



# Ghazi Fabrics International Limited

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



## DIRECTORS' REPORT

The directors of Ghazi Fabrics International Limited ("the Company") are pleased to present the financial statements for the nine months ended March 31, 2024.

### Economic/Industry Overview

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.

In spite of bumper cotton production, the cotton price has increased during the period, which contributed in higher cost of production.

The future outlook looks very challenging. Due to higher cost of production the textile business is having difficulties in competing with our competitors.

### Operating Financial Results

During the period under review the Company's gross loss was Rs. (367.185) million (corresponding period: Rs (138.565) million) and the loss after tax of Rs. (629.409) million (corresponding period: Rs. (382.289) million). Loss per share is Rs. (19.29) (corresponding period loss per share: Rs. (11.71)).

### Financial highlights

	For The Nine Months Ended	
	2024	2023
	<i>Rupees</i>	
Sales	3,516,761,454	3,598,488,336
Gross loss	(367,184,668)	(138,565,341)
Loss after tax	(629,409,325)	(382,288,573)
Gross loss (%)	(10.44)	(3.85)
Loss per share –EPS- Rs.	(19.29)	(11.71)

The sales decreased by 2.27% and gross loss increased by 64.64% as compared to corresponding period. The management is expecting increase in export and local business with expected stability in the local and international political as well as economic conditions.

### 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

Rizwan Arshad  
Director

  
Lahore  
April 29, 2024

Kamran Arshad  
Director





# Ghazi Fabrics International Limited

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



## ڈائریکٹرز رپورٹ

محترم مخلصانہ!

غازی فابریکس انٹرنیشنل لمیٹڈ کے ڈائریکٹران 31 مارچ 2024 کو ختم ہونے والی نو ماہی کے مانی کوٹھارے پیش کرتے ہیں۔

اقتصادی / صنعتی جائزہ:

پاکستانی روپے کی قدر میں کمی اور دنیا بھر میں خام مہاں کی قیمتوں میں اضافے کے باعث درآمدی اور خام مال کی قیمت بلند ترین سطح پر ہیں۔ کپاس کی بھر پور پیداوار کے باوجود اس عرصے کے دوران کپاس کی قیمت میں اضافہ ہوا ہے جس سے پیداواری لاگت میں اضافہ ہوا۔ مستقبل کا نقطہ نظر بہت مشکل لگتا ہے۔ پیداواری زیادہ لاگت کی وجہ سے کپاس خاں کے کاروبار کو اپنے حربوں کے ساتھ مقابلہ کرنے میں مشکل درپیش ہے۔

آپ بیلنگ مالیاتی نتائج:

زیر جائزہ مدت کے دوران کمائی کا خام نقصان (367,185) ملین روپے چھٹلے سال اسی مدت کے دوران نقصان (138,565) ملین روپے اور بعد از گیس نقصان (629,409) ملین روپے چھٹلے سال اسی مدت کے مطابق (382,289) ملین نقصان روپے فی فیئر نقصان (19,29) روپے۔ (چھٹلے سال نقصان (11.71) فی فیئر روپے)

نو ماہ ختم ہونے والے 31 مارچ کے لئے

2023

2024

روپے

روپے

3,598,488,336

3,516,761,454

فروخت

(138,565,341)

(367,184,668)

خام نقصان

(382,288,573)

(629,409,325)

بعد از گیس نقصان

(3.85)

(10.44)

خام نقصان (%)

(11.71)

(19.29)

فی فیئر نقصان

مندرجہ بالا اعداد و شمار کے مطابق مجموعی فروخت چھٹلے سال کی اسی مدت کے مقابلے میں 2.27% کم رہی اور خام نقصان اسی مدت کے مقابلے میں 64.64% بڑھ گیا۔ انٹھامیاتی اور بین الاقوامی سیاسی اور معاشی حالات میں متوقع اصلاحات کے ساتھ برآمدات اور متقی کاروبار میں اضافے کی توقع کر رہی ہے۔

اعتراف:

ہم کپاس کی انٹھامیاتی اور ملازمین کی انتھامی صورت اور توجہ کے شکر گزار ہیں۔ ہم اپنے مخلصانہ! کو، بینکاروں، سپلائرز اور اپنے قابل قدر صارفین کے تعاون کا بھی شکریہ ادا کرتے ہیں جو اس مدت میں انہوں نے ہمارا ساتھ دیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

Rizwan  
رہمان ارشد

کاہران ارشد

ڈائریکٹر

ڈائریکٹر

لاہور:

