



Ghazi Fabrics International Limited



ANNUAL REPORT 2024



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JAMA PUNJI	

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
Shahzad Ahmad Abbasi

Chief Financial Officer
Abid Rafi

Internal Auditor
Atif Islam

Auditors

M/s. Qadeer & Company
Chartered Accountants
Lahore.

Share registrar

M/s. Corplink (Pvt.) Ltd.
Wings Arcade, I-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 lose 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 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 not 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 35th ANNUAL GENERAL MEETING.

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of **GHAZI FABRICS INTERNATIONAL LIMITED** will be held on Saturday the October 26, 2024 at 10:30 a.m. at Noor Jahan Banquet Hall, 10-A, Aibak Block, Main Boulevard, New Garden Town, Lahore to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of 34th Annual General Meeting of the Company held on Thursday October 27, 2023.
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, 2024.

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.



3. To appoint Auditors and fix their remuneration for the year ending June 30, 2025. 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.
4. To transact any other ordinary business with the permission of the Chair.

by order of the Board

LAHORE:
October 04, 2024.

(**Shahzad Ahmad Abbasi**)
Company Secretary

NOTES:

- I. Share Transfer Books of the Company will remain closed from October 19, 2024 to October 26, 2024 (both days inclusive).
- 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“ Such Members are requested to register by providing their credentials as follows with subject “**Registration for GFIL's AGM 2024**”:

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 shared with only those members whose emails containing all the required particulars are received at the given email at least 48 hours before the time of AGM.

VIII. 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. In pursuance of the directions given by SECP vide SRO 787 (1)/ 2014 dated 8th September 2014, those shareholders who desire to receive Annual Financial Statement in future through Email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.ghazifabrics.com and send the said form duly filled in and signed along with copy of his /her /its CNIC / Passport to the Company's registered address.

X. 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.

CHAIRPERSON'S REVIEW

I am pleased to welcome you on the 35th 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 2024 together with my review on the performance of your Company.

Company's performance

Gross Loss for the financial year 2023-24 is recorded at Rs. 408.877 Million as against Gross loss Rs. 351.997 Million in financial year 2022-23 showing an increase of 16% approximately. Loss after tax of the Company in financial year 2023-24 is Rs. 666.311 million as compare to loss after tax of Rs. 667.674 million in year 2022-23 showing a decrease of 0.20%. Loss per share is recorded at Rs. 20.42 in the financial year 2023-24 as against loss per share of Rs. 20.46 in the financial year 2022-23.

Evaluation of board

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of Ghazi Fabrics International Limited is carried out. The Board's overall performance and effectiveness has been assessed as satisfactory. The Board also identified areas of improvement in line with the best practices. The Board is aware of its role in achieving the objectives of the Company.

Board received wide-ranging agendas and supporting papers in a timely manner for its Board meetings. The Board was fully involved in the strategic planning process and in developing the vision for the Company. All Directors took part in and made contributions to the decision-making process of the Board. Board has in place comprehensive policies for all relevant areas of the Company's operations and these policies are reviewed and updated from time to time.

The Audit Committee and Human Resources & Remuneration committee met regularly to fortify the functions of the board. The company has an independent Internal Audit department, which leads the Internal Audit function and follows a risk based Audit methodology. Audit reports are presented to the Board for review and actions where necessary.

Acknowledgement

In the closing, I wish to acknowledge the contribution of our employees towards the Company. I would like to thank our valued customers for their confidence and support. Last but not least, the credit to the Financial Institutions for their cooperation and support.

