



Ghazi Fabrics International Limited

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



DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the financial statements for the quarter ended 30th September, 2023.

Operating results

During the period under review the Company's gross loss was Rs. 43,057 million (corresponding period profit: Rs. 16,013 million) and the loss after tax of Rs. 123,044 million (corresponding period loss after tax: Rs. 83,988 million). Loss per share is Rs. 3.77 (corresponding period loss per share: Rs. 2.57).

Financial Highlights

	For The Quarter Ended September 30,	
	2023	2022
	R u p e e s	
Sales	845,456,761	1,794,438,623
Gross profit / (loss)	(43,057,945)	16,013,179
Loss after tax	(123,044,364)	(83,988,008)
Gross profit/loss (%)	(5.09)	0.89
Loss per share	(3.77)	(2.57)

Indicative from the figures above, total sales of the company decreased by nearly 52.88% as compared to corresponding period. Gross loss computed Rs. 43,057 million as compared to profit Rs. 16,013 million in corresponding period. Loss after tax of the company in quarter ended September 30, 2023 is Rs. 123,044 million (corresponding period loss after tax: Rs. 83,988 million). The main reason for loss is due to global economy slowdown, increase in the cost of raw material, fuel prices and squeezing of margin in the sale price of the products.

Review of Operations and Future prospects

The overall economic situation of Pakistan is under severe pressure like increased prices of energy, continued economic volatility, fierce competition in international markets and rising cost of doing business over the last several years has hampered the export growth, turnover and market competitiveness.

We hope that expected future political stability and the favorable government policies regarding textile industry will help us to get back on track.

Acknowledgement

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

For and on behalf of the Board


Director
Lahore
October 30, 2023


Director



Ghazi Fabrics International Limited

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



ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

ہم 30 ستمبر 2023 کو ختم ہونے والے سہ ماہی مالی کے گوشوارے پیش کرتے ہیں۔

آپ کیلئے نتائج:

زیر جائزہ مدت کے دوران کمپنی کا خام نقصان 43.057 ملین روپے، جو پچھلے سال اسی مدت کے دوران منافع 16.013 ملین روپے تھا اور بعد از ٹیکس نقصان 123.044 ملین روپے، جو پچھلے سال اسی مدت کے مطابق نقصان 83.988 ملین روپے تھا۔ فی فیصد نقصان 3.77 روپے (بدلہ) (نقصان 2.57 : 2022)

2022 ستمبر	2023 ستمبر
روپے	روپے
1,794,438,623	845,456,761
16,013,179	(43,057,945)
(83,988,008)	(123,044,364)
0.89	(5.09)
(2.57)	(3.77)

فروخت

خام منافع / نقصان

بعد از ٹیکس نقصان

خام منافع / نقصان %

فی فیصد نقصان

مندرجہ بالا اعداد و شمار کے مطابق کمپنی کی مجموعی فروخت پچھلے سال اسی مدت کے مقابلے میں 52.88% کم ہو گئی ہے۔ اس کے علاوہ خام نقصان اسی مدت کے مقابلے میں

43.057 ملین روپے، جو پچھلے سال اسی مدت کے دوران منافع 16.013 ملین روپے تھا۔

30 ستمبر 2023 کو ختم ہونے والی سہ ماہی میں کمپنی کا بعد از ٹیکس نقصان 123.044 ملین روپے ہے جو پچھلے سال اسی مدت کے دوران بعد از ٹیکس نقصان 83.988 ملین

روپے رہا۔

آپ کیلئے اور مستقبل کے امکانات کا جائزہ:

پاکستان کی مجموعی معاشی صورتحال شدید زلزلہ کا شکار ہے جسے توانائی کی بڑھتی ہوئی قیمت، مسلسل اقتصادی اتار چڑھاؤ، بین الاقوامی ملٹی پلے پر سخت مقابلہ اور گزشتہ کئی سالوں سے

کاروبار کرنے کی بڑھتی ہوئی لاگت نے برآمدات کی نمو کو روکا اور مارکیٹ کی سہولت کو روکا ہے۔

ہم امید کرتے ہیں کہ مستقبل میں استحکام اور ٹیکسٹائل انڈسٹری کے حوالے سے حکومت کی سازگار پالیسیاں سامنے آئیں گی جو فریک پرواہس آنے میں ہماری مدد کریں گی۔

الغرض:

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

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

بورڈ آف ڈائریکٹرز کی جانب سے

Rizwan

ڈائریکٹر

ڈائریکٹر

ڈائریکٹر

www. 30 اکتوبر 2023

GHAZI FABRICS INTERNATIONAL LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2023

