



Ghazi Fabrics International Limited



ANNUAL REPORT *2025*



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COMPANY PROFILE

Board of directors

Mrs. Azra Yasmin (Non Executive Director)
Chairperson

Mohammad Arshad Chaudhry (Executive Director)
Chief Executive/Director

Kamran Arshad (Executive Director)
Rizwan Arshad (Non-Executive Director)
Wajeeha Haaris (Non-Executive Director)
Khawaja Waheed Raza (Independent Director)
Muhammad Imran Rasheed (Independent Director)

Audit Committee

Muhammad Imran Rasheed
Chairman/ member

Rizwan Arshad
Member

Wajeeha Haaris
Member

Human Resource & Remuneration Committee

Muhammad Imran Rasheed
Chairman / member

Mrs. Azra Yasmin
Member

Wajeeha Haaris
Member

Company Secretary
Ahmad Rafi, ACA

Chief Financial Officer
Abid Rafi

Internal Auditors
Ali Raza Shah, ACA

Auditors

M/s. Qadeer & Company Chartered Accountants
Lahore.

Share registrar

M/s. Corplink (Pvt.) Ltd. Wings Arcade, 1-K,
Commercial, Model Town, Lahore.

Legal Advisor

Raja Muhammad Akram & Co., Corporate Legal
Consultants & Advocates 33-C, Main Gulberg,
Lahore.

Bankers

United Bank Limited
Habib Bank Limited
Askari Bank Limited

Registered Office

8-C, E-III, Gulberg-III, Lahore – 54660
042-35764026-28, Fax: 042-35764032
www.ghazifabrics.com

Mills

46- K. M. Multan Road, Bhaipheru, Distt. Kasur.

VISION AND MISSION STATEMENT

VISION STATEMENT

A modern dynamic industrial unit, which is a true model of socially responsible and professionally managed successful business enterprise.

MISSION STATEMENT

Ghazi Fabrics International Ltd., strives to excel in the global competitive environment as the most progressive and quality-oriented company in terms of industry benchmarks, profitability and stake holders interest. To realize our mission, we firmly believe in continuous process of balancing, modernization and replacement of our technology; commitment in developing innovative products, services and human resources; and the betterment of all those involved directly or indirectly with the company.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

STATEMENT OF ETHICS & BUSINESS PRACTICES

It is a strong belief of the management of the Company that a clear vision, a positive mission and fully spelled out code of ethics and business practices is a pre-requisite to good corporate governance.

Therefore, the Company in addition to the adherence of its mission statement shall observe the compliance of the following codes of ethics and best business practices.

1. ETHICS

Discipline

It shall be the joint and several responsibility of management and every employee of the company to maintain the discipline in the Company.

Coordination among staff

The management shall provide a conducive environment for the effective coordination among the members of the staff and management.

Conflict of interest

Management and employees of the Company are hereby committed not to engage in any activity which is against the interest of the Company. Staff members shall not conduct any personal business in the Company premises and with the use of facilities provided by the Company for official use. If any employee has a direct or indirect relationship with any organization dealing with the Company he should disclose it immediately to the Company.

Confidentiality

Management and employees of the Company are hereby committed to the confidentiality of the business information to the outsider of the Company unless it is required by a competent authority having jurisdiction to the affairs of the Company. Even if they leave the Company shall not loose the confidentiality of Company secrets.

Kick Backs/. Undue favour or unwarranted gifts

Neither employees nor member of the board of directors shall accept any personal gift, favour or kick backs from any organization dealing with the Company. In case this favour is considered to be for the purpose of the Company the same should be disclosed to the management of the Company immediately.

2. BUSINESS PRACTICES

Environment

i) Pollution free environment

The Company shall not engage in any business or production process, which does not meet the international standards of environment protection.

ii) Drugs free environment

The use of drugs shall be strictly banned in the premises of the Company and employment should not be given to any person apparently engaged in the trafficking of drugs or appears to be an addict of drugs.

Health and safety

Health and safety of all the staff and employees particularly and of the society in general is a great concern for the management of the Company and therefore the management of the Company shall take every measure to protect the health and safety of its employees.

We pay special attention to anti-harassment policy and ensure that all the employees feel safe, secure and productive at the work place.

Diversity, Equality, and Inclusion (DE&I)

Our Diversity, Equality, and Inclusion (DE&I) approach underscores our commitment to respecting each team member and ensuring an equitable and supportive work environment conducive to growth. As a proud equal opportunity employer, we create an environment where all employees, irrespective of cast or creed, feel that they can learn, contribute, and grow.

Commitment

A bi-lateral commitment with the employees, management, shareholders, suppliers and customers shall be of prime importance in every instance. All the management and employee of the Company shall not make any commitment, the compliance of which is beyond their control and they commit, every effort shall be made to fulfill the commitment.

Financial discipline and books of accounts

Compliance with all the approved accounting standards applicable in Pakistan and requirements of the Companies Act 2017, rules and procedures shall be followed at all time. All transactions if duly authorized shall be properly and fully recorded. All the payments made shall be for the purpose of the business of the Company. Books of accounts shall reflect a true and fair position of all the assets, liabilities and funds. Company shall maintain the integrity and reputation of the Company.

Relationship with Govt. Officials, Suppliers, Customers and Agents

Only the concerned and knowledgeable members of the relevant field of the Company shall conduct dealing with Govt. officials, suppliers, customers and agents. The dealing members shall always maintain the integrity and reputation of the Company.

Training

Training of the employees shall be an important part of business practices. The management shall take steps that training of every employee is ensured from his joining to the retirement.

Child / forced labour

Policy of the Company is not to employ child labour or forced labour directly or indirectly.

Equality policy

There is absolutely no discrimination in the Company on the basis of race, caste, national origin, religion, disability, gender or political affiliation. Corporal punishment, mental or physical coercion and verbal abuse of workers is strictly forbidden.

The management of the Company shall ensure implementation of these codes, regular monitoring, and review for modification / amendment where necessary.

NOTICE OF 36th ANNUAL GENERAL MEETING.

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of **GHAZI FABRICS INTERNATIONAL LIMITED** will be held on Tuesday the October 28, 2025 at 10:30 a.m. at The Noor Jahan Banquet Hall, 10-A, Ali Block, Main Boulevard, New Garden Town, Lahore. to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of 35th Annual General Meeting of the Company held on Thursday October 26, 2024.
2. To receive, consider and adopt the audited financial statement of the Company together with the Auditors' Reports, Chairman Review and Directors' Report for the year ended June 30, 2025.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to the S.R.O 689(I)2023 dated March 21, 2023 the annual report of the Company, including the annual audited financial statements, Auditors' Reports, Chairman's Review and Directors' Report and other reports contained therein can be accessed through the following web link and QR enabled code.

www.ghazifabrics.com



3. To appoint Auditors and fix their remuneration for the year ending June 30, 2026. The present auditors M/s. Qadeer & Co., Chartered Accountants, being eligible have offered themselves for reappointment. The Audit Committee and Board of Directors have also recommended M/s. Qadeer & Co., Chartered Accountants for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution as Special Resolution with or without modification:

“RESOLVED THAT the approval of the members of Ghazi Fabrics International Limited (the "Company") be and is hereby accorded, and the Company be and is hereby authorized to sell the old plant and machinery of the Spinning Unit, which has been deemed inefficient due to high energy consumption and lower production capacity.”

“RESOLVED FURTHER THAT the Chief Executive Officer of the Company or any person authorized by him, be and is hereby authorized to take all necessary steps, including but not limited to, entering into agreements, executing documents, and ensuring compliance with all regulatory and legal requirements, to facilitate the sale of such assets on terms and conditions deemed appropriate and in the best interests of the Company.”

“RESOLVED FURTHER THAT the proceeds from the sale of the old plant and machinery shall be utilized towards the repayment of Director's loan and/or acquisition of the new technology with the higher production efficiency and reduced energy consumption, in line with the company's strategic goals of improving operational efficiency and sustainability.”

ANY OTHER BUSINESS:

5. To transact any other ordinary business with the permission of the Chair.

by order of the Board

LAHORE:
October 06, 2025.

(Ahmad Rafi)
Company Secretary

NOTES:-

- I. Share Transfer Books of the Company will remain closed from October 21, 2025 to October 28, 2025 (both days inclusive). Transfers received in order by our Share Registrars, M/s. Corplink (Pvt) Limited, having registered office at Wings Arcade, 1 -K, Commercial, Model Town, Lahore, by the close of business on October 20, 2025 will be considered in time for attending and vote in Annual General Meeting and for the purpose of entitlement of attendance of Meeting.
- II. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him/her. Proxy Forms must be deposited at the Company's Registered Office situated at 8-C, E-III, Gulberg-III, Lahore not less than 48 hours before the time for holding the meeting.
- III. Shareholders whose shares are deposited with CDC must bring their Original Computerized National Identity Card or Passport alongwith Participant's ID number and their account number at the time of attending the meeting to prove identity and in case of proxy must enclose an attested copy of CNIC. Representatives of Corporate Members should bring the usual documents required for this purpose.

- IV. Members are requested to provide by fax or courier their latest Computerized National Identity Card Number or in case of foreigner the Passport Number (unless it has been provided earlier) to enable the Company comply with relevant laws.
- V. Shareholders are requested to promptly notify to Share Registrar of the Company of any change in their addresses.
- VI. To comply with requirement of Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provision and Forms) Regulations, 2018, all CDC and physical shareholders are requested to provide their email address and cell phone number incorporated/updated in their physical folio or CDC account.
- VII. If members holding 10% of the total paid up capital, reside in a city, such Members, in addition to the option to attend the AGM through Video-Link individually, may demand the Company to provide them the facility of video-link on separate place in the specified city for attending the Meeting.

If you wish to take benefit of this facility, please fill the form appearing below and submit it to the Company at its registered address at least seven (7) days prior to the date of the Meeting.

“I/We _____ of _____ being a member of Ghazi Fabrics International Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account No. _____ hereby opt for video link facility at _____.

_____ Signature of Member”

The Company will intimate to the Members the venue of the video-link facility at least five (5) days before the date of the Meeting along with all the information necessary to enable them to access the facility.

Further, in compliance of circular no.4 of the 2021 dated February 15, 2021, members can opt to attend the AGM through Video-Link. Members who are willing to attend and participate at the AGM through Video-Link are required to register their particulars by sending an email at “shares_dept@ghazifabrics.com not later than two (02) days before Annual General Meeting. “Such Members are requested to register by providing their credentials as follows with subject “**Registration for GFIL's AGM 2025**”:

Name of shareholder	Number of shares held	Folio Number / CDC Account Number	CNIC No. with scanned copy (both side)	Cell Number	Email address

Video-Link and login will be shares with only those members whose emails containing all the required particulars are received at the given email at least two (2) Days before the date of AGM.

- XIII. As per Section 72 of the Companies Act, 2017, listed companies are required to replace existing physical shares issued by them into book-entry form. Further, SECP vide its letter dated March 26, 2021 has advised to comply with Section 72 of the Act and encourage shareholders to convert their shares in book-entry form as soon as possible.
- IX. Shareholders who have not claimed/collected their dividend / shares are advised to contact our Company's Registered Office situated at 8-C, E-III, Gulberg-III, Lahore immediately to collect / enquire about their unclaimed dividend / shares.
- X. In accordance with Company policy and applicable regulatory guidelines, no gifts or incentives shall be distributed at any General Meeting. Shareholders are also respectfully requested to refrain from bringing or presenting any gifts during the meeting.
- XI. Pursuant to “Companies (Postal Ballot) Regulations, 2018” issued vide SECP SRO.254(I)/2018 dated February 22, 2018 members may exercise their right to vote through e-voting / Postal Ballot in accordance with the requirements and procedures contained in the aforesaid regulations.
- XII. Pursuant to the Regulations 4(4) and 11 of the Companies (Postal Ballot) Regulations, 2018 following is the information regarding the appointment of Scrutinizer-

Name of Scrutinizer Appointed	Qadeer & Co., Chartered Accountant
Qualification and Experience	A QCR rated Chartered Accountant Firm
Purpose of Appointment	To perform the activity as described under the aforesaid Regulations

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING:

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2025.

Agenda - To consider and approve the sale of the Company's old plant and machinery of Spinning unit, and if thought fit, pass with or without modification, additions or deletion, the following resolutions as Special Resolutions in accordance with Section 183(3) of the Companies Act, 2017:

The Board of Directors has proposed in its meeting held on September 30, 2025, to dispose and sell Company's old plant and machinery of spinning unit. This decision is subject to the approval of the shareholders under Section 183(3)(a) of the Companies Act, 2017.

The documents pertaining to foregoing special business has been kept at the registered office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the general meeting.

The Directors are not interested, directly or indirectly, in the above special businesses, other than as Directors and shareholders of the Company.

Details as per SRO 423(I)/2018, dated April 3, 2018

Special Business relating to members' approval for sell or disposal of sizeable part of undertaking thereof to be transacted under clause (a) of subsection (3) of Section 183 of the Companies Act, 2017.

The material facts required to be disclosed under S.R.O. 423 (I)/2018 dated April 3, 2018 where the Board of Directors proposes to sell or otherwise dispose of an "Undertaking" or a "Sizeable Part" thereof is provided below:

Sr. No:	SRO Description	Company Detail
1	Detail of assets to be sold, leased or disposed of:	
a	Description / Name of asset	The Board has proposed to sell Company's old plant and machinery of spinning unit.
b	Acquisition date of the asset	1990 to 2017
c	Cost	Rupees 836,494,243/-
d	Revalued amount and date of revaluation (if applicable)	Rupees 135,545,000/-
e	Book value	Rupees 160,540,503/-
f	Approximate current market price/fair value	Rupees 135,545,000/-
g	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof	It may be noted that market values of plant and machinery have declined owing to the prevailing economic condition of the Country and wear and tear due to usage of machinery. The proposed sale price, on the basis of which approval is being sought from the shareholders, is not lower than the revalued amount.

h	In case of lease of assets, tenure, lease rentals, increment rate; mode/basis of determination of lease rentals; and other important terms and conditions of the lease	N/A
i	Additional information in case of disposal of land: (i) Location; (ii) Nature of land (iii) Area proposed to be sold	N/A
2	The proposed manner of disposal of the said assets	The plant and machinery is proposed to be disposed of through negotiations with the buyer(s) through person(s) authorized by the Board of Directors / shareholder.
3	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts	N/A
4	Purpose of the sale, lease or disposal of assets along with following details	The proceeds from the sale will be utilized for purpose of the repayment of Director's loan and / or acquisition of latest plant and machinery
a .	Utilization of the proceeds received from the transaction	As stated above, the sale proceeds will be utilized for the repayment of Director's loan and / or acquisition of latest plant and machinery
b .	Effect on operational capacity of the company, if any	The disposal of the spinning unit will reduce overall operational capacity; however, as it was loss-making, this will reduce the overall losses being incurred
c.	Quantitative and qualitative benefits expected to accrue to the members	<p>The funds so realized will be utilized for repayment of Director's loan and/or acquisition of latest plant and machinery and will fetch following benefits:-</p> <ul style="list-style-type: none"> • Reduction in company's liabilities towards Director's loan and/or, • Lower production cost along with improved production capacity.

CHAIRPERSON'S REVIEW

I am pleased to welcome you on the 36th Annual General Meeting of your Company and present on behalf of the Board of Directors, the Audited Financial Statements for the year ended 30th June 2025 together with my review on the performance of your Company.