Mrs. Azra Yasmin
Chairperson

چیمبر پرسن کا جائزہ

چیمبر پرسن کا جائزہ:

میں آپ کی کمپنی کے 35 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 2024ء اور آڈیٹڈ اکاؤنٹس کا جائزہ پیش کر رہی ہوں۔

کمپنی کی کارکردگی:

مالی سال 2023-24 مجموعی نقصان 408.877 ملین روپے کے مقابلے میں 2022-23 کے لئے مجموعی نقصان 351.997 ملین روپے ریکارڈ کیا گیا ہے جو کہ تقریباً 16% زیادہ بنتا ہے۔ مالی سال 2023-24 میں ٹیکس کے بعد نقصان 666.311 ملین روپے کے مقابلے میں سال 2022-23 میں ٹیکس کے بعد نقصان 667.674 ملین روپے ہے۔ جو کہ تقریباً 0.20% کم بنتا ہے۔ مالی سال 2023-24 میں 20.42 روپے فی حصص نقصان کے مقابلے میں مالی سال 2022-23 میں 20.46 روپے فی حصص نقصان دکھایا ہے

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 کو اپنی بروقت میٹنگز میں جامع ایجنڈا اور مطلوبہ مواد موصول ہوئے۔ بورڈ حکمت عملی کی پلاننگ کے عمل اور ادارے کے نظریہ کے حصول میں مکمل طور پر شامل رہا۔ 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 موثر انجام دہی کیلئے باقاعدگی سے میٹنگ کرتی رہی ہے۔ کمپنی کا اپنا خود مختار انٹرنل آڈٹ ڈیپارٹمنٹ ہے جو اندرونی آڈٹ کے امور انجام دیتا ہے اور رسک پزنی آڈٹ کے طریقہ کار کی پیروی کرتا ہے۔ آڈٹ رپورٹیں بورڈ کو جائزے اور حسب ضرورت کارروائی کیلئے بھیجی جاتی ہیں۔

اعتراف خدمات:

آخر میں اپنے تمام ملازمین کی خدمات کا اعتراف کیا جاتا ہے اور اپنے صارفین، جنہوں نے ہم پر اعتماد اور تعاون کیا۔ آخری لیکن کم سے کم نہیں اس تعاون کا سہرا مالیاتی ادارے کو جاتا ہے۔

مسز عذرا یاسمین

چیمبر پرسن

27 ستمبر 2024ء

9

DIRECTORS' REPORT

The Directors are pleased to present Annual Report of your Company together with Audited Financial Statements for the year ended June 30, 2024. Figures for the previous year ended June 30, 2023 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;

	2024	2023 Restated
	R u p e e s (000)	
Sales – Net		
Local	3,952,785	3,782,030
Export	428,685	488,592
Gross profit / (loss)	(408,877)	(351,998)
Operating profit / (loss)	(584,914)	(505,575)
Financial charges	97,802	132,888
Profit / (loss) after tax	(666,312)	(667,674)
Earning / (Loss) per share (EPS) Rs.	(20.42)	(20.46)

Financial and operational performance:

Gross loss for the financial year 2023-24 is recorded at Rs. 408,877 million as against Gross loss of Rs. 351.998 million in financial year 2022-23 showing a increase in loss. Loss after tax of the Company in financial year 2023-24 is Rs.666.312 million as compare to loss after tax of Rs. 667.674 million in year 2022-23 showing a decrease of loss. Loss per share is recorded at Rs. 20.42 in the financial year 2023-24 as against loss per share of Rs. 20.46 in the financial year 2022-23.

Management's tried its best to reduced the impact of worst economic meltdown due to increase in cost of production especially energy and raw material cost and reduced sale price due to lower economic activity. The Company has continued its practice to reduce costs wherever there is cushion available.

Comments on Auditors' Report

The Auditors have raised an observation regarding the future ability of the Company to continue its operations normally. The Auditors have issued their report with emphasis of matter paragraph. The management feels that considering the factors mentioned in note 1.02 of the financial statements, the management of the company is fully justified to prepare the financial statements using going concern assumption.

Textile industry outlook:

The textile sector had to facing a challenging economic situation due to increased cost of production because of higher raw material price and increased energy cost. The power prices remained at their highest after the change in gas mix of locally extracted system gas and imported Re-liquefied Natural Gas (RLNG). The industry is not able to pass on the increased cost of production to the buyers due to reduced purchasing power of the masses locally and internationally.

