,455,521
Provision for taxation - net		60,976,211	54,273,464
		320,064,074	490,469,752
<b>CONTINGENCIES AND COMMITMENTS</b>	5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,081,268,937</b>	<b>4,975,985,170</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Operating fixed assets	6	4,036,546,451	4,060,580,291
Long term deposits		13,011,694	13,011,694
Deferred tax - net		117,985,701	116,106,500
		4,167,543,846	4,189,698,485
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		127,316,081	116,949,643
Stock in trade		66,129,338	235,282,865
Trade debts		292,484,404	113,405,624
Loans, advances, deposits and prepayments		227,249,502	33,613,048
Tax refunds/ rebate due from the Government		166,190,700	276,830,357
Cash and bank balances		34,355,066	10,205,148
		913,725,091	786,286,685
<b>TOTAL ASSETS</b>		<b>5,081,268,937</b>	<b>4,975,985,170</b>

The annexed notes form 1 to 12 an integral part of these condensed interim financial statements

  
Director

  
Chief Financial Officer

  
Director

## GHAZI FABRICS INTERNATIONAL LIMITED

### CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	Quarter Ended	
		September 30, 2024	September 30, 2023
		Rupees	
Sales - net		540,824,921	845,456,761
Cost of goods sold	7	627,423,717	888,514,706
Gross profit / (loss)		(86,598,796)	(43,057,945)
Operating expenses:			
Selling and distribution		3,134,123	10,160,599
Administrative expenses		23,248,026	32,907,323
Other operating expenses		2,002,927	1,235,426
		28,385,076	44,303,348
Operating loss		(114,983,872)	(87,361,293)
Finance cost		1,035,686	26,117,481
Other operating income		3,607,281	708,144
Loss before taxation		(112,412,277)	(112,770,630)
Provision for taxation		6,702,747	10,273,734
Loss after taxation		(119,115,024)	(123,044,364)
Earnings / (Loss) per share - basic		(3.65)	(3.77)

The annexed notes form 1 to 12 an integral part of these condensed interim financial statements

  
Director

  
Chief Financial Officer

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Director

# GHAZI FABRICS INTERNATIONAL LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter Ended	
	September 30, 2024	September 30, 2023
Loss for the period	(119,115,024)	(123,044,364)
Other comprehensive income		-
Total comprehensive loss for the period	<u>(119,115,024)</u>	<u>(123,044,364)</u>

The annexed notes 1 to 12 form an integral part of these condensed financial statements.

  
Director

  
Chief Financial Officer

  
Director

**GHAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Issued, Subscribed and Paid-up Share Capital	Capital reserves - revaluation surplus on property, plant and equipment	Revenue reserves - accumulated loss	Sub Total	Directors' loan - unsecured	Total Equity
				Share capital and reserves		
R U P E E S						
Balance as at June 30, 2023	326,356,000	-	(1,986,841,894)	(1,660,485,894)	3,118,686,878	1,458,200,984
Transaction with owners - loan from directors	-				163,050,000	163,050,000
Other comprehensive income for the year						
Total comprehensive loss for the period	-			-	(123,044,364)	(123,044,364)
<b>Balance as at September 30, 2023</b>	<b>326,356,000</b>	<b>-</b>	<b>(1,986,841,894)</b>	<b>(1,660,485,894)</b>	<b>3,158,692,514</b>	<b>1,498,206,620</b>
Balance as at June 30, 2024	326,356,000	2,979,034,752	(2,655,783,277)	649,607,475	3,835,736,878	4,485,344,353
Transaction with owners - loan from directors	-				390,500,000	390,500,000
Other comprehensive income for the year						
Total comprehensive loss for the period	-		(119,115,024)	(119,115,024)		(119,115,024)
<b>Balance as at September 30, 2024</b>	<b>326,356,000</b>	<b>2,979,034,752</b>	<b>(2,774,898,301)</b>	<b>530,492,451</b>	<b>4,226,236,878</b>	<b>4,756,729,329</b>

The annexed notes form 1 to 12 an integral part of these condensed interim financial statements