Company's performance

Gross Loss for the financial year 2024-25 is recorded at Rs. 289.056 Million as against Gross loss Rs. 408.877 Million in financial year 2023-24 showing an decrease of 41% approximately. Loss after tax of the Company in financial year 2024-25 is Rs.376.845 million as compare to loss after tax of Rs. 666.311 million in year 2023-24 showing a decrease of 77% approximately. Loss per share is recorded at Rs. 11.55 in the financial year 2024-25 as against loss per share of Rs. 20.42 in the financial year 2023-24.

Evaluation of board

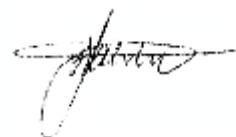
As required by the Code of Corporate Governance, an annual evaluation of the Board of Directors of Ghazi Fabrics International Limited is conducted. The overall performance and effectiveness of the Board have been assessed as satisfactory. Additionally, the Board has identified areas for improvement, aligning with best practices. The Board recognizes its crucial role in achieving the Company's objectives.

The Board consistently receives comprehensive agendas and supporting documentation in advance of its meetings. It has been fully engaged in the strategic planning process and in shaping the Company's vision. All Directors actively participated in, and contributed to, the Board's decision-making process. The Board has established robust policies covering all key areas of the Company's operations, which are periodically reviewed and updated.

The Audit Committee and the Human Resources & Remuneration Committee held regular meetings to strengthen the Board's functions. The Company also maintains an independent Internal Audit department, which leads the internal audit function using a risk-based approach. Audit reports are regularly presented to the Board for review and necessary action.

Acknowledgement

In closing, I would like to express my sincere appreciation for the hard work and dedication of our employees, whose contributions continue to drive the success of the Company. I also extend my heartfelt gratitude to our valued customers for their unwavering trust and support. Last but certainly not least, I wish to acknowledge the continued co-operation and support from our financial institutions, which play a crucial role in our growth and stability.



Mrs. Azra Yasmin
Chairperson

چیمبر پرسن کا جائزہ

چیمبر پرسن کا جائزہ:

میں آپ کی کمپنی کے 36 ویں سالانہ جنرل اجلاس میں آپ کو خوش آمدید کہتی ہوں۔ میں اپنی اور موجودہ بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی مجموعی کارکردگی برائے سال 30 جون 2025ء اور آڈیٹڈ اکاؤنٹس کا جائزہ پیش کر رہی ہوں۔

کمپنی کی کارکردگی:

مالی سال 2024-25 میں مجموعی خسارہ 289.056 ملین روپے ریکارڈ کیا گیا ہے جبکہ مالی سال 2023-24 میں مجموعی خسارہ 408.877 ملین روپے تھا، جو تقریباً 41% کی کمی ظاہر کرتا ہے۔ مالی سال 2024-25 میں کمپنی کا ٹیکس کے بعد خسارہ 376.845 ملین روپے ہے، جبکہ سال 2023-24 میں ٹیکس کے بعد خسارہ 666.311 ملین روپے تھا، جو تقریباً 77% کی کمی کو ظاہر کرتا ہے۔ مالی سال 2024-25 میں فی حصص خسارہ 11.55 روپے ریکارڈ کیا گیا ہے جبکہ مالی سال 2023-24 میں فی حصص خسارہ 20.42 روپے تھا۔

بورڈ کی تشخیص:

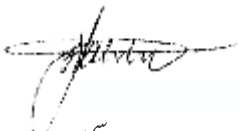
غازی فیبرکس انٹرنیشنل لمیٹڈ کے بورڈ آف ڈائریکٹرز کی کارکردگی کا سالانہ جائزہ کوڈ آف کارپوریٹ گورننس کے تحت کیا جاتا ہے۔ بورڈ کی مجموعی کارکردگی اور افادیت کو تسلی بخش تشخیص کیا گیا ہے۔ بورڈ نے خود تشخیصی کے ذریعہ بہترین معلومات کے مطابق ان چیزوں کی نشاندہی کی جہاں بہتری کی گنجائش ہے۔ بورڈ حکمت عملی کی پلاننگ کے عمل اور ادارے کے نظریہ کے حصول میں مکمل طور پر شامل رہا۔

بورڈ اپنی مینٹنگوں سے پہلے جامع ایجنڈا اور معاون دستاویزات حاصل کرتا ہے۔ بورڈ حکمت عملی کی پلاننگ کے عمل اور ادارے کے نظریہ کو تشکیل دینے میں پوری طرح مصروف ہے۔ تمام ڈائریکٹرز نے فیصلہ سازی کے عمل میں بھی حصہ لیا۔ بورڈ نے ادارے کے تمام شعبہ جات میں جامع طریقہ کار پیش کیے ہیں جن کا وقتاً فوقتاً جائزہ لیا جاتا ہے اور ان کو بہتر بنایا جاتا ہے۔

آڈٹ کمیٹی اور ہیومن ریسورس اینڈ ریمونریشن کمیٹی بورڈ کے امور کی منوثر انجام دہی کے لیے باقاعدگی سے مینٹنگ کرتی رہی ہے۔ کمپنی کا اپنا خود مختار انٹرنل آڈٹ ڈیپارٹمنٹ ہے جو اندرونی آڈٹ کے امور انجام دیتا ہے اور رسک پر مبنی آڈٹ کے طریقہ کار کی پیروی کرتا ہے۔ آڈٹ رپورٹیں باقاعدگی سے بورڈ کو جائزہ اور ضروری کارروائی کے لیے پیش کی جاتی ہیں۔

اعتراف خدمات:

آخر میں اپنے تمام ملازمین کی محنت اور لگن کے لیے اپنی مخلصانہ تعریف کا اظہار کرنا چاہوں گی، جن کی شراکت کمپنی کی کامیابی کو آگے بڑھا رہی ہے۔ میں اپنے قابل قدر کسٹمرز کا ان کے غیر متزلزل اعتماد اور تعاون کے لیے بھی تہہ دل سے شکریہ ادا کرتی ہوں۔ آخر میں لیکن یقینی طور پر کم از کم، میں اپنے مالیاتی اداروں کے مسلسل تعاون اور حمایت کو تسلیم کرنا چاہتی ہوں، جو ہماری ترقی اور استحکام میں اہم کردار ادا کرتے ہیں۔


مسز عذرا یاسمین

چیمبر پرسن

تاریخ: 30 ستمبر 2025ء

11

DIRECTORS' REPORT

The Directors are pleased to present Annual Report of your Company together with Audited Financial Statements for the year ended June 30, 2025. Figures for the previous year ended June 30, 2024 are also included for comparison.

In compliance with the Code of Corporate Governance, these financial statements have been endorsed by the Chief Executive and Chief Financial Officer of the Company, recommended for approval by the Audit Committee of the Board and approved by the Board of Directors for presentation.

The principal activity of the company is the manufacturing of Yarn and Grey Fabrics which is sold both in local and foreign markets.

The financial results for the year along-with comparative figures are presented herewith to have cursory look at the company's operating performance;

	2025	2024
	R u p e e s (000)	
Sales – Net		
Local	571,006	3,952,785
Export	23,025	428,685
Gross profit / (loss)	(289,056)	(408,877)
Operating profit / (loss)	(370,457)	(584,914)
Financial charges	(4,428)	(97,802)
Profit / (loss) after tax	(376,845)	(666,312)
Earning / (loss) per share (EPS) Rs.	(11.55)	(20.42)

Financial and operational performance:

The Company has recorded a gross loss of Rs. 289.056 million for the financial year 2024-25, compared to a gross loss of Rs. 370.457 million in the previous financial year 2023-24, reflecting a reduction in the loss. The loss after tax for the financial year 2024-25 stands at Rs. 376.845 million, compared to a loss after tax of Rs. 666.312 million in 2023-24, showing a significant decrease in the loss. The loss per share is reported at Rs. 11.55 for 2024-25, down from Rs. 20.46 in the previous year.

The management has made every effort to mitigate the impact of the severe economic challenges caused by rising production costs, particularly the increase in energy and raw material prices, as well as the decline in sales prices due to weaker economic activity. The Company has continued its focus on cost-reduction measures wherever feasible, ensuring that efficiencies are achieved in areas where opportunities exist.

Comments on Auditors' Report

The Auditors have raised a concern regarding the Company's ability to continue its operations on a going concern basis. They have issued their report with an emphasis of matter paragraph. However, the management is confident that, in light of the factors outlined in note 1.02 of the financial statements, the Company's financial statements have been appropriately prepared using the going concern assumption. The management believes that the steps taken and the strategies in place will enable the Company to continue its operations and meet its financial obligations as they fall due.

Textile industry outlook:

The textile sector has faced a challenging economic environment, primarily due to the rising cost of production driven by higher raw material prices and increased energy costs. Power prices remained at elevated levels following the shift in the gas mix, with locally extracted system gas being replaced by imported Re-liquefied Natural Gas (RLNG). This has placed additional strain on the industry. Unfortunately, the sector has been unable to pass on the increased production costs to buyers, as both local and international purchasing power has been significantly reduced. This has created further pressure on margins and profitability across the industry.

Due to devaluation of Pak Rupee as well as increase of raw material prices worldwide, prices of imported and local raw material consumption remained at highest.

The electricity tariffs are significantly higher as compared to competitor countries and it is a major factor contributing to higher cost of production. The government must take immediate steps to nullify the difference to provide a level playing field to compete in the international market.

Despite the significant importance of the textile sector to the economy, its performance has remained subdued due to the under performance of cotton yarn and cotton fabric in both local and international markets. Textile sector exports of yarn and fabric have consistently declined in terms of volume over the last four years. This is primarily attributed to the high cost of doing business in comparison to competitor countries, coupled with inconsistent and indecisive policies by the government that have not been conducive to the sector's growth. These challenges have hindered the sector's ability to remain competitive and capitalize on global market opportunities.

It is also on part of government to take note of the continuous decline in cotton production every year. So it is the high time to take notice and an exclusive Research & Development Department must be established to evaluate and bring such seed for cotton which is as per International Standards and beneficial to grower as well. Otherwise we fear that if not done, it will be very difficult for textile industry to survive and mills may become more incompetent that will ultimately bring negative effect on our economy.

In our opinion, the development of new seed is a time taking task; in the meantime Government must take immediate steps to import cotton seed which is suitable for our soil. We suggest that until & unless we achieve the optimum production level, the taxes imposed on import of cotton should be lifted.

Future prospects:

The future outlook looks very challenging. The textile business is very competitive globally and is commoditizing worldwide.

The overall economic environment remains favorable with improved energy supply and law and order, but challenges persist. The domestic cotton crop for the 2024-25 season is expected to fall below target, while rising power and fuel prices may reduce the competitiveness of the textile industry. Furthermore, the recent floods in Pakistan have severely impacted cotton crops, disrupting supply chains and driving up costs, which, combined with other economic pressures, poses a significant challenge to the sector's growth and export potential.

We will continue to explore and capitalize on emerging market opportunities in the sector. Pakistan is the fourth-largest producer and the third-largest consumer of cotton globally, in addition to being one of the world's largest exporters of cotton yarn. The cotton, textile, and apparel industries together contribute about 8.5% of the country's GDP and account for approximately 60% of Pakistan's total export value, while employing around 40% of the industrial workforce. The textile sector has long been a cornerstone of the local economy, and the future growth of the country is closely linked to the progress of the entire textile value chain. Therefore, the sector will remain a key focus for all stakeholders.

Related parties:

The transactions between the related parties were carried out at arm's length prices are determined in accordance with the comparable uncontrolled prices method. The Company has fully complied with the best practices on transfer pricing as contained in the listing regulations of the stock exchange in Pakistan.

Safety, health and environment (SHE):

Your Company takes all possible measures to ensure that all our employees as well as communities within which we operate remain safe at all time. Environmental protection is a top priority on company's SHE agenda.

The company ensures that its production processes are eco friendly and efficient. We constantly try and improve energy efficiencies both at production facilities and in our offices.

Additionally, the Company has many internationally recognized certifications focused on keeping the environment clean and high standards for labor welfare. Your Company has BCI Certification / Membership (Better Cotton Initiative) besides holding OEKO-TEX Certificate (Eco-Friendly Cotton).

Corporate social responsibility:

Ghazi Fabrics International Limited places the highest importance on its people and is committed to empowering them by providing the necessary skills to succeed in a global economy. This philosophy is deeply ingrained in our culture and drives our sustainable progress.

We believe that the success of any business is directly linked to the quality of its human capital, which is why developing our people is a top priority. We have already invested considerable time and resources in training and plan to further enhance these efforts moving forward. To cultivate future leaders across various functions, we have established a management training program, with the expectation that our young talent will lead the organization to even greater success.

To ensure that rewards are aligned with performance and to nurture high-caliber individuals for future leadership, the Company has implemented a robust performance management system. We also place great importance on the well-being of our employees, offering a work environment that promotes health, safety, and a healthy work-life balance. In addition, we provide a competitive compensation package, including a comprehensive employment benefits plan, in line with market standards.

Earnings per share:

The loss per share for the Company for the year ended June 30, 2025 is Rs.11.55 per share.

Post balance sheet events:

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which these financial statements relates and the date of the Directors' Report.

Compliance with code of corporate governance:

The management is fully aware of the company's obligation for compliance with the Listing Regulations of the Pakistan Stock Exchange and steps are being taken for its effective implementation within the allowed time frame work. We are pleased to report that:

1. Financial statements prepared by the management represent fairly and accurately Company's state of affairs, results of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained.
3. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure there from has been adequately disclosed and explained.
5. System of internal control being sound in design, has been effectively implemented and being monitored continuously. Emphasis is being done on control procedures to ensure that policies of the Company are adhered to and in case of any anomaly, rectification is done promptly. On-going review will continue in future for further improvements in controls.

6. The Company has sound potential to continue as going concern.
7. Financial highlights for the last six years are annexed.
8. There has been no material departure from best practices of corporate governance.
9. Transactions undertaken with related parties during the financial year have been ratified by the Audit Committee and approved by the Board.

Board of directors:

The Board of Directors of the Company ensures transparency and good corporate governance. The Board comprises of two independent director, three non-executive directors and two executive directors (including the Chief Executive Officer).

Composition of board:

The board consists of 5 male and 2 female directors with following composition:

Independent directors	2
Other non-executive directors	3
Executive directors	2
Total number of directors	7

Following are names of persons who were directors of the Company during the year ended 30 June 2025, number of Board and Committees' meetings held during the year and status of attendance by each director is as follows:

Board of directors' meetings:

Five (5) meetings were held during the period from July 1, 2024 to June 30, 2025

Sr. #	Name of director	Attended
1	Mrs. Azra Yasmin	5
2	Mohammad Arshad Chaudhry	5
3	Kamran Arshad	5
4	Rizwan Arshad	4
5	Khawaja Waheed Raza	4
6	Wajeeha Haaris	4
7	Muhammad Imran Rasheed	3

Human resource and remuneration committee (HRRC) meetings:

One (1) meeting was held during the period from July 1, 2024 to June 30, 2025

Sr. #	Name of director	Attended
1	Mrs. Azra Yasmin	1
2	Wajeeha Haaris	1
3	Muhammad Imran Rasheed	1

Audit committee meetings:

Four (4) meetings were held during the period from July 1, 2024 to June 30, 2025

Sr. #	Name of director	Attended
1	Rizwan Arshad	4
2	Wajeeha Haaris	3
3	Muhammad Imran Rasheed	3

To the best of our knowledge, directors, chief executive, CFO and Company Secretary, Company's auditors, their spouses and minor children have not undertaken any trading of company's shares.

Remuneration policy of non-executive directors:

The fee of the Non-Executive and Independent Directors of the Company is determined by the Board from time to time.