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 interest rates remained highest during the period which contributed in the cost of doing business and reduced the liquidity of the textile sector. However, recently the State Bank of Pakistan has reduced the interest rates,

which is expected to reduce the borrowing cost and expected to result in increase in economic activities, which may improve the textile sectors' performance.

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 of the significant importance of this sector at economic forum, its performance remained subdued on account of lackluster performance of cotton yarn and cotton cloth in the local and international market. Textile sector exports of yarn and fabric have shown decline in quantitative terms during the last four years because of the high cost of doing business as compared to competitor countries and undecieve policies by the government for the industry.

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 continues to remain conducive for the growth. Availability of energy supplies and improvement in law and order situation has improved business climate. However, below target production of domestic cotton crop for season 2023-24, increasing trend in power & fuel prices may adversely affect the competitiveness of textile industry in international markets.

We will continue to explore and tap emerging and new market opportunities in the sector. Pakistan is the fourth largest producer and third largest consumer of cotton, in addition to being one of the largest exporters of cotton yarn in the world. Cotton sector along-with textile and apparel industry, account for 11 percent of the country GDP and 60 percent of the country's export value, while employing 35 percent of the industrial work force. Textile has been an important sector for the local economy and future prospects of country are linked with the progress of textile chain, hence, it will remain in 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 possesses deepest care about its people and works towards empowering people by helping them develop the skills they need to succeed in a global economy. This approach has roots in our culture and enables our sustainable progress.

We believe that the success of any business depends on the quality of human capital and therefore development of people is our priority. We have invested fair number of hours in training and wish to enhance this in future. In order to develop future leadership in different functions we have instituted management training scheme and expect that the young talent will take the organization to greater heights.

For ensuring reward based on performance and to develop high caliber people for future succession, a system of performance management is practiced in the Company. The Company also believes in providing good health, safety, work-life balance and market commensurate compensation package including employment benefit plan.

Earnings per share:

The loss per share for the Company for the year ended June 30, 2024 is Rs.20.42 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 2024, 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, 2023 to June 30, 2024

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

Human resource and remuneration committee (HRRC) meetings:

One (1) meeting was held during the period from July 1, 2023 to June 30, 2024.

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

Audit committee meetings

Six (6) meetings were held during the period from July 1, 2023 to June 30, 2024.

Sr. #	Name of director	Attended
1	Rizwan Arshad	6
2	Wajeeha Haaris	6
3	Muhammad Imran Rasheed	6

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, 2024 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, 2025. 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.

For and on behalf of the Board

Chief Executive

Director

Lahore:
September 27, 2024

شیر ہولڈنگ کا نمونہ:

کمپنی کے شیر ہولڈنگ کے نمونے کو سالانہ رپورٹ میں شامل کیا گیا ہے۔

سی ڈی سی اور فیڈریکل شیر ہولڈنگ کا مشترکہ پیٹرن:

سی ڈی سی اور فیڈریکل شیر ہولڈنگ کا مشترکہ پیٹرن ڈائریکٹری رپورٹ سے منسلک ہے۔

اعتراف:

آپ کی کمپنی کے ڈائریکٹرز نے گاہوں، بیکاروں، ریگولیشنز 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

لاہور

ڈائریکٹر

چیف ایگزیکٹو

27 ستمبر 2024ء

ہیومن ریسورس اینڈ ریمو نیو نیشن کمیٹی (ایچ آر آر سی) کے اجلاس:
1 جولائی 2023 سے 30 جون 2024 کے دوران (1) ایک اجلاس ہوا۔

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

آڈٹ کمیٹی کے اجلاس:

1 جولائی 2023 سے 30 جون 2024 کے دوران (6) چھ اجلاس ہوئے۔

نمبر	ڈائریکٹرز کے نام	اجلاسوں میں شرکت
۱	رضوان ارشد	6
۲	وجیہہ حارث	6
۳	محمد عمران رشید	6