29 اپریل 2024ء

**GHAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT MARCH 31, 2024**

	Note	Unaudited March 31, 2024 Rupees	Audited June 30, 2023 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	4.01	400,000,000	400,000,000
Issued, subscribed and paid-up capital	4.02	326,356,000	326,356,000
Directors' loan		3,630,736,878	3,118,686,878
Accumulated loss		(2,399,835,801)	(1,770,426,476)
		1,557,257,077	1,674,616,402
<b>NON CURRENT LIABILITIES</b>			
Long term financing		-	-
Deferred liabilities		23,651,659	12,130,606
		23,651,659	12,130,606
<b>CURRENT LIABILITIES</b>			
Trade and other payables		793,261,478	211,149,996
Unclaimed dividends		5,909,100	5,938,575
Markup / interest payables		21,853,577	3,949,717
Short term bank borrowings		145,015,473	657,541,575
Current portion of long term financing		-	-
Provision for taxation		43,100,913	52,895,004
		1,009,140,541	931,474,867
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	-	-
		2,590,049,277	2,618,221,875
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Operating fixed assets	6	1,108,332,864	1,190,878,399
Capital work in progress		-	-
		1,108,332,864	1,190,878,399
Long term deposits		13,011,694	13,011,694
		1,121,344,558	1,203,890,093
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		110,260,524	133,896,405
Stock in trade		494,516,871	633,399,506
Trade debts		512,634,486	385,377,353
Loans and advances		200,391,659	275,942,595
Refunds from Government agencies		144,954,833	179,629,598
Cash and bank balances		5,846,343	6,085,925
		1,468,794,719	1,414,331,782
		2,590,049,277	2,618,221,875

The annexed notes form an integral part of this condensed interim financial information.

Director

Chief Financial Officer

Director

GHAZI FABRICS INTERNATIONAL LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024

	Note	Nine Months Ended		Quarter Ended	
		March 31,		March 31,	
		2024	2023	2024	2023
		Rupees		Rupees	
SALES - Net	7	3,516,761,454	3,598,488,336	1,500,033,114	746,616,833
COST OF SALES	8	3,803,946,122	3,737,053,677	1,709,962,638	848,866,922
GROSS PROFIT/(LOSS)		(287,184,668)	(138,565,341)	(209,929,524)	(102,250,089)
SELLING AND DISTRIBUTION		39,114,305	58,283,315	15,286,887	11,930,052
ADMINISTRATIVE EXPENSES		92,876,147	84,095,754	23,735,673	27,582,182
OTHER OPERATING EXPENSES		5,331,213	4,213,653	1,855,991	124,509
OPERATING LOSS		(503,706,333)	(285,159,463)	(250,808,075)	(141,916,832)
OTHER INCOME		3,684,695	31,186,840	2,363,004	12,546,446
FINANCE COST		(590,021,728)	(253,972,623)	(248,445,072)	(129,380,386)
LOSS BEFORE TAXATION		(580,173,871)	(318,256,790)	(273,489,556)	(147,763,676)
PROVISION FOR TAXATION		43,235,454	44,031,783	18,540,659	9,038,768
LOSS AFTER TAXATION		(629,409,325)	(382,288,573)	(292,030,216)	(156,742,444)
Earnings per share - Basic		(19.29)	(11.71)	(8.95)	(4.80)

The annexed notes form an integral part of this condensed interim financial information.



Director



Chief Financial Officer



Director

**GHAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>Rupees</u>		<u>Rupees</u>	
Loss after taxation	(629,409,325)	(382,288,573)	(292,030,216)	(156,742,444)
Other comprehensive income for the period				
Total comprehensive loss for the period	<u>(629,409,325)</u>	<u>(382,288,573)</u>	<u>(292,030,216)</u>	<u>(156,742,444)</u>

The annexed notes form an integral part of this condensed interim financial information.