Auditors:

The present auditors of the Company M/s. Qadeer & Company, Chartered Accountants have completed the annual audit for the year ended June 30, 2025 and have issued an unqualified audit report with emphasis of matter paragraph. The auditors will retire on conclusion of the Annual General Meeting of the Company, and being eligible; have offered themselves for reappointment for the year ending June 30, 2026. The Audit Committee has recommended their reappointment.

Election of directors:

Election of directors was held on 28 October 2023 and a seven member Board was elected unopposed whose term of office will expire on 27 October 2026.

Board's performance evaluation:

The Board has evaluated the individual performance of Directors as per established mechanism.

CEO's performance evaluation:

During the year, the Human Resource and Remuneration Committee of the Board evaluated the performance of the CEO.

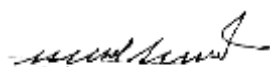
Combined pattern of CDC and physical shareholdings:

Combined pattern of CDC and physical shareholding is annexed to the directors' report.

Acknowledgement:

The Directors of your Company would like to place on record their deep appreciation for support of customers, bankers, regulators and shareholders and hope that this cooperation and support will also continue in future.

The Directors of your Company would also like to express their appreciation for the services, loyalty and efforts being continuously rendered by the executives, staff members and workers of the Company and hope that they will continue to do so in future as well.



Chief Executive



Director

Lahore:
September 30, 2025

سی ڈی سی اور فزیکل شیئر ہولڈنگ کا مشترکہ پیٹرن:
سی ڈی سی اور فزیکل شیئر ہولڈنگ کا مشترکہ پیٹرن ڈائریکٹرز کی رپورٹ سے منسلک ہے۔

اعتراف:

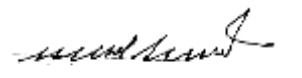
آپ کی کمپنی کے ڈائریکٹرز نے گاہکوں، بینکاروں، ریگولیٹرز اور حصص یافتگان کی حمایت پر انکی تعریف کی ہے اور امید کرتے ہیں کہ مستقبل میں بھی یہ تعاون جاری رہے گا۔

آپ کی کمپنی کے ڈائریکٹرز نے کمپنی کے ایگزیکٹو، عملے کے ارکان اور کارکنوں کی طرف سے پیش کی گئی خدمات، وفاداری اور مسلسل کوششوں کی تعریف کی ہے اور امید کرتے ہیں کہ مستقبل میں بھی ایسا تعاون جاری رہے گا۔

بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو

لاہور

30 ستمبر 2025ء

انسانی وسائل اور معاوضہ کمیٹی (HRRC) کے اجلاس:

یکم جولائی 2024 سے 30 جون 2025 کے دوران ایک اجلاس منعقد ہوا۔

نمبر	ڈائریکٹرز کے نام	اجلاسوں میں شرکت
۱	مسز عذرا یاکمین	1
۲	وجیہہ حارث	1
۳	محمد عمران رشید	1

آڈٹ کمیٹی کے اجلاس:

یکم جولائی 2024 سے 30 جون 2025 کے دوران چار میٹنگز ہوئیں۔

نمبر	ڈائریکٹرز کے نام	اجلاسوں میں شرکت
۱	رضوان ارشد	4
۲	وجیہہ حارث	3
۳	محمد عمران رشید	3

ہماری بہترین معلومات کے مطابق، ڈائریکٹرز، چیف ایگزیکٹو، ایف او او اور کمپنی سیکرٹری، کمپنی کے آڈیٹرز، ان کی شریک حیات اور چھوٹے بچوں نے کمپنی کے حصص کی کوئی تجارت نہیں کی ہے۔

نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی:

کمپنی کے بورڈ اور کمیٹی اجلاس میں شرکت کے لیے نان ایگزیکٹو اور انڈیپنڈینٹ ڈائریکٹرز کی فیس وقت کے ساتھ بورڈ طے کرتا ہے۔

آڈیٹرز:

موجودہ ایڈیٹرز میسرز قدیر اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2025 کا سالانہ آڈٹ مکمل کر لیا ہے اور انکو ایفائیڈ آڈٹ رپورٹ کے ساتھ معاملے کے پیراگراف کو جاری کیا ہے۔ آڈیٹر کمپنی کے سالانہ عام اجلاس کے اختتام پر ریٹائرڈ ہو جائیں گے۔ اور انہوں نے اہل ہونے کی بنا پر 30 جون 2026 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ آڈٹ کمیٹی نے ان کی تعیناتی کی سفارش کی ہے۔

ڈائریکٹرز کا انتخاب:

ڈائریکٹرز کا انتخاب 28 اکتوبر 2023 کو ہوا اور سات رکنی بورڈ بلا مقابلہ منتخب ہوا جس کے عہدے کی مدت 27 اکتوبر 2026 کو ختم ہو جائے گی۔

بورڈ کی کارکردگی کا جائزہ:

بورڈ نے قائم کردہ طریقہ کار کے مطابق ڈائریکٹرز کی انفرادی کارکردگی کا جائزہ لیا ہے۔

چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ:

سال کے دوران، بورڈ کی ہیومن ریسورس اینڈ ریمونزیشن کمیٹی نے چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ لیا۔

۵۔ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے، مؤثر طریقے سے نافذ کیا گیا ہے اور مسلسل نگرانی کی جا رہی ہے۔ اس بات کو یقینی بنانے کے لیے کنٹرول کے طریقہ کار پر زور دیا جا رہا ہے کہ کمپنی کی پالیسیوں پر عمل کیا جائے اور کسی بھی بے ضابطگی کی صورت میں فوری طور پر اصلاح کی جائے۔ کنٹرولز میں مزید بہتری کے لیے جاری جائزہ مستقبل میں جاری رہے گا۔

۶۔ کمپنی کے کاروبار کو رواں دواں رکھنے کی صلاحیت شکوک و شبہات سے بالاتر ہے۔

۷۔ پچھلے چھ سالوں کی مالی جھلکیاں منسلک ہیں۔

۸۔ کارپوریٹ گورننس سے کسی قسم کا قابل ذکر انحراف نہیں کیا گیا۔

۹۔ مالی سال کے دوران متعلقہ فریقوں کے ساتھ کئے گئے لین دین کی آڈٹ کمیٹی نے توثیق کی ہے اور بورڈ کی طرف سے منظوری دی گئی ہے۔

بورڈ آف ڈائریکٹرز:

کمپنی کا بورڈ آف ڈائریکٹرز شفافیت اور اچھی کارپوریٹ گورننس کو یقینی بناتا ہے۔ بورڈ میں دو آزاد ڈائریکٹرز، تین نان ایگزیکٹو ڈائریکٹرز اور دو ایگزیکٹو ڈائریکٹرز (بشمول چیف ایگزیکٹو آفیسر) شامل ہیں۔

بورڈ کی ساخت:

بورڈ میں پانچ مرد اور دو خواتین ڈائریکٹرز شامل ہیں:

02	انڈیپنڈینٹ ڈائریکٹرز
03	نان ایگزیکٹو ڈائریکٹرز
02	ایگزیکٹو ڈائریکٹرز
07	ڈائریکٹرز کی کل تعداد

ذیل میں ان افراد کے نام ہیں جو 30 جون 2025 کو ختم ہونے والے سال کے دوران کمپنی کے ڈائریکٹر تھے، سال کے دوران منعقد ہونے والے بورڈ اور کمیٹیوں کے اجلاسوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی حیثیت درج ذیل ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگز:

یکم جولائی 2024 سے 30 جون 2025 کے دوران پانچ میٹنگز ہوئیں۔

نمبر	ڈائریکٹرز کے نام	اجلاسوں میں شرکت
۱	مسز عذرا یاسمین	5
۲	محمد ارشد چوہدری	5
۳	کامران ارشد	5
۴	رضوان ارشد	4
۵	خواجہ وحید رضا	4
۶	وجیہہ حارث	4
۷	محمد عمران رشید	3

حفاظت، صحت اور ماحولیات (SHE):

آپ کی کمپنی اس بات کو یقینی بنانے کے لیے تمام ممکنہ اقدامات کرتی ہے کہ ہمارے تمام ملازمین کمیونیز جن میں ہم کام کرتے ہیں وہ ہر وقت محفوظ رہیں۔ کمپنی کے SHE ایجنڈے میں ماحولیاتی تحفظ اولین ترجیح ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ اس کے پیداواری عمل ماحول دوست اور موثر ہوں۔ ہم پیداواری سہولیات اور اپنے دفاتر دونوں جگہ توانائی کی استعداد کار کو مسلسل بہتر بنانے کی کوشش کرتے ہیں۔

مزید برآں، کمپنی کے پاس بہت سے بین الاقوامی سطح پر تسلیم شدہ سرٹیفیکیشنز ہیں جو ماحول کو صاف ستھرا رکھنے اور مزدوروں کی بہبود کے لیے اعلیٰ معیارات پر مرکوز ہیں۔ آپ کی کمپنی کے پاس OEKO-TEX سرٹیفیکٹ (ماحول دوست کپاس) رکھنے کے علاوہ BCI سرٹیفیکیشن / ممبر شپ (بہتر کائونٹینس ایٹو) ہے۔

کارپوریٹ سماجی ذمہ داری:

غازی فیئر کس انٹرنیشنل لیمیٹڈ اپنے لوگوں کو سب سے زیادہ اہمیت دیتا ہے اور عالمی معیشت میں کامیابی کے لیے ضروری مہارتیں فراہم کر کے انہیں بااختیار بنانے کے لیے پرعزم ہے۔ یہ فلسفہ ہماری ثقافت میں گہرا جڑا ہوا ہے اور ہماری پائیدار ترقی کو آگے بڑھاتا ہے۔ ہم سمجھتے ہیں کہ کسی بھی کاروبار کی کامیابی کا براہ راست تعلق اس کے انسانی سرمائے کے معیار سے ہوتا ہے، اس لیے ہمارے لوگوں کی ترقی اولین ترجیح ہے۔ ہم نے پہلے ہی تربیت میں کافی وقت اور وسائل خرچ کیے ہیں اور ان کوششوں کو آگے بڑھانے کے لیے منصوبہ بندی کر رہے ہیں۔ مستقبل کے رہنماؤں کو مختلف کاموں میں تیار کرنے کے لیے، ہم نے ایک انتظامی تربیتی پروگرام قائم کیا ہے، اس امید کے ساتھ کہ ہماری نوجوان صلاحیتیں تنظیم کو مزید کامیابیوں کی طرف لے جائیں گی۔

اس بات کو یقینی بنانے کے لیے کہ انعامات کارکردگی کے ساتھ ہم آہنگ ہوں اور مستقبل کی قیادت کے لیے اعلیٰ صلاحیتوں کے حامل افراد کی پرورش کے لیے، کمپنی نے کارکردگی کا ایک مضبوط انتظامی نظام نافذ کیا ہے۔ ہم اپنے ملازمین کی فلاح و بہبود کو بھی بہت اہمیت دیتے ہیں، کام کا ایسا ماحول پیش کرتے ہیں جو صنعت، حفاظت اور صحت مند کام کی زندگی کے توازن کو فروغ دیتا ہے۔ اس کے علاوہ، ہم ایک مسابقتی معاوضہ پیکیج فراہم کرتے ہیں، بشمول ایک جامع روزگار کے فوائد کا منصوبہ، مارکیٹ کے معیارات کے مطابق۔

فی شیئر آمدنی:

30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کا فی شیئر نقصان 11.55 روپے فی شیئر ہے۔

پوسٹ بیلنس شیٹ کی سرگرمیاں:

مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل:

انتظامیہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کی تعمیل کے لیے کمپنی کی ذمہ داری سے پوری طرح آگاہ ہے اور مقررہ مدت کے اندر اس کے موثر نفاذ کے لیے اقدامات کیے جا رہے ہیں۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ:

۱۔ انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات کمپنی کی حالت، اس کے کاموں کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ اور درست طریقے سے پیش کرتے ہیں۔

۲۔ حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔

۳۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

۴۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

ٹیکسٹائل انڈسٹری کا نقطہ نظر:

ٹیکسٹائل سیکٹر کو ایک مشکل معاشی ماحول کا سامنا ہے، بنیادی طور پر خام مال کی بلند قیمتوں اور توانائی کی بڑھتی ہوئی لاگت کی وجہ سے پیداواری لاگت میں اضافہ۔ گیس مکس میں تبدیلی کے بعد بجلی کی قیمتیں بلند سطح پر ہیں، مقامی طور پر نکالی گئی سسٹم گیس کو درآمد شدہ ری۔ لیکویفائیڈ نیچرل گیس (RLNG) سے بدل دیا گیا۔ اس نے صنعت پر اضافی دباؤ ڈالا ہے۔ بدقسمتی سے، یہ شعبہ خریداروں تک بڑھتی ہوئی پیداواری لاگت کو منتقل کرنے میں ناکام رہا ہے۔ کیونکہ مقامی اور بین الاقوامی قوت خرید میں نمایاں کمی واقع ہوئی ہے۔ اس نے پوری صنعت میں مارجن اور منافع پر مزید دباؤ پیدا کیا ہے۔

پاک روپے کی قدر میں کمی اور دنیا بھر میں خام مال کی قیمتوں میں اضافے کی وجہ سے درآمدی اور مقامی خام مال کی کھپت کی قیمتیں بلند ترین سطح پر ہیں۔

حریف ممالک کے مقابلے میں بجلی کے نرخ نمایاں طور پر زیادہ ہیں اور یہ پیداواری لاگت میں اضافے کا ایک بڑا عنصر ہے۔

حکومت کو اس فرق کو ختم کرنے کے لیے فوری اقدامات کرنے چاہئیں تاکہ بین الاقوامی منڈی میں مقابلہ کرنے کے لیے برابری کا میدان فراہم کیا جاسکے۔

معیشت میں ٹیکسٹائل سیکٹر کی نمایاں اہمیت کے باوجود، مقامی اور بین الاقوامی دونوں منڈیوں میں کاٹن یارن اور کاٹن فیبرک کی ناقص کارکردگی کی وجہ سے اس کی کارکردگی پست رہی ہے۔ ٹیکسٹائل سیکٹر کی یارن اور فیبرک کی برآمدات میں حجم کے لحاظ سے پچھلے چار سالوں میں مسلسل کمی آئی ہے۔ یہ بنیادی طور پر حریف ممالک کے مقابلے میں کاروبار کرنے کی زیادہ لاگت اور حکومت کی جانب سے متضاد اور غیر فیصلہ کن پالیسیوں سے منسوب ہے جو اس شعبے کی ترقی کے لیے سازگار نہیں ہیں۔ ان چیلنجوں نے اس شعبے کی مسابقتی رہنے اور عالمی منڈی کے مواقع سے فائدہ اٹھانے کی صلاحیت کو روکا ہے۔

ہر سال کپاس کی پیداوار میں مسلسل کمی کا نوٹس لینا بھی حکومت کا حصہ ہے۔ لہذا اب وقت آگیا ہے کہ نوٹس لیا جائے اور ایک خصوصی ریسرچ اینڈ ڈیولپمنٹ ڈیپارٹمنٹ قائم کیا جائے جو کپاس کے لیے ایسے بیج کا جائزہ لے کر لائے جو بین الاقوامی معیار کے مطابق ہو اور کاشتکار کے لیے بھی فائدہ مند ہو۔ بصورت دیگر ہمیں خدشہ ہے کہ اگر ایسا نہ کیا گیا تو ٹیکسٹائل انڈسٹری کے لیے زندہ رہنا بہت مشکل ہو جائے گا اور ملیں مزید غیر مسابقتی ہو جائیں گی جس کے نتیجے میں ہماری معیشت پر منفی اثرات مرتب ہوں گے۔