ڈائریکٹرز، چیف فنانسٹل آفیسر، کمپنی سیکرٹری، ان کے شریک حیات اور چھوٹے بچوں کی جانب سے شیراز کی تجارت نہیں کی گئی سوائے اسکے جو شیر ہولڈنگ کے نمونے میں بنائی گئی ہے۔

نان ایگزیکٹو ڈائریکٹرز کی ریمو نیو نیشن پالیسی:

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

آڈیٹرز:

موجودہ آڈیٹرز میسرز قدیر اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس نے 30 جون 2024 کا سالانہ آڈٹ مکمل کر لیا اور انکوائریٹو آڈٹ رپورٹ کے ساتھ معاملے کے پیرا گراف کو جاری کیا ہے۔ آڈیٹرز کمپنی کے سالانہ عام اجلاس کے اختتام پر ریٹائرڈ ہو جائیں گے اور انہوں نے اہل ہونے کی بنا پر 30 جون 2025 کو ختم ہونے والے سال کے لئے دوبارہ تقرری کے لئے 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 منعقد ہوا اور ایک 7 رکنی بورڈ بلا مقابلہ منتخب ہوا جس کے عہدے کی مدت 27 اکتوبر 2026 کو ختم ہو جائے گی۔

بورڈ کی کارکردگی کی جانچ پڑتال:

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی انفرادی کارکردگی کی جانچ پڑتال کو سرانجام دیا ہے۔

چیف ایگزیکٹو آفیسر کی کارکردگی کی جانچ پڑتال:

ہیومن ریسورس اور معاوضے کی کمیٹی نے چیف ایگزیکٹو آفیسر کی کارکردگی کی جانچ پڑتال کی ہے۔

۵۔ اندرونی کنٹرول کے سسٹم کا ڈیزائن عمدہ ہے اور اس کا نفاذ اور نگرانی موثر ہے۔ کنٹرول کے طریقہ کار پر زور دیا جا رہا ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی کی پالیسیوں پر عمل پیرا ہے اور کسی بھی قسم کی بے ضابطگی کی صورت میں اس کی اصلاح فوری طور پر کی جاتی ہے۔ قابو میں مزید بہتری کے لئے آئندہ بھی جائزہ جاری رہے گا۔

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

۷۔ سالانہ رپورٹ میں کی آپریٹنگ اور مالیاتی ڈیٹا بابت پچھلے 6 سال کو شامل کیا گیا ہے۔

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

۹۔ مالی سال کے دوران متعلقہ فریقوں کے معاملات آڈٹ کمیٹی کی طرف سے توثیق کے بعد 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 2 آزاد ڈائریکٹر، 3 نان ایگزیکٹو ڈائریکٹرز اور 2 ایگزیکٹو ڈائریکٹرز (چیف ایگزیکٹو آفیسر سمیت) شامل ہیں۔

بورڈ کی ساخت:

بورڈ میں پانچ مرد اور دو خاتون ڈائریکٹرز شامل ہیں۔

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

افراد کے نام جو 30 جون 2024 کو ختم ہوئے سال کے دوران کمپنی کے ڈائریکٹرز تھے، سال کے دوران منعقدہ بورڈ اور کمیٹیوں کی میٹنگوں کی تعداد اور ہر ڈائریکٹر کی حاضری کی حیثیت مندرجہ ذیل ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگز:

1 جولائی 2023 سے 30 جون 2024 تک پانچ (05) ملاقاتیں ہوئیں۔

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

صحت، تحفظ اور ماحول:

آپ کی کمپنی اپنے تمام ملازمین کے ساتھ ساتھ گردنواح کے رہنے والے لوگوں کی حفاظت کے لئے ہر ممکن اقدامات کرتی ہے۔ ماحولیاتی تحفظ کمپنی کی اولین ترجیح ہے۔ کمپنی اس بات کو یقینی بناتی ہے کہ اس کا پیداواری عمل ماحول دوست رہے۔ ہم اپنے دفاتر اور پیداواری تنصیبات میں توانائی کی استعداد کار کو بہتر بنانے کے لیے مسلسل کوشش کر رہے ہیں۔