Director



Chief Financial Officer



Director

**GHAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	March 31, 2024	March 31, 2023
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(586,173,871)	(338,256,790)
Adjustment for:		
Depreciation	80,520,591	84,836,508
(Gain) / Loss on disposal of fixed assets	(138,750)	(7,732,528)
Staff retirement benefits	20,394,108	3,030,889
Finance cost	86,152,143	84,284,167
	<u>186,928,092</u>	<u>164,419,036</u>
<b>Cash flows before working capital changes</b>	(399,245,779)	(173,837,754)
(Increase)/decrease in current assets		
Stores, spares and loose tools	23,535,881	22,367,553
Stock in trade	138,882,635	348,300,414
Trade debts	(327,287,133)	170,352,651
Loans and advances	75,550,936	26,012,994
Refunds from Govt. Agencies	34,675,165	(2,890,912)
Increase/(decrease) in current liabilities		
Trade and other payables	582,111,482	(321,086,488)
	<u>527,498,966</u>	<u>243,256,212</u>
<b>Cash (Outflows) / Inflows from operations</b>	128,253,187	69,418,458
Finance cost paid	(68,248,283)	(97,625,881)
Staff retirement benefits paid	(8,873,056)	(55,477,771)
Income tax paid	(53,029,545)	(105,879,898)
<b>Net cash used in operating activities</b>	(1,897,697)	(189,565,092)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(221,553)	(3,089,910)
Proceeds from disposal of property, plant and equipment	2,385,246	29,914,530
Capital Work in Progress	-	(962,224)
Long term deposits	-	-
<b>Net cash used in investing activities</b>	2,163,693	25,862,396
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	-	(83,352,370)
Loan from directors and others-net	512,050,000	235,000,000
Dividend Paid	(29,475)	(113,178)
Short term borrowings- net	(512,526,103)	9,188,422
<b>Net cash generated from financing activities</b>	(505,578)	160,522,881
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(239,582)	(3,179,815)
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE PERIOD</b>	6,085,925	5,314,451
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>5,846,343</u>	<u>2,134,636</u>

The annexed notes form an integral part of this condensed interim financial information.

Director

Chief Financial Officer

Director

**GHAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Issued, subscribed and paid-up capital	Director's Loan	Accumulated losses	Total
	<i>R U P E E S</i>			
Balance as at July 01, 2022	326,356,000	2,639,686,878	(1,312,693,982)	1,653,348,896
Transaction with owner loan from directors	-	235,000,000	-	235,000,000
Total comprehensive profit for the period	-	-	(382,288,573)	(382,288,573)
<b>Balance as at March 31, 2023</b>	<b>326,356,000</b>	<b>2,874,686,878</b>	<b>(1,694,982,555)</b>	<b>1,506,060,323</b>
Balance as at July 01, 2023	326,356,000	3,118,686,878	(1,770,426,476)	1,674,616,402
Transaction with owner loan from directors	-	512,050,000	-	512,050,000
Total comprehensive loss for the period	-	-	(629,409,325)	(629,409,325)
<b>Balance as at March 31, 2024</b>	<b>326,356,000</b>	<b>3,630,736,878</b>	<b>(2,399,835,801)</b>	<b>1,557,257,077</b>

The annexed notes form an integral part of this condensed interim financial information.

  
Director

  
Chief Financial Officer

  
Director

**GHAZI FABRICS INTERNATIONAL LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024****1 STATUS AND ACTIVITIES**

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. 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 E-C, E-III, Gulberg III, Lahore and mill is located at 46-km, Multan Road, Bhaphero, Kasur.

**2 STATEMENT OF COMPLIANCE**

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

International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3 SIGNIFICANT ACCOUNTING POLICIES**

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

**4 SHARE CAPITAL**

	March 31, 2024	June 30, 2023
	Rupees	Rupees
4.01 <b>Authorized capital</b>		
40,000,000 (June 30, 2023 : 40,000,000) ordinary shares of Rs. 10/- each paid in cash.	<u>400,000,000</u>	<u>400,000,000</u>
4.02 <b>Issued, subscribed and paid up capital:</b>		
32,635,600 (June-30-2023: 32,635,600) ordinary shares of Rs. 10/- each paid in cash.	<u>326,356,000</u>	<u>326,356,000</u>

**5 CONTINGENCIES AND COMMITMENTS**

5.01 There is no material change in the status of the contingencies reported in the annual financial statements for the year ended June 30, 2023.

5.02 Commitments against irrevocable letters of credit outstanding as at March 31, 2024 amounts to Rs.13.439 million : (June 30, 2023 Rs.15.439).