ہماری رائے میں، نئے بیج کی نشوونما ایک وقت لینے والا کام ہے۔ اس دوران حکومت کو کپاس کا بیج درآمد کرنے کے لیے فوری اقدامات کرنے چاہئیں جو ہماری زمین کے لیے موزوں ہے۔ ہم تجویز کرتے ہیں کہ جب تک ہم زیادہ سے زیادہ پیداواری سطح حاصل نہیں کر لیتے، روٹی کی درآمد پر عائد ٹیکس کو ختم کر دیا جائے۔

مستقبل کے امکانات:

مستقبل کا منظر بہت چیلنجنگ نظر آتا ہے۔ ٹیکسٹائل کا کاروبار عالمی سطح پر بہت زیادہ مقابلے والا ہے اور دنیا بھر میں ایک عام تجارتی شے بنتا جا رہا ہے۔

توانائی کی فراہمی اور امن و امان میں بہتری کے ساتھ مجموعی اقتصادی ماحول سازگار رہتا ہے لیکن چیلنجز بدستور برقرار ہیں۔ 2024-25 کے سیزن کے لیے گھریلو کپاس کی فصل ہدف سے کم ہونے کی توقع ہے، جبکہ بجلی اور ایندھن کی قیمتوں میں اضافہ ٹیکسٹائل انڈسٹری کی مسابقت کو کم کر سکتا ہے۔ مزید برآں، پاکستان میں حالیہ سیلاب نے کپاس کی فصلوں کو بری طرح متاثر کیا ہے، سپلائی چین میں خلل ڈالا ہے اور لاگت میں اضافہ ہوا ہے، جو دیگر معاشی دباؤ کے ساتھ مل کر اس شعبے کی ترقی اور برآمدی صلاحیت کے لیے ایک اہم چیلنج ہے۔

ہم اس شعبے میں ابھرتی ہوئی مارکیٹ کے مواقع کی تلاش اور فائدہ اٹھانا جاری رکھیں گے۔ پاکستان دنیا کے سوتی دھاگے کے سب سے بڑے برآمد کنندگان میں سے ایک ہونے کے علاوہ عالمی سطح پر کپاس کا چوتھا سب سے بڑا پیدا کرنے والا اور تیسرا سب سے بڑا صارف ہے۔ کپاس، ٹیکسٹائل ملبوسات کی صنعتیں مل کر ملک کے جی ڈی پی میں تقریباً 8.5 فیصد کا حصہ ڈالتی ہیں اور پاکستان کی کل برآمدی مالیت کا تقریباً 60 فیصد بنتی ہیں، جبکہ صنعتی افرادی قوت کا تقریباً 40 فیصد کام کرتی ہے۔ ٹیکسٹائل سیکٹر طویل عرصے سے مقامی معیشت کا سنگ بنیاد رہا ہے اور ملک کی مستقبل کی ترقی ٹیکسٹائل کی پوری ویلیو چین کی ترقی سے گہرا تعلق رکھتی ہے۔ اس لیے یہ شعبہ تمام اسٹیک ہولڈرز کے لیے کلیدی توجہ کا مرکز رہے گا۔

متعلقہ فریقین:

متعلقہ فریقوں کے درمیان لین دین آرمز کی لمبائی کی قیمتوں پر کیا گیا تھا، تقابلی بے قابو قیمتوں کے طریقہ کار کے مطابق طے کیا جاتا ہے۔ کمپنی نے پاکستان میں اسٹاک ایکسچینج کے لسٹنگ کے ضوابط کے مطابق ٹرانسفر پرائسنگ کے بہترین طریقوں کی مکمل تعمیل کی ہے۔

ڈائریکٹرز رپورٹ

ڈائریکٹرز آپ کی کمپنی کے سالانہ رپورٹ 30 جون 2025 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ پیش کرنے پر خوش ہیں۔ 30 جون 2024 کو ختم ہونے والے پچھلے سال کے اعداد و شمار بھی موازنہ کے لیے شامل کیے گئے ہیں۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل میں، ان مالیاتی بیانات کی کمپنی کے چیف ایگزیکٹو اور چیف فنانشل آفیسر نے توثیق کی ہے، بورڈ کی آڈٹ کمیٹی کی طرف سے منظوری کے لیے سفارش کی گئی ہے اور بورڈ آف ڈائریکٹرز نے پیشکش کے لیے منظوری دی ہے۔

کمپنی کی بنیادی سرگرمی یارن اور گرے فیبرکس کی تیاری ہے جو مقامی اور غیر ملکی دونوں بازاروں میں فروخت ہوتی ہے۔

سال کے مالی نتائج کے ساتھ تقابلی اعداد و شمار کے ساتھ کمپنی کی آپریٹنگ کارکردگی پر سرسری نظر ڈالنے کے لیے پیش کیے گئے ہیں۔

سال 2024	سال 2025	
3,952,785	571,006	لوکل
428,685	23,025	ایکسپورٹ
(408,877)	(289,056)	مجموعی منافع / (نقصان)
(584,914)	(370,457)	آپریٹنگ منافع / (نقصان)
(97,802)	(4,428)	فنانشل چارجز
(666,312)	(376,845)	منافع / (نقصان) (ٹیکس کے بعد)
(20.42)	(11.55)	کمائی / (نقصان) فی شیئر (ای پی ایس) روپے

مالی اور آپریٹنگ کارکردگی:

کمپنی نے مالی سال 2024-25 کے لیے مجموعی خسارہ 289.56 ملین روپے ریکارڈ کیا ہے، جو کہ پچھلے مالی سال 2023-24 کے مجموعی خسارے 370.457 ملین روپے کے مقابلے میں کم ہوا ہے۔ مالی سال 2024-25 کا ٹیکس کے بعد خسارہ 376.845 ملین روپے ہے، جبکہ 2023-24 میں ٹیکس کے بعد خسارہ 666.312 ملین روپے تھا، جو کہ خسارے میں نمایاں کمی کو ظاہر کرتا ہے۔ فی شیئر خسارہ 2024-25 کے لیے 11.55 روپے رپورٹ کیا گیا ہے، جو پچھلے سال کے 20.46 روپے سے کم ہے۔

انتظامیہ نے بڑھتی ہوئی پیداواری لاگت بالخصوص توانائی اور خام مال کی قیمتوں میں اضافے کے ساتھ ساتھ کمزور معاشی سرگرمیوں کی وجہ سے فروخت کی قیمتوں میں کمی کی وجہ سے پیدا ہونے والے شدید اقتصادی چیلنجوں کے اثرات کو کم کرنے کی ہر ممکن کوشش کی ہے۔ کمپنی نے جہاں بھی ممکن ہو لاگت میں کمی کے اقدامات پر اپنی توجہ جاری رکھی ہے، اس بات کو یقینی بناتے ہوئے کہ جہاں مواقع موجود ہیں ان میں افایت حاصل کی جائے۔

آڈٹ رپورٹ پر تبصرہ:

آڈیٹرز نے کمپنی کے کام کو معمول کے مطابق جاری رکھنے کی مستقبل کی صلاحیت کے حوالے سے ایک مشاہدہ کیا ہے۔ آڈیٹرز نے معاملے کے پیراگراف پر زور دیتے ہوئے اپنی رپورٹ جاری کی ہے۔ انتظامیہ محسوس کرتی ہے کہ مالیاتی بیانات کے نوٹ 1.02 میں بیان کردہ عوامل پر غور کرتے ہوئے، کمپنی کی انتظامیہ کے پاس واضح وجوہات موجود ہیں کہ مالی بیانات گونگ کنسنرین کی بنیاد پر تیار کرے۔

PATTERN OF SHAREHOLDING

As At June 30, 2025

1.1 Name of the Company **GHAZI FABRICS INTERNATIONAL LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2025

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
615	1	100	50,188
3,298	101	500	1,505,295
389	501	1,000	349,657
291	1,001	5,000	728,549
55	5,001	10,000	436,763
20	10,001	15,000	257,188
14	15,001	20,000	266,693
9	20,001	25,000	203,219
7	25,001	30,000	197,692
4	30,001	35,000	136,410
2	35,001	40,000	80,000
1	45,001	50,000	50,000
1	55,001	60,000	56,546
1	65,001	70,000	68,000
2	70,001	75,000	145,450
1	75,001	80,000	78,000
1	80,001	85,000	81,000
1	115,001	120,000	115,750
1	145,001	150,000	147,000
1	260,001	265,000	262,000
1	425,001	430,000	425,500
1	560,001	565,000	562,000
1	1,200,001	1,205,000	1,201,000
1	2,815,001	2,820,000	2,817,600
1	2,890,001	2,895,000	2,891,100
1	3,220,001	3,225,000	3,223,000
1	16,295,001	16,300,000	16,300,000
4,721			32,635,600

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	23,932,700	73.3331%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	11,500	0.0352%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	26,600	0.0815%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	1,100	0.0034%
2.3.7 Shareholders holding 10% or more	16,300,000	49.9455%
2.3.8 General Public		
a. Local	5,370,960	16.4574%
b. Foreign	3,223,000	9.8757%
2.3.9 Others (to be specified)		
- Joint Stock Companies	69,740	0.2137%

CATEGORIES OF SHAREHOLDING

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. MOHAMMAD ARSHAD CHAUDHRY	16,300,000	49.9455
2	MRS. AZRA YASMIN	1,201,000	3.6800
3	MR. MUHAMMAD KAMRAN ARSHAD	2,817,600	8.6335
4	KHAWAJA WAHEED RAZA (CDC)	35,000	0.1072
5	MISS. WAJEEHA HARIS	425,500	1.3038
6	MR. RIZWAN ARSHAD	3,153,100	9.6615
7	MR. MUHAMMAD IMRAN RASHEED	500	0.0015

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

27,700

0.0849

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	MR. MOHAMMAD ARSHAD CHAUDHRY	16,300,000	49.9455
2	MISS FAREEHA ARSHAD	3,223,000	9.8757
3	MR. RIZWAN ARASHAD	3,153,100	9.6615
4	MR. MUHAMMAD KAMRAN ARSHAD	2,817,600	8.6335

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	MRS. AZRA YASMIN		1,200,000
2	MR. MUHAMMAD KAMRAN ARSHAD		1,200,000
3	MISS. WAJEEHA HARIS		425,000
4	MR. RIZWAN ARSHAD		400,000

SIX YEARS FINANCIAL STATISTICAL SUMMARY

Measure of performance	2025	2024	2023	2022	2021	2020	2019
..... Rupees in Thousand							
Sales - net	594,031	4,422,589	4,285,864	8,633,337	6,340,314	4,703,859	5,418,786
Cost of sales	(883,088)	(4,831,466)	4,637,862	8,247,787	5,790,439	4,566,155	5,033,977
Gross profit	(289,056)	(408,877)	(351,998)	385,550	549,875	137,704	384,809
Operating profit/(Loss)	(370,457)	(584,914)	(505,675)	159,582	346,749	(31,852)	206,985
(Loss) / profit after tax	(375,173)	(687,003)	(667,674)	7,624	196,556	(223,595)	(51,444)
In % age terms							
Cost of sales	(148.66)	(109.25)	108.21	95.53	91.33	97.07	92.90
Operating profit/(Loss)	(62.36)	(13.23)	(11.80)	1.85	5.47	(0.68)	3.82
(Loss)/ profit after tax	(63.16)	(15.53)	(15.58)	0.09	3.10	(4.75)	(0.95)
Financial position							
Property, plant and equipment-net	3,956,253	4,060,580	1,190,878	1,249,993	1,233,010	1,321,561	1,401,016
Capital work in progress	-	-	-	34,073	72,482	-	-
Fixed assets	3,956,253	4,060,580	1,190,878	1,284,066	1,305,493	1,321,561	1,401,016
Current assets							
Stores, spares and loose tools	126,456	116,950	133,896	129,769	130,879	122,871	131,914
Stocks in trade	1,101	235,283	633,400	1,049,717	698,180	990,238	729,191
Other current assets	327,577	423,849	606,471	973,134	657,844	520,088	860,918
Cash and cash equivalent	9,714	10,205	6,086	5,314	18,532	8,591	6,784
	464,848	786,287	1,379,853	2,157,934	1,505,435	1,641,788	1,728,807
Current liabilities							
Short term borrowings	-	40,456	657,542	1,014,605	775,971	1,037,670	1,255,863
Current portion of long term loans	-	-	-	94,500	121,250	119,750	80,550
Other current liabilities	49,079	450,014	455,870	626,332	306,778	386,240	315,110
	49,079	490,470	1,113,412	1,735,437	1,203,999	1,543,660	1,651,523
Net working capital	415,769	295,817	266,441	422,497	301,436	98,128	77,284
Long term loans - excluding sponsors' loan	-	-	-	-	61,500	162,250	131,250

FINANCIAL HIGHLIGHTS

Financial Highlights		2025	2024	2023	2022	2021	2020	2019
	Rupees.....						
A. Profitability Ratios:								
Earning before interest, taxation and depreciation	Rs.	(274,952,385)	(477,605,679)	(392,303,806)	277,940,606	468,974,052	95,489,077	340,596,271
Earning before interest and taxation	Rs.	(370,457,394)	(584,913,596)	(505,674,598)	159,582,302	346,749,150	(31,851,713)	206,984,710
Profit / (Loss) before taxation and depreciation	Rs.	(279,668,403)	(575,407,886)	(525,190,343)	177,763,929	373,369,064	(77,566,805)	195,562,579
Gross profit/(loss) ratio	%	(48.66)	(9.25)	(8.21)	4.47	8.67	2.93	7.10
Operating profit / (loss) margin to sales (net)	%	(62.36)	(13.23)	(11.80)	1.85	5.47	(0.68)	3.82
Net profit / (loss) margin to sales (net)	%	(63.44)	(15.07)	(15.58)	0.09	3.10	(4.75)	(0.95)
EBITD margin to sales (net)	%	(46.29)	(10.80)	(9.15)	3.22	7.40	2.03	6.29
B. Liquidity Ratios :								
Current ratio	%	9.47	1.60	1.24	1.24	1.25	1.06	1.05
Quick / Acid-test ratio	%	9.45	1.12	0.67	0.64	0.67	0.42	0.61
Cash to current liabilities	%	0.20	0.021	0.005	0.003	0.02	0.01	0.004
Cash flow from operations to sales	%	(0.60)	0.14	0.17	(0.04)	-	0.03	(0.12)
Working capital (Net current assets)	Rs.	415,768,459	295,816,934	266,441,497	422,496,628	301,435,015	98,127,442	77,283,941
Working capital turnover	Times	1.43	14.95	16.09	20.43	21.03	47.94	70.12
C. Activity / Turnover Ratios								
Debtors turnover ratio	Times	18.96	39.00	23.12	15.65	15.75	14.38	12.91
No. of days in receivables / Average collection period	Days	44.47	12.33	31.38	20.17	21.00	28.98	18.40
Inventory turnover ratio	Times	7.47	11.12	5.51	9.44	6.86	5.31	8.54
No. of days in inventory	Days	72.62	35.85	44.70	36.95	48.60	66.71	39.70
Creditors turnover ratio	Times	2.12	10.44	9.11	25.52	21.86	18.98	25.03
No. of days in creditors / Average payment period	Days	48.54	21.63	29.22	11.77	11.32	14.78	11.54
Property, plant and equipment turnover	Days	2,430.90	335.12	101.42	52.85	70.98	102.55	94.37
Total assets turnover	Days	2,854.54	410.67	220.04	146.07	162.57	230.95	211.70
D. Investment Ratios								
Basic earnings / (loss) per share	Rs.	(11.55)	(20.42)	(20.46)	0.23	6.02	(6.85)	(1.58)
Cash dividend per share	Rs.	-	-	-	-	0.75	-	-
E. Capital Structure Ratios								
Total liabilities to total assets	%	1.19	9.86	43.56	52.15	48.65	61.84	62.12
Interest coverage	Times	83.66	5.98	3.81	1.59	3.63	(0.18)	1.43