اضافی طور پر، کمپنی کے پاس بہت سے بین الاقوامی سطح پر تسلیم شدہ سرٹیفیکیشن ہیں جو لیبر فلاح و بہبود کے لئے ماحول کو صاف ستھرا اور اعلیٰ معیار رکھنے پر مرکوز ہیں۔ آپ کی کمپنی کو OEKO-TEX سرٹیفیکیشن (ماحول دوست کپاس) کے علاوہ بی سی آئی سرٹیفیکیشن / ممبر شپ (بہتر کاٹن انیشی ایٹو) بھی حاصل ہے۔

کارپوریٹ سماجی ذمہ داری:

غازی فیبرکس انٹرنیشنل لمیٹڈ کے لئے اسکے لوگ بہت اہم اور لوگوں کو باختیار بنانے کی سمت کام کرتا ہے تاکہ وہ عالمی معیشت میں کامیابی کے لئے ان کی مہارتوں کی ترقی میں مدد کر سکیں۔ یہ نقطہ نظر ہماری ثقافت کی جڑیں ہیں اور ہماری پائیدار ترقی کے قابل بناتا ہے۔

ہم سمجھتے ہیں کہ کسی بھی کاروبار کی کامیابی کا دارومدار انسانی سرمائے کے معیار پر ہے اور اس لئے لوگوں کی ترقی ہماری ترجیح ہے۔ ہم نے انسانی تربیت میں اضافے کے لئے کافی سرمایہ کاری کی ہے اور مستقبل میں اس کو بڑھانا چاہتے ہیں۔ مستقبل کی قیادت کو ترقی دینے کے لئے ہم نے مینجمنٹ ٹریننگ اسکیم کا آغاز کیا ہے اور توقع ہے کہ ہنرمند نوجوان کمپنی کو اونچائی پر لے کر جائیں گے۔

کارکردگی کی بنیاد پر معاوضہ کو یقینی بنانے اور مستقبل کی جانشینی کے لئے اعلیٰ صلاحیت رکھنے والے افراد کی تربیت کے لئے، کمپنی نے کارکردگی جانچنے کا نظام رائج کیا ہے۔ کمپنی اچھی صحت، حفاظت، کام کی زندگی کے توازن اور مارکیٹ کے مطابق معاوضے کے پیکیج کو فراہم کرنے پر بھی یقین رکھتی ہے جس میں روزگار سے فائدہ اٹھانا بھی ہے۔

فی شیئر آمدنی:

30 جون 2024 کو ختم ہوئے سال کے لئے کمپنی کیلئے ہر حصص کا نقصان 20.42 روپے فی حصص ہے۔

پوسٹ بیلنس شیٹ کی سرگرمیاں:

مالی بیانات کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کوئی بڑی تبدیلی نہیں آئی۔

کارپوریٹ گورننس کے ضوابط کی تعمیل:

کمپنی کی انتظامیہ پاکستان سٹاک ایکسچینج کی جانب سے جاری کردہ کارپوریٹ گورننس کے ضوابط پر عمل درآمد کے حوالے سے اپنی ذمہ داریوں سے پوری طرح آگاہ ہے اور مقررہ وقت میں اسکے نفاذ کے لئے مناسب اقدامات کے لئے کوشاں ہے۔ ہمیں یہ اطلاع دیتے ہوئے خوشی ہوئی ہے کہ:

۱۔ انتظامیہ کی جانب سے تیار کیے جانے والے مالیاتی گوشواروں میں اسکے معمولات، آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلیوں کو عمدہ طریقے سے پیش کیا گیا ہے۔