	Note	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
Rupees			
SHARE CAPITAL AND RESERVES			
Authorised share capital		400,000,000	400,000,000
Issued, subscribed and paid up capital		326,356,000	326,356,000
Directors' loan		3,281,736,878	3,118,686,878
Accumulated Loss		(1,893,470,840)	(1,770,436,474)
		1,714,622,038	1,674,616,402
NON CURRENT LIABILITIES			
Long term financing	4	-	-
Deferred liabilities		17,013,553	12,130,606
		17,013,553	12,130,606
CURRENT LIABILITIES			
Trade and other payables		297,194,069	211,149,996
Unclaimed dividend		5,938,575	5,938,575
Markup/ interest payables		13,238,149	3,949,717
Short term bank borrowings		1,071,274,830	657,541,575
Current portion of long term financing	4	-	-
Provision for taxation		63,168,738	52,895,004
		1,450,814,360	931,474,867
CONTINGENCIES AND COMMITMENTS	5	-	-
TOTAL EQUITY AND LIABILITIES		3,182,449,951	2,618,221,875
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	6	1,164,302,286	1,190,878,399
Capital work in progress		-	-
Long term deposits		13,011,694	13,011,694
		1,177,313,980	1,203,890,093
CURRENT ASSETS			
Stores, spares and loose tools		130,774,053	133,896,405
Stock in trade		567,623,833	633,399,506
Trade debts		246,718,913	185,377,353
Loans and advances		911,679,161	275,942,595
Refunds from Government agencies		144,627,261	179,629,990
Cash and bank balances		3,712,750	6,085,925
		2,005,135,971	1,414,331,762
TOTAL ASSETS		3,182,449,951	2,618,221,875

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



Director



Chief Financial Officer



Director

GHAZI FABRICS INTERNATIONAL LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Note	Quarter Ended	
		September 30,	September 30,
		2023	2022
Rupees			
Sales - net		845,456,761	1,794,438,623
Cost of goods sold	7	888,514,706	1,778,425,444
Gross profit / (loss)		(43,057,945)	16,013,179
Operating expenses:			
Selling and distribution		10,160,599	28,495,600
Administrative expenses		32,907,323	31,014,538
Other operating expenses		1,235,426	2,544,018
		44,303,348	62,054,156
Operating loss		(87,361,293)	(46,040,977)
Finance cost		26,117,481	33,966,310
Other operating income		708,144	18,076,691
Loss before taxation		(112,770,630)	(61,930,596)
Provision for taxation		10,273,734	22,057,412
Loss after taxation		(123,044,364)	(83,988,008)
Earnings / (Loss) per share - basic		(3.77)	(2.57)

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



Director



Chief Financial Officer



Director

GHAZI FABRICS INTERNATIONAL LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter Ended	
	September 30, 2023	September 30, 2022
Loss for the period	(123,044,364)	(83,988,008)
Other comprehensive income		-
Total comprehensive loss for the period	<u>(123,044,364)</u>	<u>(83,988,008)</u>

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



Director



Chief Financial Officer



Director

GHAZI FABRICS INTERNATIONAL LIMITED
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter Ended	
	September 30, 2023	September 30, 2022
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(112,770,630)	(81,930,596)
Adjustments for non-cash charges and other items:		
- Depreciation	26,846,466	28,353,567
- Provision for gratuity	6,798,036	-
- Disposal gain	-	-
- Finance cost	26,117,481	33,966,310
	59,761,983	62,319,877
Operating profit before working capital changes	(33,008,647)	389,281
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	3,122,393	13,171,632
- Stock in trade	65,775,673	398,435,282
- Trade debts	(81,341,560)	28,107,519
- Loans and advances	(635,736,566)	(232,999,806)
- Refunds from Government agencies	35,002,737	45,158,225
Increase / (decrease) in current liabilities:		
- Trade and other payables	86,044,072	(174,119,307)
	(307,133,292)	81,753,555
Cash generated from / (used in) operations	(360,141,939)	82,142,836
Gratuity paid	(3,915,090)	(30,090,127)
Tax paid	-	(18,450,218)
Finance cost paid	(16,829,049)	(44,075,669)
Net cash from operating activities	(378,886,078)	(10,473,165)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(270,353)	-
Disposal proceeds	-	-
Capital work in progress	-	-
Net cash used in investing activities	(270,353)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment) proceeds from long term financing - net	-	(33,000,000)
Loan from directors and others - net	163,050,000	-
Unclaimed Dividend	-	-
Short term borrowings	413,733,255	41,376,296
Net cash generated from financing activities	576,783,255	8,376,296
Net increase / (decrease) in cash and cash equivalents	(2,373,175)	(2,096,869)
Cash and cash equivalents at the beginning of the period	6,085,925	5,314,451
Cash and cash equivalents at the end of the period	3,712,750	3,217,582