  
Director

  
Chief Financial Officer

  
Director

**GHAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter Ended	
	September 30, 2024	September 30, 2023
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(112,412,277)	(112,770,630)
Adjustments for non-cash charges and other items:		
- Depreciation	24,033,840	26,846,466
- Provision for gratuity	4,393,260	6,798,036
- Disposal gain	-	-
- Finance cost	1,035,686	26,117,481
	<u>29,462,786</u>	<u>59,761,983</u>
<b>Operating profit before working capital changes</b>	<b>(82,949,491)</b>	<b>(53,008,647)</b>
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(10,366,438)	3,122,352
- Stock in trade	170,813,187	65,775,673
- Trade debts	(179,078,780)	(61,341,560)
- Loans and advances	(193,636,454)	(635,736,566)
- Refunds from Government agencies	110,639,657	35,002,737
Increase / (decrease) in current liabilities:		
- Trade and other payables	(133,995,554)	86,044,072
	<u>(235,624,381)</u>	<u>(507,133,292)</u>
<b>Cash generated from / (used in) operations</b>	<b>(318,573,873)</b>	<b>(560,141,939)</b>
Gratuity paid	(88,791)	(1,915,090)
Tax paid	(3,538,861)	-
Finance cost paid	(3,693,037)	(16,829,049)
<b>Net cash from operating activities</b>	<b>(325,894,561)</b>	<b>(578,886,078)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	-	(270,353)
Disposal proceeds	-	-
Capital work in progress	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(270,353)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayment)/ proceeds from long term financing - net	-	-
Loan from directors and others - net	390,500,000	163,050,000
Unclaimed Dividend	-	-
Short term borrowings	(40,455,521)	413,733,255
<b>Net cash generated from financing activities</b>	<b>350,044,479</b>	<b>576,783,255</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>24,149,918</b>	<b>(2,373,176)</b>
Cash and cash equivalents at the beginning of the period	10,205,148	6,085,925
<b>Cash and cash equivalents at the end of the period</b>	<b>34,355,066</b>	<b>3,712,749</b>

The annexed notes form 1 to 12 an integral part of these condensed interim financial statements

  
Director

  
Chief Financial Officer

  
Director





- 5.5 ICA No. 73521/2021 in W.P.No. 42176/2020- Sui Northern Gas Pipelines Limited & Another Vs. All Pakistan Textile Mills Association & Others- The subject matter ICA has been filed by the SNGPL before the Honorable Lahore High Court, Lahore, against the Judgment dated 27.09.2021 passed in W.P No. 42176/2020. The writ petition was filed by APTMA challenging the levy and demand of GIDC prior to coming into force of GIDC Act, 2015 as well as levy and demand of GIDC at the tariff applicable to captive power consumers instead of industrial consumers. Ghazi Fabrics International Limited has been arrayed as Respondent No.38 in the titled ICA.
- 5.6 ICA No. 2155/2022 - Sui Northern Gas Pipelines Limited Vs. Ghazi Fabrics International Limited, etc. (Ghazi Fabrics International Limited has been arrayed as Respondent No.1). The above Intra-Court Appeal has been filed by SNGPL before the Honorable Lahore High Court, Lahore, challenging Judgment dated 22.11.2021. This appeal is regarding levy and demand of arrears of Difference of Gas Tariff between the industrial consumers and captive power consumers for the period from 23.01.2013 to 31.08.2015.
- 5.7 I.C.A. No. 80293/2022 in W.P. No. 67112/2021 - Sui Northern Gas Pipelines Limited Vs. Ghazi Fabrics International Limited & Others The above Intra-Court Appeal has been filed by Sui Northern Gas Pipelines Ltd. (SNGPL) before the Honorable Lahore High Court, Lahore, against the Judgment dated 11.10.2022, passed in W.P No. 67112/2021. Please note that WP No. 67112/2021 was filed by the Textile Mills Challenging impugned notices dated 15.10.2021 sent by Sui Northern Gas Pipelines Limited to APTMA Member textile mills demanding additional security/guarantee from them. Ghazi Fabrics International Limited has been arrayed as Respondent No. 1 in the titled Appeal.
- 5.8 W.P. No. 30844/2023 - Ghazi Fabrics International Limited & Others Vs. Federation Of Pakistan. The above writ petition has been filed before the Honorable Lahore High Court, Lahore, challenging impugned Letter dated 03.05.2023 issued by Ministry of energy (Power Division) and the Impugned notices dated 29.04.2023 issued by the SNGPL, and declaring Petitioners to be entitled gas tariff of US\$ 9/MMBTU at least till 30.06.2023
- 5.9 WP No. 26839/2023-Ihsan Cotton Products (Pvt.) Limited, etc. Vs.Federation of Pakistan, etc. The above writ petition was filed before the Honorable Lahore High Court, Lahore, inter alia, on behalf of the company to challenge the discontinuation of subsidized electricity tariff (Rs. 19.99/kwh) with effect from 01.03.2023, which was earlier available to the export oriented industrial units including the company. Vide judgement dated 12.07.2023, the titled writ petition has been dismissed. However, an appeal bearing ICA No. 49287/2023 against the said judgement dated 12.07.2023 has been filed by the textile companies including the company which is pending adjudication. Ghazi Fabrics International Limited has been arrayed as Appellant No. 2 in the ICA.
- Based on the facts of the aforementioned cases and legal advisor's advice, the Company is confident that the outcome of these cases would be in favor of the Company. Accordingly, no provision has been recognized in these financial statements.
- 5.10 The Company has provided bank guarantee in favour of Sui Northern Gas Pipeline Limited amounting to Rs. 90.614 million (2024: Rs. 90.614 million) on account of security deposits against the consumption of natural gas.
- 5.11 Export bills discounted Rs. NIL (2024: Rs. NIL)

#### Commitments

Commitments in respect of irrevocable letters of credit for the import of raw material and spare parts of machinery as at the statement of financial position date amounts to Rs. NIL (2024: Rs. NIL).