STATEMENT OF VALUE ADDITION

Statement of Value addition

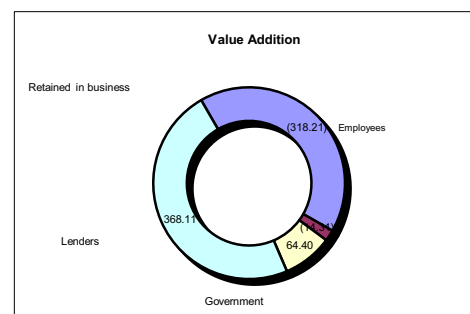
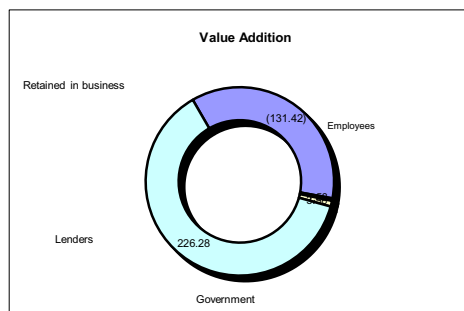
	2025	2024
Sales	594,031,456	4,422,588,766
Less: Manufacturing / administration and general expenses	(723,875,956)	(4,579,823,506)
	(129,844,500)	(157,234,740)
Other income	5,514,097	5,377,464
Total value added	(124,330,403)	(151,857,276)

Distribution

Employees :		
Salaries and wages	163,396,317	483,218,614
Government :		
Corporate tax	(1,958,971)	20,690,817
Development surcharge	-	1,039,422
	(1,958,971)	21,730,239
Lenders :		
Financial institution (Markup, Bank charges)	(4,428,197)	(97,802,207)
Retained in business:		
Depreciation	95,505,009	107,307,917
Profit / (Loss)	(376,844,562)	(666,311,839)
	(281,339,553)	(559,003,922)
	(124,330,403)	(151,857,276)

Percentage

Employees	(131.42)	(318.21)
Government	1.58	(14.31)
Lenders	3.56	64.40
Retained in business	226.28	368.11





QADEER & COMPANY
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GHAZI FABRICS INTERNATIONAL LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ghazi Fabrics International Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Lahore.
October 01, 2025



QADEER AND COMPANY
CHARTERED ACCOUNTANTS
Engagement Partner: Salahuddin Mahmood



UDIN: CR2025108097VaPWAZGD

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of company: GHAZI FABRICS INTERNATIONAL LIMITED

Year ending: JUNE 30, 2025

The company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are seven as per the following:

a. Male:	05
b. Female:	02

- The composition of board is as follows:

Category	Names
Independent Director	<ul style="list-style-type: none"> Muhammad Imran Rasheed Khawaja Waheed Raza
Non-Executive Directors	<ul style="list-style-type: none"> Rizwan Arshad
Executive Directors	<ul style="list-style-type: none"> Mohammad Arshad Chaudhry Kamran Arshad
Female Directors	<ul style="list-style-type: none"> Mrs. Azra Yasmin Wajeeha Haaris

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Majority of the Directors of the Company are exempted/certified from the requirement of Directors' Training program.
- The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
- The board has formed committees comprising of members given below:

a) Audit Committee

- Mr. Muhammad Imran Rasheed – Chairman/Member
- Mr. Rizwan Arshad – Member
- Mrs. Wajeeha Harris – Member

b) HR and Remuneration Committee

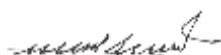
- Mr. Muhammad Imran Rasheed – Chairman/Member
- Mrs. Azra Yasmin – Member
- Mrs. Wajeeha Harris – Member

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings (quarterly/half yearly/ yearly) of the committee was as per following:

a)	Audit Committee	(4)
b)	HR and Remuneration Committee	(1)

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the regulations have been complied with; and
19. Explanation for non-compliance with requirements of regulation 3,6,7,8,27,32,33 and 36 below.

Regulation No.	Non-Mandatory / Optional Requirements	Explanations
19	Directors' Training: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	The Company is committed to arrange such trainings/courses for its officers that are more relevant to their job descriptions and beneficial for the Company. However, the Company may will consider required training, if and when necessary, on case-to-case basis.
29	Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board takes care of the responsibilities prescribed for Nomination Committee, therefore, separate Nomination Committee is not considered necessary
30	Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has devised Risk and internal Controls Governance Framework and responsibilities have been assigned to Audit Committee through relevant Policy. Therefore, separate Risk Management Committee is not considered necessary.
10A	Sustainability Committee: Role of the Board and its members to address sustainability risk and opportunities: The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on environmental, social and governance (ESG) and Diversity, Equity and Inclusion (DE&I) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024 will be complied with in due course



Chief Executive

Lahore

September 30, 2025



Chairperson

Financial Statements

For the year ended June 30, 2025



QADEER & COMPANY
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To The Members Of Ghazi Fabrics International Limited Report On The Audit Of The Financial Statements

Opinion

We have audited the annexed financial statements of Ghazi Fabrics International Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to Going Concern

We draw attention to note 1.02 of the financial statements, which indicates that the Company has incurred net loss of Rs. 376.845 million during the year, and as of that date, Company has accumulated loss of Rs. 3,032.555 million. As stated in note 1.02, these events and conditions, along with other matters as set forth in note 1.02, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our Opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty relating to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter(s)	How the Matter was addressed in Audit
<p>1. Revenue Recognition</p> <p>Refer to note 4.18 and 22 of the accompanying financial statements.</p> <p>The Company primarily generates revenue from sale of yarn and fabric in the local and export market. Revenue is recognized when performance obligation is satisfied by transferring control of promised goods to the customers.</p> <p>We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with accounting and reporting standards as applicable in Pakistan; Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition. Performed testing of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; Performed cut-off procedures on sample basis to ensure sales has been recorded in the correct period; Assessed the adequacy of disclosures made in the financial statements related to revenue in accordance with the applicable accounting and reporting standard.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements



Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Salahuddin Mahmood**.

DATE: OCTOBER 01, 2025

UDIN: AR202510809Z2bIYMA8T



QADEER AND COMPANY
CHARTERED ACCOUNTANTS
LAHORE

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

		2025	2024
		Rupees	
EQUITY AND LIABILITIES	Note		
Share capital and reserves			
Authorized capital			
40,000,000 (2024: 40,000,000) ordinary shares of Rs. 10/- each		400,000,000	400,000,000
Issued, subscribed and paid up share capital	5	326,356,000	326,356,000
Capital reserves - revaluation surplus on property, plant and equipment	6	2,979,034,752	2,979,034,752
Revenue reserves - accumulated loss		(3,032,554,676)	(2,655,783,277)
		272,836,076	649,607,475
Directors' loan - unsecured	7	4,317,736,878	3,835,736,878
		4,317,736,878	3,835,736,878
Total equity		4,590,572,954	4,485,344,353
Non-current liabilities			
Deferred liabilities	8	6,071,644	171,065
		6,071,644	171,065
Current liabilities			
Trade and other payables	9	37,136,727	387,181,592
Unclaimed dividend		5,889,632	5,901,824
Accrued mark-up	10	-	2,657,351
Short term borrowings	11	-	40,455,521
Provision for taxation - net	12	6,053,021	54,273,464
		49,079,380	490,469,752
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		4,645,723,978	4,975,985,170
ASSETS			
Non-current assets			
Property, plant and equipment	14	3,956,253,317	4,060,580,291
		3,956,253,317	4,060,580,291
Long term deposits	15	103,626,594	13,011,694
Deferred tax - net	8	120,996,228	116,106,500
		4,180,876,139	4,189,698,485
Current assets			
Stores, spare parts and loose tools	16	126,455,720	116,949,643
Stock in trade	17	1,101,326	235,282,865
Trade debts	18	31,333,635	113,405,624
Loans, advances, deposits and prepayments	19	5,038,974	33,613,048
Tax refunds/ rebate due from the Government	20	291,204,233	276,830,357
Cash and bank balances	21	9,713,951	10,205,148
		464,847,839	786,286,685
TOTAL ASSETS		4,645,723,978	4,975,985,170

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	
Sales - net	22	594,031,456	4,422,588,766
Cost of goods sold	23	(883,087,656)	(4,831,465,986)
Gross loss		(289,056,200)	(408,877,220)
Selling and distribution cost	24	(9,943,162)	(50,766,857)
Administrative and general expenses	25	(70,317,627)	(126,131,544)
Other operating charges	26	(6,654,502)	(4,515,439)
		(86,915,291)	(181,413,840)
Other operating income	27	5,514,097	5,377,464
Operating loss		(370,457,394)	(584,913,595)
Finance cost	28	(4,428,197)	(97,802,207)
Loss before taxation and levy		(374,885,591)	(682,715,803)
Levy	29	(287,821)	(4,286,853)
Loss before taxation		(375,173,412)	(687,002,656)
Taxation	29	(1,671,150)	20,690,817
Loss after taxation		(376,844,562)	(666,311,839)
Loss per share - basic and diluted	30	(11.55)	(20.42)

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees	
Loss for the year	(376,844,562)	(666,311,839)
<i>Items that will not be subsequently reclassified to statement of profit or loss:</i>		
Remeasurements of defined benefit obligation	56,715	(3,569,145)
Impact of deferred tax	16,447	939,601
	73,162	(2,629,544)
Revaluation surplus on property, plant and equipment	-	2,979,034,752
Total comprehensive income / (loss) for the year	(376,771,400)	2,310,093,369

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid up share capital	Capital reserves - revaluation surplus on property, plant and equipment	Revenue reserves - accumulated loss	Sub Total Share capital and reserves	Directors' loan - unsecured	Total Equity
	Rupees					
Balance as at July 01, 2023 - restated	326,356,000	-	(1,986,841,894)	(1,660,485,894)	3,118,686,878	1,458,200,984
Transactions with owner - Loan from director	-	-	-	-	717,050,000	717,050,000
Loss after taxation for the year	-	-	(666,311,839)	(666,311,839)	-	(666,311,839)
Other comprehensive income for the year	-	2,979,034,752	(2,629,544)	2,976,405,208	-	2,976,405,208
Total comprehensive income / (loss) for the year	-	2,979,034,752	(668,941,383)	2,310,093,369	-	2,310,093,369
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
Transactions with owner - Loan from director	-	-	-	-	482,000,000	482,000,000
Loss after taxation for the year	-	-	(376,844,562)	(376,844,562)	-	(376,844,562)
Other comprehensive income for the year	-	-	73,162	73,162	-	73,162
Total comprehensive income / (loss) for the year	-	-	(376,771,400)	(376,771,400)	-	(376,771,400)
Balance as at June 30, 2025	326,356,000	2,979,034,752	(3,032,554,676)	272,836,076	4,317,736,878	4,590,572,954

The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation and levy		(374,885,591)	(682,715,803)
Adjustments for:			
- Depreciation	14.01	95,505,009	107,307,917
- Gain on disposal of property, plant and equipment		(384,778)	(138,750)
- Loss on disposal of property, plant and equipment		3,646,587	-
- Provision for staff retirement benefits	8.05	6,046,085	4,131,127
- Exchange loss/(gain)		9,201	1,796,959
- Finance cost	28	4,428,197	97,802,207
		109,250,301	210,899,460
Operating loss before working capital changes		(265,635,290)	(471,816,343)
(Increase) / decrease in current assets:			
- Stores, spares and loose tools		(9,506,077)	16,946,762
- Stock in trade		234,181,539	398,116,641
- Trade debts		82,062,788	70,174,770
- Loans and advances		28,574,074	87,444,161
- Tax refunds/ rebate due from the Government		(56,771,874)	2,929,137
Increase / (decrease) in current liabilities:			
- Trade and other payables		(351,064,708)	(26,701,994)
		(72,524,258)	548,909,477
Cash generated from operations		(338,159,548)	77,093,134
Income tax paid / deducted		(12,654,697)	(10,076,281)
Gratuity paid	8.05	(88,791)	(65,893,945)
Finance cost paid		(7,085,548)	(99,094,573)
Net cash used in operating activities		(357,988,584)	(97,971,665)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased	14	-	(221,553)
Long term deposits		(90,614,900)	-
Proceeds from disposal of property, plant and equipment		6,580,000	2,385,246
Net cash generated from / (used in) investing activities		(84,034,900)	2,163,693
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term loans - net		-	-
Increase in directors and sponsors loan		482,000,000	717,050,000
Unclaimed dividend		(12,192)	(36,751)
Short term borrowings		(40,455,521)	(617,086,054)
Net cash generated from financing activities		441,532,287	99,927,195
Net increase in cash and cash equivalents		(491,197)	4,119,223
Cash and cash equivalents at the beginning of the year		10,205,148	6,085,925
Cash and cash equivalents at the end of the year	21	9,713,951	10,205,148


The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1 THE COMPANY AND ITS OPERATIONS

1.01 Ghazi Fabrics International Limited ("the Company") was incorporated in Pakistan on April 30, 1989 as a Private Limited Company under the Companies Ordinance 1984 (repealed with the enactment of the Companies Act 2017); and converted into Public Limited Company on January 07, 1990. Its shares are quoted on Pakistan Stock Exchange Limited. The main activities of the Company are textile manufacturing, production of cotton and P.C. yarn and grey cloth that are marketed both within and outside Pakistan. The registered office of the Company is situated at 8-C, E-III, Gulberg III, Lahore and mill is located at 46-km, Multan Road, Bhaiphero, Kasur.

1.02 The Company has accumulated losses amounting to Rs. 3,032.555 million at the year end and net loss during the year comprises of Rs. 376.845 million (2024: Rs. 666.312 million). This condition indicates existence of a material uncertainty that may cast significant doubt about the Company's ability to realize its assets in normal course of business and as going concern. Continuation of the Company is dependent on its ability to attain satisfactory levels of profitability and major BMR to increase its efficiency and availability of adequate working capital through continued support from:

- (a) the sponsors of the Company; and
- (b) the principal lenders of the Company.

These financial statements have been prepared on applicable financial reporting framework basis on the grounds that the Company will be able to achieve satisfactory levels of profitability and liquidity in the future based on the plans drawn up by the management for this purpose and availability of the adequate working capital from its lenders and sponsors. Based on the management's plan and assured continued support from the directors, the company shall not hit the fundamental accounting assumption as going concern.

To substantiate this assumption the following events are of significance and importance on which attention of the members is drawn :

- That EOGM was held during the year in which the excess piece of land situated opposite to the factory premises was approved to be sold, and the sale proceeds thereof were to be utilized towards repayment of director's loan in order to reduce the huge outstanding balance appearing under director's loan in the statement of financial position. The sale of such excess land will have no impact on the company's operations.
- That the long term borrowings have been paid to lenders / banks in full during the past year; That the Directors and CEO of the Company has injected an additional loan amounting Rs. 482.000 million (2024: Rs. 717.050 million) during the year to meet working capital requirements and for the settlement of long-term liability;
- That the markup on short term borrowings has been paid on timely basis as per the agreements with the bank amounting to Rs. 2.675 million;
- That Company has successfully settled all short term borrowings. This will further improve the liquidity and working capital position.
- That the repayment of short term borrowings has reduced the financial cost which will contribute in the profit for the subsequent periods;
- That the working capital and debtor collection days have positively improved which will contribute positively in cash flow of the company during the year and the similar & further improvement is anticipated; and
- That Company has conducted valuation of Rs. 6.07 million even after paying the staff retirement benefits of Rs. 65.895 million to the employees during the previous period to meet the statutory provision of labour laws.