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



Director



Chief Financial Officer



Director

GHAZI FABRICS INTERNATIONAL LIMITED
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Issued, Subscribed and Paid-up Share Capital	Loan from Directors	Accumulated loss	Total
	R U P E E S			
Balance as at June 30, 2022	326,356,000	2,629,686,878	(1,312,693,975)	1,653,348,903
Transaction with owners - loan from directors	-	-	-	-
Total comprehensive loss for the period	-	-	(83,988,008)	(83,988,008)
Balance as at September 30, 2022	326,356,000	2,629,686,878	(1,396,681,983)	1,569,360,895
Balance as at June 30, 2023	326,356,000	3,118,686,878	(1,770,426,475)	1,674,616,403
Transaction with owners - loan from directors	-	163,050,000	-	163,050,000
Total comprehensive loss for the period	-	-	(133,044,364)	(133,044,364)
Balance as at September 30, 2023	326,356,000	3,281,736,878	(1,893,470,840)	1,714,622,038

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



Director



Chief Financial Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

1 STATUS AND ACTIVITIES

Ghazi Fabrics International Limited ("the Company") was incorporated in Pakistan on April 30, 1969 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. 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 B-C, E-18, Gulberg II, Lahore and mill is located at 46-km, Multan Road, Bhajphero, Kasur.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the quarter ended September 30, 2023 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as is and for the year ended June 30, 2023.

3 ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of these financial statements are the same as applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2023.

	September 30,	June 30,
	2023	2023
	Rupees	
4 LONG TERM FINANCING - Secured		
Opening balance	-	-
Add: Acquired during the period / year	-	-
	-	-
Less: Repayment during the period / year	-	-
	-	-
Less: Current portion	-	-
	-	-

5 CONTINGENCIES AND COMMITMENTS

- 5.1 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 Honourable 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.
- 5.2 ICA No. 73790/2019 in W.P. No. 42541/2019 - Sul 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.
- 5.3 W.P. NO. 12403/2020 - Ghazi Fabrics International Limited, etc. Vs. Federation of Pakistan, etc. has been filed before the Honourable 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, Netum Jehlum Surcharge and Maximum Demand Indicator.
- 5.4 W.P. No. 74315/2019 - Shahzad Textile Mills Limited, etc Vs. Federation of Pakistan 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).

- 5.5** ICA No. 73521/2021 in W.P.No. 42176/2020- Sul 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 GDC prior to coming into force of GDC Act, 2015 as well as levy and demand of GDC at the tariff applicable to captive power consumers instead of industrial consumers. Ghazi Fabrics International Limited has been arrayed as Respondent No.38 in the titled ICA.
- 5.6** ICA No. 2155/2022 - Sul Northern Gas Pipelines Limited Vs. Ghazi Fabrics International Limited, etc. (Ghazi Fabrics International Limited has been arrayed as Respondent No.1). The above Intra-Court Appeal has been filed by SNGPL before the Honorable Lahore High Court, Lahore, challenging judgment dated 22.11.2021. This appeal is regarding levy and demand of arrears of Difference of Gas Tariff between the industrial consumers and captive power consumers for the period from 23.01.2013 to 31.08.2015.
- 5.7** I.C.A. No. 80293/2022 in W.P. No. 67112/2021 - Sul Northern Gas Pipelines Limited Vs. Ghazi Fabrics International Limited & Others. The above Intra-Court Appeal has been filed by Sul 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 Sul Northern Gas Pipelines Limited to APTMA Member textile mills demanding additional security/guarantee from them. Ghazi Fabrics International Limited has been arrayed as Respondent No. 1 in the titled Appeal.
- 5.8** W.P. No. 30844/2023 - Ghazi Fabrics International Limited & Others Vs. Federation Of Pakistan. The above writ petition has been filed before the Honorable Lahore High Court, Lahore, challenging impugned Letter dated 03.05.2023 issued by Ministry of energy (Power Division) and the impugned notices dated 29.04.2023 issued by the SNGPL, and declaring Petitioners to be entitled gas tariff of US\$ 91MMBTU at least till 30.06.2023
- 5.9** The Company has provided bank guarantee in favour of Sul Northern Gas Pipeline Limited amounting to Rs. 90.614 million (2023: Rs. 90.614 million) on account of security deposits against the consumption of natural gas.
- 5.10** Export bills discounted Rs. 22.037 million (2023: Rs. 22.037 million)

Commitments

Commitments in respect of irrevocable letters of credit for the import of raw material and spare parts of machinery as at the statement of financial position date amounts to Rs. 13.439 million (2023: Rs. 13.439 million).