6 PROPERTY, PLANT AND EQUIPMENT	Note	September 30,	June 30,
		2024	2024
		Rupees	
Opening written down value		4,060,580,291	1,190,878,399
Addition during the period / year			
Land - freehold - Revaluation Surplus		-	2,979,034,752
Building on freehold land		-	-
Plant and machinery		-	-
Grid station and generators		-	-
Furniture and fittings		-	-
Vehicles		-	-
Equipment		-	221,553
Electric installation		-	-
Book value of assets disposed off during the period / year	6.1	-	2,979,256,305
Depreciation for the period / year		(24,033,840)	(2,246,496)
		<u>4,036,546,451</u>	<u>4,060,580,291</u>

6.1 Book value of assets disposed off  
Vehicles

-	2,246,496
-	2,246,496

7 COST OF GOODS SOLD

Raw materials and other direct materials consumed  
Fabric conversion, dyeing and bleaching  
Salaries, wages and benefits  
Fuel and power  
Packing material consumed  
Sizing material consumed  
Store and spares consumed  
Insurance  
Depreciation  
Repair and maintenance  
Others

7.1

Quarter Ended	
September 30, 2024	September 30, 2023

Rupees

	284,223,813	693,118,486
	-	-
	54,906,605	67,373,241
	94,446,436	114,997,345
	-	1,417,326
	-	9,786,156
	26,236,837	8,316,222
	-	144,436
	22,832,148	25,504,142
	981,152	107,230
	-	-
	483,626,991	920,764,585
Adjustment of work in process		
Opening	64,209,161	38,482,924
Closing	-	(68,743,711)
	64,209,161	(30,260,787)
Cost of goods manufactured	547,836,152	890,503,798
Adjustment of finished goods		
Opening	134,093,415	254,598,411
Closing	(54,505,850)	(256,587,503)
	79,587,565	(1,989,092)
	627,423,717	888,514,706

7.1 Raw material consumed

Opening stock  
Purchases

Closing stock

	36,980,289	340,318,171
	258,867,012	595,092,934
	295,847,301	935,411,105
	(11,623,488)	(242,292,618)
	284,223,813	693,118,486

## 8 INFORMATION ABOUT REPORTING SEGMENT

The following table presents revenue and profit information regarding the Company's operating segments for the period ended September 30, 2024 and September 30, 2023 respectively.

	Spinning Rs.	Weaving Rs.	Inter Segment Transactions Rs.	Consolidated Rs.
<b>Quarter ended September 30, 2024</b>				
Sales	-	540,824,921	-	540,824,921
Cost of Sales:	(36,245,946)	(591,177,771)	-	(627,423,717)
Gross profit / (loss)	(36,245,946)	(50,352,851)	-	(86,598,796)
Selling and distribution costs	-	(3,134,123)	-	(3,134,123)
Administrative and general expenses	-	(23,248,026)	-	(23,248,026)
Loss before taxation and un allocated expenses	(36,245,946)	(76,735,000)	-	(112,980,945)
Un-allocated expenses:				
Other operating expenses				(2,002,927)
Other operating income				3,607,281
Finance cost				(1,035,686)
Loss before taxation				(112,412,277)
Taxation				(6,702,747)
Loss for the period				(119,115,024)
<b>Quarter ended September 30, 2023</b>				
Sales	378,515,828	506,482,183	(39,541,250)	845,456,761
Cost of Sales:	(370,590,650)	(557,465,306)	39,541,250	(888,514,706)
Gross profit / (loss)	(28,041,638)	44,054,817	-	(43,057,945)
Selling and distribution costs	(4,345,713)	(5,814,886)	-	(10,160,599)
Administrative and general expenses	(14,074,543)	(18,832,780)	-	(32,907,323)
Profit / (loss) before taxation and un allocated expenses	(46,461,894)	19,407,151	-	(86,125,867)
Un-allocated expenses:				
Other operating expenses				(1,235,426)
Other operating income				708,144
Finance cost				(26,117,481)
Loss before taxation				(112,770,630)
Taxation				(10,273,734)
Loss for the period				(123,044,364)

## 9 TRANSACTIONS WITH RELATED PARTIES

	Quarter Ended	
	September 30, 2024	September 30, 2023
Directors' loan	390,500,000	163,050,000

There were no transactions with key management personnel other than undertaken as per terms of their employment.

## 10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the Board of Directors and authorised for issue on October 30, 2024.

## 11 CORRESPONDING FIGURES

Corresponding figures of these condensed interim financial statements have been re-arranged wherever necessary for the purpose of comparison

## 12 GENERAL

Figures have been rounded off to the nearest of rupees.

  
Director

  
Chief Financial Officer

  
Director