In view of above, the management is confident that the company's perpetual succession and fundamental accounting assumption of being a going concern is neither threatened nor in question.

2 BASIS OF PREPARATION

2.01 Statement of compliance

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

International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.02 Basis of measurement

These accounts have been prepared under the "historical cost" convention.

2.03 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.

2.04 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards required the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually (at least at each financial year end) evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognized in the period in the estimate is recognized and in any future periods effected.

In the process of applying the accounting policies, management has made the following estimates and judgments, which are significant to the financial statements:

- Provisions
- Taxation
- Determination of the residual values and useful lives of property, plant and equipment.
- Adjustment of inventories to their Net Realizable Value.
- Trade debts and other receivables
- Contingencies

3 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING ACCOUNTING STANDARDS, INTERPRETATIONS AND FORTHCOMING REQUIREMENTS

3.01 Standards, amendments and Interpretations adopted during the year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements

3.02 Standard, interpretation and amendments to approved accounting standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16 Leases (Amendments)	January 1, 2024
IAS 21 The Effect's of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17 Insurance Contracts	January 1, 2026

3.03 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

3.04 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025;

IFRIC 1 First-time Adoption of International Financial Reporting Standards

IFRIC 12 Service Concession Arrangement

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 19 Subsidiaries without Public Accountability: Disclosures

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.01 Share capital

Ordinary shares are classified as equity and recognised at their face value.

4.02 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently at amortized cost. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to statement of profit or loss in the period in which these are incurred.

4.03 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.04 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of a past event; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. However, provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

4.05 Contingent liabilities

A contingent liability is disclosed when:

there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.06 Employee benefits

(a) Staff retirement benefits - gratuity

The Company operates an un-funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme.

(b) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.07 Taxation

Current:

Provision for current taxation is based on the taxable income for the year determined in accordance with Income Tax Ordinance, 2001. The charge for current tax is calculated using prevailing tax rates after taking into account tax credits, rebates and exemptions available, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is provided using the statement of financial position liability method for all temporary differences at the statement of financial position date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

The carrying amount of the deferred tax asset is reviewed at each date of statement of financial position and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the financial position date.

4.08 Property, plant and equipment

(a) Owned assets:

Initial recognition

All items of property, plant and equipment are initially recorded at cost.

Subsequent measurement

Items of property, plant and equipment other than freehold land are stated at cost less accumulated depreciation and impairment loss (if any). Cost in relation to certain property, plant and equipment signifies historical cost and directly attributable cost of bringing the asset to working condition. Borrowing cost pertaining to the construction/ erection period is also capitalized as part of historical cost. Freehold land is stated at cost.

Depreciation:

Depreciation on fixed assets is charged to statement of comprehensive income applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives at the rates given in the note to property, plant and equipment. Depreciation on additions is charged from the month in which the asset was available for use upto the month in which the asset was disposed off.

De-recognition:

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the year the asset is de-recognized.

(b) Right-of-use asset and lease liability:

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on reducing balance method over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

Lease liability is initially measured at present value of the lease payments over the period of lease term, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.

4.09 Investments

Associates are entities over which the Company has significant influence but not control. Investments in associates are carried at cost less accumulated impairment losses, if any. All purchases and sales of investments are recognised on the trade date which is the date that the Company commits to purchase or sell the investment.

4.10 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than stock in trade and stores and spares are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in profit or loss. An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.11 Trade and other receivables

Trade debts are carried at original invoice amount, which approximates fair value and subsequently measured at amortized cost, less an allowance made for expected credit losses (ECL) based on review of outstanding amounts at the year end. Allowance for ECL is created when there is an objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivable. The ECL is recognized in the statement of profit or loss. When trade debt is un collectable, it is written off against ECL. Subsequent recoveries of amounts previously written off are credited to statement of profit or loss.

4.12 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value. Items in transit are valued at cost comprising invoice value plus incidental charges paid thereon.

4.13 Stock-in-trade

These are valued at lower of cost and net realizable value (NRV).
Cost is determined on the following basis:

Raw material Annual weighted average except items in transit which are valued at cost accumulated up to the reporting date.

Finished goods Material as stated above plus proportionate production overheads.

Net realizable value of finished goods and waste represents estimated selling prices in the ordinary course of business less cost to sell.

4.14 Advances, deposits and other prepayments

These are recognised at cost, which is the fair value of the consideration given. However, an assessment is made at each financial position date to determine whether there is an indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount.

Prepayments are recognized as current assets and are expensed on a straight-line basis over the period of benefit, with monthly charges made to the statement of profit or loss.

4.15 Cash and cash equivalents

Cash and cash equivalent comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

4.16 Foreign currency transactions and translation

Transactions in foreign currencies are converted into Pak Rupees at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Exchange gains and losses are included in the statement of profit or loss.

4.17 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. If any such indication exists, the recoverable amount of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the statement of comprehensive income. Reversal of impairment loss is restricted to the original cost of asset.

4.18 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably. Revenue is measured at fair value of consideration received or receivable on the following basis:

- Revenue from local sale of goods is recognized at a point in time when a performance obligation is satisfied by transferring control of promised goods to a customer which coincides with the dispatch of goods to the customer.
- Revenue from export sale of goods is recognized on shipment basis.
- Profit on bank deposits is recognized on a time proportion basis at the rate applicable.
- All other income is accounted for on an accrual basis.

4.19 Earnings/(loss) per share

The Company presents basic and diluted earnings / (loss) per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.20 Transaction with related parties

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

4.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets:

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognized in the statement of profit or loss.

(b) Financial liabilities:

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortized cost.

Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

4.22 Off setting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

		2025	2024
	Note	Rupees	
5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
32,635,600 (2024: 32,635,600) Ordinary shares of Rs. 10/- each fully paid in cash		326,356,000	326,356,000
5.01	The shareholders' rights and privileges are governed through The Companies Act, 2017 and the rules and regulations made thereunder; the Company's Memorandum and Articles of Association, and there is no specific shareholder's agreement executed for voting rights, board selection, right of first refusal and block voting.		
6 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT			
Movement during the year:			
Opening balance		2,523,094,752	-
Surplus arise during the year		-	2,523,094,752
Closing balance		2,523,094,752	2,523,094,752
6.01	This represents surplus arisen on revaluation of freehold land (factory & Head Office). The revaluation is conducted for the first time during the previous financial year by an independent valuer M/s Tristar International Consultant (Pvt.) Limited, an independent valuer not connected with the Company.		
6.02	The basis of revaluation of freehold land has been determined by reference to local market values of land taking into account prevailing fair market prices under the position and circumstances present on the date of revaluation and current market scenario for properties of similar nature in the immediate neighborhood and adjoining areas.		
6.03	The forced sale value of the revalued freehold land as on the date of revaluation was determined to be Rs. 2,607.10 million.		
6.04	The revaluation surplus on land is a capital reserve and is not available for distribution to the shareholders of the Company. Furthermore, there is no impact of deferred tax on revaluation as revalued class of assets are non-depreciable and no taxable/deductible temporary difference arise on revaluation of such assets.		
6.05	Had there been no revaluation, the net book value of these assets would have amounted to Rs. 88.145million.		
7 DIRECTORS' LOAN - UNSECURED			
Loan from directors	7.01 & 7.02	4,317,736,878	3,835,736,878
7.01	These loans are accounted for under Technical Release - 32 "Accounting Director's Loan" issued by the Institute of Chartered Accountants of Pakistan.		
7.02	This loan has been provided by the chief executive and other directors of the Company for the repayment of long term loans, capital expenditure of the Company or otherwise as the Board deem fit. The loan is interest free and there is no fixed tenure for the repayment of this loan, the lenders shall not demand repayment and the same is entirely at the discretion of entity. Accordingly, it does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently re-measured. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the director's loan would be a direct debit to equity.		
7.03	In view of above director's loan is classified under the head equity.		

		2025	2024
	Note	Rupees	
8 DEFERRED LIABILITIES			
Deferred tax - net	8.01 & 8.02	(120,996,228)	(116,106,500)
Staff retirement benefits	8.03	6,071,644	171,065
		<u>(114,924,584)</u>	<u>(115,935,435)</u>

8.01 Deferred tax - net

Taxable temporary differences / (Deductible temporary differences) balance arising in respect of:

- Accelerated tax depreciation			
- Minimum tax		158,107,610	155,228,575
- Staff retirement benefits		(277,343,061)	(271,290,041)
		<u>(1,760,777)</u>	<u>(45,034)</u>
		<u>(120,996,228)</u>	<u>(116,106,500)</u>

8.02 The movement in temporary differences are as follows:

Particulars	Rupees						
	Balance as at June 30, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2024	Recognized in profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2025

Deferred tax debits:

Recognized Losses	-	-	-	-	-	-	-
Minimum tax	(221,303,431)	(49,986,610)	-	(271,290,041)	(6,053,020)	-	(277,343,061)
Staff retirement benefits	(15,543,767)	14,559,132	939,601	(45,034)	(1,699,295)	16,447	(1,760,777)
	<u>(236,847,198)</u>	<u>(35,427,479)</u>	<u>939,601</u>	<u>(271,335,075)</u>	<u>(7,752,315)</u>	<u>16,447</u>	<u>(279,103,838)</u>

Deferred tax credits:

Accelerated depreciation	190,613,066	(35,384,490)	-	155,228,575	2,879,035	-	158,107,610
	<u>190,613,066</u>	<u>(35,384,490)</u>	<u>-</u>	<u>155,228,575</u>	<u>2,879,035</u>	<u>-</u>	<u>158,107,610</u>
	<u>(46,234,132)</u>	<u>(70,811,969)</u>	<u>939,601</u>	<u>(116,106,500)</u>	<u>(4,873,281)</u>	<u>16,447</u>	<u>(120,996,228)</u>

8.03 The Company has not recognized deferred tax asset on minimum tax amounting to Rs. 63.031 million (2024: Rs.63.031 million) due to uncertainty of adjustments in future periods using prudence.

	2025	2024
	Rupees	
8.04 Staff retirement benefits:		
Statement of financial position		
Present value of defined benefit obligation	6,071,644	171,065
plus payables	-	-
Statement of financial position liability/(asset)	<u>6,071,644</u>	<u>171,065</u>

	2025	2024
	Rupees	
8.05 Changes in Present Value of Defined Benefit Obligations		
Present Value of Defined Benefit Obligations	171,065	58,364,738
Current Service Cost	6,033,469	20,318,061
Past Service Cost	-	-
Interest cost on defined benefit obligations	12,616	4,130,387
Benefits paid	(88,791)	(65,893,945)
Gains and losses arising on plan settlements	-	(20,317,321)
Remeasurements	-	-
Actuarial (gain)/losses from changes in financial assumptions	(7,116)	(49)
Experience adjustments	(49,599)	3,569,194
Present Value of Defined Benefit Obligations	6,071,644	171,065
8.06 Expenses to be Charged to P&L		
Current service cost	6,033,469	20,318,061
Past service cost	-	-
Gains and losses arising on plan settlements	-	(20,317,321)
Interest cost on defined benefit obligation	12,616	4,130,387
Expense chargeable to P&L	6,046,085	4,131,127
8.07 Total Remeasurement Chargeable in other Comprehensive Income		
Remeasurement of plan obligation:		
Actuarial (gain)/losses from changes in demographic assumptions	-	-
Actuarial (gain)/losses from changes in financial assumptions	(7,116)	(49)
Experience adjustments	(49,599)	3,569,194
Total remeasurements chargeable in OCI	(56,715)	3,569,145
8.08 Changes in net liability		
Statement of financial position liability/(assets)	171,065	58,364,738
Expense chargeable to P&L	6,046,085	4,131,127
Remeasurements chargeable in other comprehensive income	(56,715)	3,569,145
Benefits paid	(88,791)	(65,893,945)
Benefits payable transferred to short term liability	-	-
Statement of financial position liability/(assets)	6,071,644	171,065

	2025	2024
	Rupees	
8.09 Significant Actuarial Assumptions		
Discount rate used for interest cost in P&L charge	16.25%	16.25%
Discount rate used for year end obligation	11.75%	14.75%
Salary increase used for year end obligation		
Salary Increase FY 2025	N/A	N/A
Salary Increase FY 2026	10.75%	13.75%
Salary Increase FY 2027	10.75%	13.75%
Salary Increase FY 2028	10.75%	13.75%
Salary Increase FY 2029	10.75%	13.75%
Salary Increase FY 2030	10.75%	13.75%
Salary Increase FY 2031 onward	10.75%	13.75%
Next salary is increased at	01-Jan-26	01-Jan-25
Mortality Rates	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
Withdrawal Rates	Age based	Age based
Retirement Assumptions	Age 60	Age 60
8.10 General description		
The scheme provides for terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn basic salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried on as at June 30, 2025. using Project Unit Credit Method.		
8.11 Estimated expenses to be Charged to P&L in FY 2026		
	Rupees	
Current service cost	6,495,290	
Interest cost on defined benefit obligation	657,767	
Amount chargeable to P&L	7,153,057	
8.12 Year End Sensitivity Analysis on Defined Benefit Obligation		
	Rupees	
Discount Rate + 100 bps	5,695,744	
Discount Rate - 100 bps	6,294,811	
Salary Increase + 100 bps	6,305,332	
Salary Increase - 100 bps	5,687,917	
8.13 Expected Benefit Payment for the Next 5 years and Beyond		
	Rupees	
FY 2025	-	
FY 2026	782,705	
FY 2027	1,036,119	
FY 2028	1,329,655	
FY 2029	1,878,504	
FY 2030	2,664,186	
FY 2031	24,750,208	
The average duration of the defined benefit obligation is	5 years	

8.14 Risk associated with the scheme

Final Salary Risk

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic Risks

Mortality risk: The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk: The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

		2025	2024
	Note	Rupees	
9	TRADE AND OTHER PAYABLES		
Creditors for:			
- Goods supplied		361,410	163,182,360
- Services		5,987,558	65,331,518
Accrued liabilities		16,178,935	109,543,015
Advances from customers - unsecured		9,172,523	17,213,873
Advance against sale of land		2,000,000	-
Security deposits	9.01	151,000	171,000
Withholding tax payable		3,285,302	31,739,829
Workers' Welfare Fund Payable		-	-
		37,136,727	387,181,592
9.01	It represents security received from mill canteen contractors, shops etc. and is kept in separate bank account.		
10	ACCRUED MARK-UP		
Short term borrowings		-	2,657,351
		-	2,657,351
11	SHORT TERM BORROWINGS		
Habib Bank Limited - Secured	11.01	-	40,455,521
United Bank Limited - Secured		-	-
Bank overdrafts		-	-
		-	40,455,521
11.01	These represent utilized portion of short-term finance facilities of Rs. nil million (2024: Rs. 865.000 million) (including Letter of Guarantee Facility of (2024: Rs. 91.000 million) as mentioned in contingencies note below) under mark-up arrangement. These facilities carried mark-up of one month KIBOR plus 1.5% per annum. The short-term borrowings along with long-term financing were previously secured by first pari passu equitable mortgage charge on property, plant and equipment of the Company valuing Rs. 932.000 million in 2024, pledge of cotton and polyester bales, lien on import documents / export contracts and personal guarantee of the chief executive and director of the Company. Since the borrowings have been fully repaid during the year, the related charges and securities have accordingly been vacated.		
12	PROVISION FOR TAXATION - NET		
Opening balance		54,273,464	52,895,004
Levy		-	4,286,853
Provision for tax for the prior year		779,232	-
Provision for current tax for the year	29	6,053,020	49,986,610
		6,832,252	54,273,463
Payments / adjustments against advance tax		(55,052,695)	(52,895,003)
		6,053,021	54,273,464

Income tax return up to and including tax year 2024 has been filed to the tax authorities under the provision of Income Tax Ordinance, 2001.