4 OPERATING FIXED ASSETS

	March 31, 2024 Rupees	June 30, 2023 Rupees
Opening written down value	1,190,878,399	1,249,993,307
Addition during the period		
Plant and machinery	-	73,094,976
Vehicles	-	3,078,570
Equipment	221,553	265,340
	221,553	76,438,886
Book value of assets disposed off during the period	(2,246,496)	(22,182,002)
Depreciation for the period	(80,526,591)	(113,371,792)
	<u>1,108,332,864</u>	<u>1,190,878,399</u>

	Unaudited		Unaudited	
	Nine Months Ended		Quarter Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
in Rupees				
7 SALES-NET				
Sales	3,516,761,454	3,598,488,336	1,500,833,114	746,616,833
Rebate	-	-	-	-
	<u>3,516,761,454</u>	<u>3,598,488,336</u>	<u>1,500,833,114</u>	<u>746,616,833</u>

8 COST OF SALES

Raw material consumed	2,750,499,936	2,665,665,755	1,147,811,865	463,241,935
Fabric conversion, dyeing and bleaching	-	-	-	-
Salaries, wages and benefits	313,668,897	193,906,806	134,758,718	35,368,408
Fuel and power	624,486,823	280,871,192	286,215,783	59,366,627
Packing material consumed	24,236,519	12,491,115	13,752,771	(2,758,452)
String material consumed	38,215,491	50,537,784	18,044,831	29,942,528
Store and spares consumed	46,873,331	34,507,152	19,815,834	11,198,425
Insurance	10,145,661	7,264,264	4,196,971	3,947,229
Repair and maintenance	5,386,773	6,449,013	1,810,863	1,330,586
Depreciation	76,494,561	80,594,682	25,486,868	26,527,841
	<u>3,890,006,390</u>	<u>3,332,287,763</u>	<u>1,651,891,244</u>	<u>628,165,126</u>
Adjustment of work in process	(56,292,629)	116,468,066	(27,858,978)	(11,388,521)
Cost of goods manufactured	3,833,713,761	3,448,755,829	1,624,032,266	616,776,605
Adjustment of finished goods	58,232,361	288,287,848	85,930,372	232,980,317
	<u>3,883,946,122</u>	<u>3,737,053,677</u>	<u>1,709,962,638</u>	<u>848,886,922</u>

	Nine Months Ended	
	March 31, 2024	March 31, 2023
	Rupees	Rupees
9 TRANSACTION WITH RELATED PARTIES		
Receipt / (Repayment) of Sponsors' loan - net	<u>512,050,000</u>	<u>235,000,000</u>

## 10 INFORMATION ABOUT REPORTING SEGMENT

The following table presents revenue and profit(loss) information regarding the Company's operating segments for the nine months ended March 31, 2024 and March 31, 2023.

	Spinning	Weaving	Inter - segment Transactions	Consolidated
Amount (Rupees)				
March 31, 2024				
Sales	2,066,685,766	1,712,862,788	(262,767,100)	3,516,761,454
Cost of Sales	(2,412,698,074)	(1,734,014,349)	262,767,100	(3,883,945,122)
Gross Loss	(346,012,308)	(21,171,561)	-	(367,184,669)
Selling and distribution costs	(21,388,111)	(17,726,194)	-	(39,114,305)
Administrative and general expenses	(50,348,201)	(41,727,946)	-	(92,076,147)
Loss before taxation & un-allocated expenses	(417,748,620)	(80,625,701)	-	(498,375,120)
Un-allocated expenses:				
Other operating expenses				(5,331,213)
Other operating income				3,684,685
Finance cost				(86,152,143)
Loss before taxation				(586,173,871)
Taxation				(45,235,454)
<b>Net Loss for the period</b>				<b>(631,409,325)</b>
Amount (Rupees)				
March 31, 2023				
Sales	1,453,096,111	2,223,469,675	(78,077,250)	3,598,488,536
Cost of Sales	(1,638,996,500)	(2,177,030,741)	78,077,250	(3,737,950,677)
Gross Loss	(185,900,389)	(46,438,734)	-	(232,339,123)
Selling and distribution costs	(23,036,218)	(35,249,097)	-	(58,285,315)
Administrative and general expenses	(33,237,327)	(50,858,427)	-	(84,095,754)
Loss before taxation & un-allocated expenses	(242,173,934)	(99,668,791)	-	(341,842,725)
Un-allocated expenses:				
Other operating expenses				(4,213,053)
Other operating income				31,186,840
Finance cost				(84,284,167)
Loss before taxation				(338,256,799)
Taxation				(44,031,783)
<b>Net Loss for the period</b>				<b>(382,288,572)</b>

## 11 AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 25, 2024.

## 12 CORRESPONDING FIGURES

- 12.1- Corresponding figures have been re-arranged, whenever necessary to the facilitation of comparison.  
 12.2- Figures have been rounded off to the nearest rupee.

  
 Director

  
 Chief Financial Officer

  
 Director