6 PROPERTY, PLANT AND EQUIPMENT	Note	September 30,	June 30,
		2023	2022
		Rupees	
Opening written down value		1,190,878,399	1,249,993,307
Addition during the period / year		-	-
Land - freehold		-	-
Building on freehold land		-	-
Plant and machinery		-	73,094,976
Grid station and generators		-	-
Furniture and fittings		-	-
Vehicles		-	3,078,570
Equipment		270,353	265,340
Electric installation		-	-
		270,353	76,438,886
Book value of assets disposed off during the period / year	6.1	-	(22,182,002)
Depreciation for the period / year		(26,846,466)	(113,371,792)
		<u>1,164,032,286</u>	<u>1,190,878,399</u>
6.1 Book value of assets disposed off			
Vehicles		-	22,182,002
		-	<u>22,182,002</u>

		Quarter Ended	
		September 30, 2023	September 30, 2022
		Rupees	
7 COST OF GOODS SOLD			
Raw materials and other direct materials consumed	7.1	693,118,486	1,189,183,751
Fabric conversion, dyeing and bleaching		-	-
Salaries, wages and benefits		67,373,241	109,772,424
Fuel and power		114,997,345	146,208,669
Packing material consumed		1,417,326	15,015,648
Sizing material consumed		9,786,156	19,864,725
Store and spares consumed		8,316,222	22,973,949
Insurance		144,436	9,475
Depreciation		25,504,142	26,975,889
Repair and maintenance		167,230	1,626,926
Others		-	-
		920,764,585	1,531,591,455
Adjustment of work in process			
Opening		38,482,924	162,311,321
Closing		(68,742,711)	(92,781,898)
		(30,260,787)	69,529,423
Cost of goods manufactured		890,503,798	1,601,120,879
Adjustment of finished goods			
Opening		254,598,411	532,509,112
Closing		(256,587,503)	(355,204,547)
		(1,989,092)	177,304,565
		888,514,706	1,778,425,444
7.1 Raw material consumed			
Opening stock		340,318,171	354,896,130
Purchases		595,092,934	1,036,582,448
		935,411,105	1,391,478,586
Closing stock		(242,292,618)	(202,294,835)
		693,118,486	1,189,183,751
8 INFORMATION ABOUT REPORTING SEGMENT			

The following table presents revenue and profit information regarding the Company's operating segments for the period ended September 30, 2023 and September 30, 2022 respectively.

	Spinning	Weaving	Inter Segment Transactions	Consolidated
	Rs.	Rs.	Rs.	Rs.
	Quarter ended September 30, 2023			
Sales	378,515,828	506,482,183	(39,541,250)	845,456,761
Cost of Sales:	(370,590,650)	(557,465,306)	39,541,250	(888,514,706)
Gross profit / (loss)	7,925,178	(50,983,123)	-	(43,057,945)
Selling and distribution costs	(4,345,713)	(5,814,886)	-	(10,160,599)
Administrative and general expenses	(14,074,543)	(16,832,780)	-	(30,907,323)
Loss before taxation and unallocated expenses	(10,495,078)	(75,630,789)	-	(86,125,867)
Unallocated expenses:				
Other operating expenses				(1,235,426)
Other operating income				708,144
Finance cost				(26,117,481)
Loss before taxation				(112,770,630)
Taxation				(10,273,734)
Loss for the period				(123,044,364)

Quarter ended September 30, 2022

Sales	854,172,690	986,707,833	(46,441,900)	1,794,438,623
Cost of Sales:	(882,214,328)	(942,653,016)	46,441,900	(1,778,425,444)
Gross profit / (loss)	(28,041,638)	44,054,817	-	16,013,179
Selling and distribution costs	(13,222,022)	(15,273,578)	-	(28,495,600)
Administrative and general expenses	(14,390,815)	(16,623,723)	-	(31,014,538)
Profit / (loss) before taxation and un allocated expenses	(55,654,475)	12,157,516	-	(43,496,959)
Un-allocated expenses:				
Other operating expenses				(2,544,018)
Other operating income				18,076,691
Finance cost				(33,966,310)
Loss before taxation				(61,930,596)
Taxation				(22,857,412)
Loss for the period				(83,988,008)

9 TRANSACTIONS WITH RELATED PARTIES

	Quarter Ended	
	September 30, 2022	September 30, 2022
Directors' loan		Rupees 163,050,000

Directors' loan

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

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved by the Board of Directors and authorised for issue on October 30, 2022.

11 CORRESPONDING FIGURES

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

12 GENERAL

Figures have been rounded off to the nearest of rupees.



Director



Chief Financial Officer



Director