13 CONTINGENCIES AND COMMITMENTS**Contingencies**

- 13.01** ICA No. 3443/2020 in W.P. NO. 49178/2017 - Oil & Gas Regulatory Authority Vs. Ejaz Textile Mills Ltd. & Others" has been filed by OGRA before the Honorable Lahore High Court, Lahore, challenging the Judgment dated 13.12.2019. This Appeal is regarding the impugned Determinations of 02.06.2017 and 20.06.2017 made by OGRA and the vires of SRO 405(I)/2015 dated 07.05.2015 and SRO 97(I)/2015 dated 30.09.2015. Ghazi Fabrics International Limited has been arrayed as Respondent No. 41 in the above mentioned Appeal.
- 13.02** ICA NO. 73790/2019 in W.P. NO. 42541/2019 - Sui Northern Gas Pipelines Ltd. Vs. Federation of Pakistan, etc. has been filed by SNGPL against Order dated 31.10.2019. This appeal is regarding levy of USD 6.50/MMBTU. Ghazi Fabrics International Limited has been arrayed as Respondent No. 25 in the titled Appeal.
- 13.03** W.P. NO. 12403/2020 - Ghazi Fabrics International Limited, etc. Vs. Federation of Pakistan, etc. has been filed before the Honorable Lahore High Court, Lahore, challenging the impugned levy and recovery of arrears from January 2019 to December 2019 in the Bill of January 2020 regarding Fuel Price Adjustment, Financial Cost Surcharge, Neelum Jhelum Surcharge and Maximum Demand Indicator.
- 13.04** W.P. No. 74315/2019 - Shahzad Textile Mills Limited, etc. Vs. Federation of Pakistan etc. has been filed before the Honorable Lahore High Court, Lahore, challenging the base tariffs and the adjustment tariffs determined by NEPRA, notified by the Federal Government and charged by the Distribution Companies (DISCOs).
- 13.05** 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 WP 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.
- 13.06** ICA No. 2155/2022 in W.P. No. 27881/2021- 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 23.08.2013 to 31.08.2015.
- 13.07** 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 WP 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.
- 13.08** 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.
- 13.09** WP No. 26839/2023-Ihsan Cotton Products (Pvt.) Limited, etc. Vs. Federation of Pakistan, etc. The above writ petition was filed before the Honourable 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.

- 13.10** The Company provided a bank guarantee in favor of Sui Northern Gas Pipeline Limited amounting to Rs. 90.614 million in 2024 on account of security deposits against the consumption of natural gas, which has been paid to SNGPL during the year and is now appearing under the head of long-term deposits in the statement of financial position. The said security deposit is refundable.

- 13.11** Export bills discounted to Nil (2024: 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 is Nil (2024: Nil).

14 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost / Revaluation				Accumulated Depreciation				Rupees Book Value as at June 30, 2025
	As at July 01, 2024	Additions / Transfer from CWIP	Revaluation	As at June 30, 2025	Rate %	Disposals	For the year	As at June 30, 2025	
Owned									
Land - freehold	3,067,180,000	-	-	3,067,180,000	-	-	-	-	3,067,180,000
Buildings on freehold land	396,448,149	-	-	396,448,149	5-10	-	7,499,270	272,061,567	124,386,582
Plant and machinery	2,651,581,186	-	-	2,565,443,243	10	86,137,943	75,222,522	1,891,150,269	674,292,974
Grid station and generators	115,587,847	-	-	115,587,847	10	-	6,291,923	58,960,537	56,627,310
Furniture and fixtures	18,157,290	-	-	18,157,290	10	-	255,601	15,856,883	2,300,407
Vehicles	90,612,560	-	-	89,246,195	20	1,366,365	4,923,078	69,593,693	19,652,502
Equipment	24,924,793	-	-	24,924,793	10	-	479,079	20,613,087	4,311,706
Electric installations	67,980,323	-	-	67,980,323	10	-	833,537	60,478,487	7,501,836
Total	6,432,472,148	-	-	87,504,308		87,504,308	95,505,009	2,388,714,523	3,956,253,317

Particulars	Cost / Revaluation				Accumulated Depreciation				Rupees Book Value as at June 30, 2024
	As at July 01, 2023	Additions	Revaluation	As at June 30, 2024	Rate %	Disposals	For the year	As at June 30, 2024	
Owned									
Land - freehold	88,145,248	-	2,979,034,752	3,067,180,000	-	-	-	-	3,067,180,000
Buildings on freehold land	396,448,149	-	-	396,448,149	5-10	-	7,999,814	264,562,297	131,885,852
Plant and machinery	2,666,383,911	-	-	2,651,581,186	10	14,802,725	12,556,229	1,893,334,358	758,246,828
Grid station and generators	115,587,847	-	-	115,587,847	10	-	6,991,026	52,668,614	62,919,233
Furniture and fixtures	18,157,290	-	-	18,157,290	10	-	284,001	15,601,282	2,556,008
Vehicles	90,612,560	-	-	90,612,560	20	-	6,166,553	65,946,348	24,666,212
Equipment	24,703,240	221,553	-	24,924,793	10	-	530,258	20,134,008	4,790,785
Electric installations	67,980,323	-	-	67,980,323	10	-	926,153	59,644,950	8,335,373
Total	3,468,015,568	221,553	2,979,034,752	14,802,725		14,802,725	12,556,229	2,371,891,857	4,060,580,291

14.01 The depreciation charged for the year has been allocated as under:

	Rupees	
	2025	2024
Cost of sales	90,729,759	101,942,521
Administrative and general expenses	4,775,250	5,365,396
	<u>95,505,009</u>	<u>107,307,917</u>

14.02 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Particulars	Area	Location
Head office	02 Kanal 15 Marlas and 125 Square feet only/-	8-C, E-III, Gulberg III, Lahore
Factory	650 Kanal and 14 Marlas only/-	46-km, Mullan Road, Bhaiphero, Kasur

14.03 The following operating fixed assets with a net book value exceeding Rs 500,000 were disposed off during the year:

Particulars	Cost	Accumulated Depreciation	Rupees			Mode of Disposal
			Book Value	Sale Proceeds	Gain / (Loss)	
Loom	86,137,943	77,406,610	8,731,333	5,084,746	(3,646,587)	Negotiation
Total 2025	86,137,943	77,406,610	8,731,333	5,084,746	(3,646,587)	
Total 2024	14,802,725	12,556,229	2,246,496	2,385,246	138,750	

		2025	2024
	Note	Rupees	
15 LONG TERM DEPOSITS			
<i>Considered good</i>			
Lahore Electric Supply Company Limited - non interest bearing		12,368,620	12,368,620
Others - non interest bearing		91,257,974	643,074
		103,626,594	13,011,694
16 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	16.01	76,226,120	65,457,245
Spares	16.01	46,475,391	47,312,742
Loose tools		3,754,209	4,179,656
		126,455,720	116,949,643
16.01 No identifiable store and spare are held for specific capitalization.			
17 STOCK IN TRADE			
Raw material	17.01	1,030,957	36,980,289
Work in process		-	64,209,161
Finished goods		70,369	134,093,415
		1,101,326	235,282,865
17.01 This includes an amount of Rs. nil million (2024: Rs. 250 million) approximately, which is pledged against short term finances.			
18 TRADE DEBTS			
Local debts (unsecured - considered good)		31,333,635	90,836,464
Foreign debts (secured - considered good)		-	22,569,160
		31,333,635	113,405,624
19 LOANS AND ADVANCES			
Employees - considered good and non interest bearing		369,642	555,155
Suppliers - considered good and non interest bearing		1,461,553	31,825,685
Letters of credit		-	305,098
Prepaid expenses		3,207,779	800,336
Security deposit		-	126,773
		5,038,974	33,613,048
20 TAX REFUNDS/ REBATE DUE FROM THE GOVERNMENT			
Income tax refundable		32,133,742	55,168,897
Income tax deducted at source		68,956,775	88,319,618
Sales tax refund		190,113,716	133,341,842
		291,204,233	276,830,357

		2025	2024
	Note	Rupees	
21 CASH AND BANK BALANCES			
Cash in hand		682,490	1,338,612
Cash at banks:			
- current accounts		7,669,071	7,610,412
- saving account	21.1	1,362,390	1,256,124
		9,031,461	8,866,536
		9,713,951	10,205,148

21.1 This carry mark up at the rates ranging from 9.50 % to 10.78 % per annum (2024: 10.2 % to 10.27%).

22 SALES - NET			
Local:			
- Yarn		16,723,098	1,786,310,187
- Cotton & viscose		-	175,139,897
- Fabric		552,102,964	1,991,335,177
	22.01	568,826,062	3,952,785,261
Export:			
- Fabric		23,025,712	428,685,291
Waste	22.01	2,179,682	40,996,758
Rebate on export / Duty Drawback		-	121,456
		594,031,456	4,422,588,766

22.01 These were net off from sales tax including further tax amounting to Rs. 0.405 million (2024: Rs. 2.298 million).

23 COST OF GOODS SOLD			
Raw materials consumed	23.01	285,314,024	3,295,569,107
Salaries, wages and other benefits	23.02	115,193,976	394,951,633
Fuel and power		135,304,060	784,480,393
Packing materials consumed		411,676	29,939,274
Sizing materials consumed		11,864,049	63,099,277
Stores and spares consumed		18,535,007	54,479,586
Repair and maintenance		2,069,299	3,584,820
Insurance		5,974,484	8,640,616
Ex-bonding		19,459,115	-
Depreciation	14	90,729,759	101,942,521
		684,855,449	4,736,687,227
Opening work in process		64,209,161	38,482,924
Closing work in process		-	(64,209,161)
		64,209,161	(25,726,237)
Cost of goods manufactured		749,064,610	4,710,960,990
Opening finished goods		134,093,415	254,598,411
Closing finished goods		(70,369)	(134,093,415)
		134,023,046	120,504,996
		883,087,656	4,831,465,986

		2025	2024
	Note	Rupees	
23.01 Raw material consumed			
Opening stock		36,980,289	340,318,171
Purchases		249,364,692	2,990,382,789
Cotton cess		-	961,543
Cotton/Viscose handling charges		-	886,893
		286,344,981	3,332,549,396
Closing stock		(1,030,957)	(36,980,289)
		285,314,024	3,295,569,107

23.02 Salaries, wages and benefits include Rs. 35.47 million (2024: Rs. 63.87 million) on account of staff retirement benefits.

24 SELLING AND DISTRIBUTION COST

Salaries, wages and benefits	24.01	7,660,112	10,237,088
Export development surcharge		-	1,039,422
Commission to selling agents		-	13,764,093
Carriage and freight		2,159,882	23,365,447
Export expenses		123,168	2,360,807
		9,943,162	50,766,857

24.01 Salaries, wages and benefits include Rs. nil million (2024 : Rs. 0.590 million) on account of staff retirement benefits.

25 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, wages and other benefits	25.01	40,542,229	78,029,893
Traveling and conveyance		81,815	380,763
Repairs and maintenance		649,561	2,840,027
Rent, rates and taxes		887,638	549,880
Printing and stationery		832,615	3,711,059
Insurance		2,982,082	3,156,578
Fees and subscription		2,029,925	2,552,928
Telephone and Postage		2,667,029	3,218,644
Vehicle running and maintenance		7,446,516	13,311,234
Utilities		4,147,520	4,388,222
Books and periodicals		-	4,100
Entertainment		627,694	2,902,971
Eogm meeting expenses		663,030	-
Miscellaneous expenses		1,984,723	5,719,849
Depreciation	14.01	4,775,250	5,365,396
		70,317,627	126,131,544

25.01 Salaries, wages and benefits include Rs. 1.91 million (2024: Rs. 1.422 million) on account of staff retirement benefits.

		2025	2024
	Note	Rupees	
26 OTHER OPERATING CHARGES			
Auditors' remuneration			
- Statutory audit		1,400,000	1,400,000
- Half yearly review		95,000	95,000
- Certification charges		100,000	100,000
- Out of pocket		25,000	25,000
		1,620,000	1,620,000
Legal and professional charges		1,378,714	1,098,480
Loss on fixed assets disposal		3,646,587	-
Exchange loss		9,201	1,796,959
		6,654,502	4,515,439
27 OTHER OPERATING INCOME			
Scrap sales		4,964,899	5,008,035
Exchange gain		-	-
Profit on saving bank account		164,420	230,680
Gain on fixed assets disposal		384,778	138,750
		5,514,097	5,377,464
28 FINANCE COST			
Interest / mark up on:			
- Long term financing		-	-
- Workers' profit participation fund		-	-
- Short term borrowings		594,530	87,206,632
		594,530	87,206,632
Bank charges and commission		3,833,667	10,595,575
		4,428,197	97,802,207
29 LEVY AND TAXATION			
Levy	29.02	287,821	4,286,853
Current tax:			
- For the year		5,765,198	49,986,610
- Prior year		779,232	134,542
		6,832,251	54,408,005
Deferred tax income -net		(4,873,281)	(70,811,969)
		1,958,971	(16,403,964)
29.01	Numerical reconciliation between the average effective tax rate and the applicable tax rate is not given due to application of minimum tax (2024: final tax) for the calculation of provision of tax for the year.		
29.02	This represents minimum tax paid under section 154 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC-21 and IAS-37.		
30 LOSS PER SHARE - Basic and diluted			
Loss after taxation for the year	Rupees	(376,844,562)	(666,311,839)
Outstanding weighted average ordinary shares	No. of shares	32,635,600	32,635,600
Loss per share - Basic and diluted	Rupees	(11.55)	(20.42)
There is no diluted effect on earning per share of the Company.			

31 CHIEF EXECUTIVE, DIRECTORS' AND EXECUTIVES' REMUNERATION	Note	2025	2024
		Rupees	
Directors remuneration	Rupees	6,300,000	6,300,000
Number of persons	Number	2	2
Executives remuneration	Rupees	9,048,000	9,573,000
Staff retirement benefit	Rupees	754,000	797,750
Number of persons	Number	5	5
31.01 No remuneration has been paid to Chief Executive of the Company.			
31.02 No meeting fee has been paid to any Director of the Company.			

32 NUMBER OF EMPLOYEES	Numbers	
Total number of employees as at 30th June	162	660
Average number of employees during the year	411	659

33 TRANSACTIONS WITH RELATED PARTIES

33.01 The related parties comprise associated companies, related group companies, directors and key management personnel. Transactions with related parties and associated companies, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Transactions with related parties:	Note	2025	2024
		Rupees	
Director and sponsor			
Loan obtained		482,000,000	730,050,000
Loan repaid		-	(13,000,000)
Increase in loan - net		482,000,000	717,050,000
Balances payable with related parties:			
Directors' loan		4,317,736,878	3,835,736,878

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

33.02 The related parties with whom the Company had entered into transactions or had arrangements/ agreements in place during the year have been disclosed below along with their basis of relationship:

Name of related party	Relationship	Aggregate % of shareholding in the Company
Mohammad Arshad Chaudhry	Chief Executive	49.946

34 PLANT CAPACITY AND PRODUCTION

Spinning

No. of spindles installed	51,072	51,072
No. of spindles worked	-	50,862
No. of shifts	-	3
Actual production of yarn converted into 20/S count based on three shifts per day	Kgs	-
		4,946,771

Weaving

No. of looms installed	156	156
No. of looms worked	20	90
No. of shifts	3	3
Actual production converted to 40 picks based on three shifts per day	Sq. meters	6,459,758
		29,461,146

- 34.01** It is difficult to calculate precisely the production capacity of weaving and spinning unit since it fluctuates widely depending on various factors such as count of yarn spun, width of fabric woven, spindles / looms speed, twist, maintenance of machinery, power shutdown and raw materials used etc. It also varies according to the pattern of production adopted in any particular year.

	Note	2025	2024
		Rupees	
35 FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE			
35.01 Financial assets as per statement of financial position - at amortized cost			
Long term deposits		103,626,594	13,011,694
Trade debts		31,333,635	113,405,624
Loans and advances - employees		369,642	555,155
Cash and bank balances		9,713,951	10,205,148
		145,043,822	137,177,621
35.02 Financial liabilities as per statement of financial position			
- At cost			
Directors' loan - unsecured		4,317,736,878	3,835,736,878
- At amortized cost			
Trade and other payables		22,678,902	338,227,893
Accrued interest/mark-up		-	2,657,351
Short term borrowings		-	40,455,521
		4,340,415,780	4,217,077,643

35.03 Fair values of financial assets and liabilities

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.

As at June 30, 2025, all financial assets and financial liabilities are carried at amortised cost.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognizes transfers between levels of the fair value hierarchy 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 the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity).
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There are no material level 1, 2 or 3 assets or liabilities during the current or preceding year, other than those which have already been disclosed in relevant notes to these financial statements. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES IN FINANCIAL RISK MANAGEMENT

- Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to currency risk on the import of raw material and stores and spares and export of goods mainly denominated in US dollars and on foreign currency debtors and loans. The company's exposure to foreign currency risk for US dollars is as follows:

Note	2025	2024
	Rupees	
Foreign trade debts	-	22,569,160
Outstanding letter of credit	-	(22,569,160)
Net exposure	-	-

The following significant exchange rates have been applied at the reporting dates:

USD to PKR	-	278.04
------------	---	--------

The Company manages its currency risk by close monitoring of currency markets. However, the Company does not hedge its currency risk exposure.

At June 30, 2025, if the Pakistan Rupee had weakened against the US Dollar with all other variables held constant, profit /loss before taxation for the year would have been immaterial impacted as a result of foreign exchange losses / gains on translation of foreign debts and outstanding foreign payments.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of interest rate exposure arises from short term and long term borrowings from banks.

At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

	2025	2024	2025	2024
	Percentage		Rupees	
Financial liabilities - Variable rate instruments:				
Short term borrowings	10.82 to 11.32	23.26 to 24.03	-	40,455,521

Fair value sensitivity analysis for fixed rate instruments:

The company does not have any fixed rate financial assets and liabilities.

Cash flow sensitivity analysis for variable rate instruments:

A change of 1% in interest rates at the reporting date would have decreased / increased, loss for the year by the amount shown below. This analysis assumes that all other variables, in particular foreign currency rates, remains constants. This analysis is prepared assuming the amount of liabilities outstanding at the statement of financial position date were outstanding for the whole year.

	Effect on profit / loss before tax 1% rate	
	Increase	Decrease
As at June 30, 2025		
Cash flow sensitivity - variable rate financial liabilities	-	-
As at June 30, 2024		
Cash flow sensitivity - variable rate financial liabilities	404,555	(404,555)

(iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation.

Credit risk arises from deposits with banks, trade debts, loans and advances, deposits and other receivables. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Where considered necessary, advance payments are obtained from certain parties. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of the total financial assets of Rs. 145.043 million (2024: Rs. 137.178 million), the financial assets exposed to credit risk amount to Rs. 135.329 million (2024: Rs. 126.972 million).

The analysis below summarizes the credit quality of the Company's financial assets as at June 30 :

	2025	2024
	Rupees	
The breakup of amount due from various trade debts were:		
Yarn	53,072	2,513,842
Fabric	31,280,563	110,891,782
Others	-	-
	31,333,635	113,405,624
The aging of trade debts at the reporting date was:		
Less than 12 months	31,333,635	101,243,243
More than 12 months	-	12,162,381
	31,333,635	113,405,624

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

Long term deposits	103,626,594	13,011,694
Trade debts	31,333,635	113,405,624
Loans and advances	369,642	555,155
Bank balances	9,031,461	8,866,536
	144,361,332	135,839,009

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Rating Agency	Short Term	Long Term
United Bank Limited	JCR-VIS	A-1+	AAA
Habib Bank Limited	JCR-VIS	A-1+	AAA

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to growing nature of the businesses the Company maintains flexibility in funding by maintaining committed credit lines available.

The table shows analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial assets and liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows and also include the impact of estimated future interest payments:

	2025 (Rupees)				
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	Over five years
<u>Financial Liabilities</u>					
Directors' loan	4,317,736,878	4,317,736,878	-	-	4,317,736,878
Trade and other payables	37,136,727	37,136,727	37,136,727	-	-
Unclaimed dividend	5,889,632	5,889,632	5,889,632	-	-
	4,360,763,237	4,360,763,237	43,026,359	-	4,317,736,878

2024 (Rupees)					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	Over five years
<u>Financial Liabilities</u>					
Directors' loan	3,835,736,878	3,835,736,878	-	-	3,835,736,878
Trade and other payables	387,181,592	387,181,592	387,181,592	-	-
Unclaimed dividend	5,901,824	5,901,824	5,901,824	-	-
Accrued mark-up	2,657,351	2,657,351	2,657,351	-	-
Short term borrowings	40,455,521	40,455,521	40,455,521	-	-
	4,271,933,166	4,271,933,166	436,196,288	-	3,835,736,878

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at 30 June, 2025 / 2024. The rates of mark-up have been disclosed in note 11 to these financial statements.

37 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There were no changes to Company's approach to capital management during the year. The Company is not subject to any externally imposed Capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

	2025	2024
	Rupees	
The gearing ratios at June 30, 2025 and June 30, 2024 comes out to be:		
Total debt (including interest free loan from directors and sponsors)	4,317,736,878	3,876,192,399
Less: Cash and bank balances	(9,713,951)	(10,205,148)
Net debt	4,308,022,927	3,865,987,251
Total equity	4,590,572,954	4,485,344,353
Capital employed	8,898,595,881	8,351,331,605
Gearing ratio	0.48	0.46

38 INFORMATION ABOUT REPORTING SEGMENT

38.01 Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Board of Directors ('BOD') to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the BOD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated. For this purposes and consistent with the internal reporting purpose, only gross profits of the below mentioned two operating segments are reviewed by the BOD and other expenses are remain unallocated including assets and liabilities of the Company which are difficult to completely segregated and reviewed because of the composite nature of the whole business.

Transactions among the business segments are recorded at reasonable arm length prices. Inter segment sales and purchases are not included in the total.

38.02 The following table presents revenue and gross profit information regarding the Company's operating segments for the year ended June 30, 2025 and 2024 respectively.

Operating Segments				
	Spinning	Weaving	Inter - segment Transactions	Consolidated
2025 (Rupees)				
Sales	-	594,031,456	-	594,031,456
Cost of sales	(140,231,411)	(742,856,245)	-	(883,087,656)
Gross loss	-	-	-	(289,056,200)
Un-allocated expenses:				
Selling and distribution costs				(9,943,162)
Administrative & general expenses				(70,317,627)
Loss before taxation, finance cost and other expenses				(369,316,989)
Other operating expenses				(6,654,502)
Other operating income				5,514,097
Finance cost				(4,428,197)
Loss before taxation				(374,885,591)
Taxation				(1,958,971)
Net loss for the year				(376,844,562)

	Spinning	Weaving	Inter - segment Transactions	Consolidated - Restated
	2024 (Rupees)			
Sales	2,296,825,813	2,438,325,838	(312,562,885)	4,422,588,766
Cost of sales	(2,588,045,444)	(2,555,983,426)	312,562,885	(4,831,465,986)
Gross profit / (loss)	(291,219,631)	(117,657,588)	-	(408,877,220)
Un-allocated expenses:				
Selling and distribution costs				(50,766,857)
Administrative & general expenses				(126,131,544)
Loss before taxation, finance cost and other expenses				(585,775,621)
Other operating expenses				(4,515,439)
Other operating income				5,377,464
Finance cost				(97,802,207)
Loss before taxation				(682,715,803)
Taxation				16,403,964
Net loss for the year				(666,311,839)

2025	2024
Rupees	

38.03 The Group's revenue from external customers by geographical locations is detailed below:

Europe / America	23,025,712	428,806,747
Pakistan	571,005,744	3,993,782,019
	594,031,456	4,422,588,766

38.04 All non current assets of the Company as at 30 June 2025 / 2024 are located in Pakistan.

38.05 None of the customers of the Company accounts for more than 10% of gross sales of the Company for the year.

39 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue by the board of directors of the Company in their meeting held on September 30, 2025.

40 GENERAL

40.1 Figures have been rounded off to the nearest of Pakistani rupees.

40.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

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Ballot Paper

**For voting through post for poll to be held at 10:30 am
On October 28, 2025 at The Noor Jahan Banquet Hall, 10-A, Ali Block, Main
Boulevard, New Garden Town, Lahore. Tel: +92 42 35764026-28
Website: www.ghazifabrics.com Email: chairperson@ghazifabrics.com**

Name of shareholder / joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC number (Copy to be attached)	
Additional Information and enclosures (in case of representative of body corporate, corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/out assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below;

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	<p>“RESOLVED THAT pursuant to section 183 (3)(a) of the Companies Act, 2017, the consent of the shareholders be and is hereby accorded , and the Company be and is hereby authorized to sell the old plant and machinery of the Spinning Unit, which has been deemed inefficient due to high energy consumption and lower production capacity.”</p> <p>“RESOLVED FURTHER THAT the Chief Executive Officer of the Company or any person authorized by him, be and is hereby authorized to take all necessary steps, including but not limited to, entering into agreements, executing documents, and ensuring compliance with all regulatory and legal requirements, to facilitate the sale of such assets on terms and conditions deemed appropriate and in the best interests of the Company.”</p>			

	<p>“RESOLVED FURTHER THAT the proceeds from the sale of the old plant and machinery shall be utilized towards the repayment of Director's loan and/or acquisition of the new technology with the higher production efficiency and reduced energy consumption, in line with the company's strategic goals of improving operational efficiency and sustainability.”</p>			
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Signature of Shareholder(s)

Place: _____

Date: _____

Notes:

1. Duly Filled postal ballot should be sent to Chairperson Mrs. Azra Yasmin, 8-C, E-III, Gulberg-III, Lahore or email at: chairperson@ghazifabrics.com
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach Chairperson of the meeting on or before 27 October, 2025 5:00 pm. Any postal ballot received after this date will not be considered for voting.
4. Signature on postal ballot should match the signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

PROXY FORM

(36th ANNUAL GENERAL MEETING)

I/We _____ of _____ being member(s) of GHAZI FABRICS INTERNATIONAL LIMITED, holding _____ ordinary shares, hereby appoint _____ s/o _____ Folio No. _____ of _____ or failing him / her Mr. _____ S/o _____ CDC Part. ID & A/c # _____ of _____ who is/are also member(s) of GHAZI FABRICS INTERNATIONAL LIMITED as my / our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Thirty Sixth Annual General Meeting of the Company to be held on October 28, 2025 and / or any adjournment thereof. As witness my / our hand/ seal this _____ day of _____ Signed by the _____ in the presence of

--	--	--

Member's Folio/CDC Account No.

Affix Rs.50/- Revenue Stamp

Recent Photograph of Proxy, who will attend AGM through video conference

Witness 1
Signature _____

Witness 2
Signature _____

Name _____

Name _____

CNIC / Passport No. _____

CNIC / Passport No. _____

Address _____

Address _____

NOTES

- i. This proxy form duly completed and signed, must be received at the office of the Company's Share Registrar, not less than 48 hours before the time of holding the meeting.
- ii. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
- iii. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities

In addition to the above the following requirements have to be met:

- i. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy form.
- iii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature and recent photograph of the Nominee shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی فارم (مختار نامہ)

چھٹیویں سالانہ میٹنگ

میں / ہم _____ ولد / دختر / زوجہ _____ جو _____ سے متعلق ہیں، غازی فیہر کس انٹرنیشنل لمیٹڈ کے رکن / اراکین ہیں، اور _____ عمومی شیئرز رکھتے ہیں، بذریعہ (ممبر کا نام) _____ جو کہ (شہر کا نام) _____ سے متعلق ہے، اور ان کا فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر _____ ہے، یا ان کے غیر حاضر رہنے کی صورت میں (ممبر کا نام) _____ جو کہ (شہر کا نام) _____ سے متعلق ہے، اور ان کا فوئیو نمبر / سی ڈی سی اکاؤنٹ نمبر _____ ہے جو غازی فیہر کس انٹرنیشنل لمیٹڈ کے رکن / اراکین ہیں اور 28 اکتوبر 2025 کو منعقد ہونے والے کمپنی کے چھٹیویں سالانہ اجلاس یا اس کے التوا میں ووٹنگ کے لیے میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی / مختار ہیں۔

بطور گواہی میرے / ہمارے دستخط / امبر، مورخہ _____ برائے ماہ _____ ثبت ہیں۔

درج ذیل گواہوں کی موجودگی میں میرے دستخط یہ ہیں۔

پراکسی کا تازہ ترین فوٹو گراف جو ویڈیولنک کے ذریعے میٹنگ میں شرکت کرے گا،	50/- روپے کارپوریٹ اسٹیٹیمپ چسپاں کر کے دستخط کیں۔
---	--

ممبر / سی ڈی سی اکاؤنٹ نمبر _____ ممبر (ز) کا / کے دستخط، جو کمپنی کے پاس رجسٹرڈ ہیں۔

گواہ نمبر 2

گواہ نمبر 1

دستخط _____ دستخط _____

نام _____ نام _____

شناختی / پاسپورٹ نمبر _____ شناختی / پاسپورٹ نمبر _____

پتہ _____ پتہ _____

شناختی کارڈ نمبر _____ شناختی کارڈ نمبر _____

اہم نکات:








- یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک شیئر رجسٹر آفس میں مکمل طور پر پُر اور دستخط کے ساتھ موصول ہونا چاہیے۔
 - CDC کوئی بھی شخص / خاتون اس وقت پراکسی کے طور پر کام کرے گا جب وہ خود کمپنی کا ایک رکن ہو، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتی ہے جو کمپنی کا رکن نہ ہو۔
 - اگر ایک رکن سے ذائد پراکسی مقرر کرتا ہے اور ایک سے ذائد پراکسی کے انسٹرومنٹ کمپنی کے پاس جمع کراتا ہے تو پراکسی کے تمام انسٹرومنٹس غلط تصور کئے جائیں گے۔
- سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کے لیے:
- مندرجہ بالا کے علاوہ مندرجہ ذیل ضروریات بھی پوری کی جائیں:
- پراکسی فارم پر دو افراد جن کے نام شناختی کارڈ نمبر جمع پتہ کے موجود ہوں، بطور گواہ ضروری ہیں۔
 - حصص یافتگان اور پراکسی کے شناختی کارڈ نمبر یا پاسپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔
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