۲۔ کمپنی نے اپنے اکاؤنٹس کے کھاتے درست انداز میں رکھے ہوئے ہیں۔

۳۔ مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی پالیسیوں کا مستقل انداز میں نفاذ کیا گیا ہے اور اکاؤنٹنگ کے تخمینوں کا دارومدار معقول اور محتاط فیصلے پر مبنی ہے۔

۴۔ مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ کے معیار کا نفاذ کیا گیا ہے جو پاکستان میں بھی رائج ہیں اور وہاں سے کسی بھی طرح کی روانگی کا مناسب طور پر سمجھایا اور انکشاف کیا گیا ہے۔

ٹیکسٹائل کی صنعت کا جائزہ:

خام مال کی قیمتوں میں اضافے اور توانائی کی قیمتوں میں اضافے کی وجہ سے ٹیکسٹائل کے شعبے کو پیداواری لاگت میں ایک مشکل معاشی صورتحال کا سامنا ہے۔ مقامی طور پر نکالی گئی گیس اور درآمد شدہ مائع قدرتی گیس کے گیس مکس میں تبدیلی کے بعد بجلی کی قیمتیں اپنی بلند ترین سطح پر ہیں۔ مقامی اور بین الاقوامی سطح پر عوام کی قوت خرید میں کمی کی وجہ سے صنعت خریداروں کو پیداوار کی بڑھتی ہوئی لاگت منتقل کرنے کے قابل نہیں ہے۔

پاکستانی روپے کی قدر میں کمی کے ساتھ ساتھ دنیا میں خام مال کی قیمتوں میں اضافے کی وجہ سے درآمدی اور مقامی خام مال کی لاگت بڑھی ہے۔

سود کی شرح اس مدت کے دوران سب سے زیادہ رہی جس سے کاروبار کرنے کی لاگت میں اضافہ ہوا ہے۔ مصالحتی ممالک کے مقابلے میں بجلی کے نرخ نمایاں طور پر زیادہ ہیں اور یہ پیداواری لاگت میں اضافے کی ایک بڑی وجہ ہے۔ حکومت کو اس فرق کو ختم کرنے کے لیے فوری اقدامات کرنا ہوں گے تاکہ بین الاقوامی مارکیٹ میں مقابلہ کرنے کے لئے ایک برابری کا میدان فراہم کیا جاسکے۔

اقتصادی فورم پراس شعبے کی نمایاں اہمیت کے باوجود مقامی اور بین الاقوامی سطح پر سوتی دھاگے اور سوتی کپڑے کی ناقص کارکردگی کی وجہ سے اس کی کارکردگی کمزور رہی۔ ٹیکسٹائل سیکٹر کی سوت اور کپڑے کی برآمدات مقدار کے لحاظ سے گذشتہ چار سالوں کے دوران مسلسل کم ہوئی ہیں کیونکہ حریف ممالک کے مقابلے میں کاروبار کرنے کی زیادہ قیمت اور صنعت کے لئے حکومت کی ناقص پالیسیاں ہیں۔

حکومت کی جانب سے ہر سال کپاس کی پیداوار میں ہونے والی مسلسل کمی کو نوٹ کرنے کی ضرورت ہے۔ وقت آگیا ہے کہ نوٹس لین اور روٹی کے لئے ایسے بیجوں کی جانچ پڑتال اور لانے کے لئے ایک خصوصی ریسرچ اینڈ ڈویلپمنٹ ڈیپارٹمنٹ تشکیل دیا جائے۔ جو بین الاقوامی معیار کے مطابق ہو اور کاشتکاروں کے لئے بھی فائدہ مند ہو۔ بصورت دیگر ہمیں خدشہ ہے کہ اگر ایسا نہ کیا گیا تو ٹیکسٹائل کی صنعت کے لئے چلنا بہت مشکل ہو جائے گا اور ملیں مقابلہ نہیں کر سکیں گی جو بالآخر ہماری معیشت پر منفی اثر ڈالے گا۔

ہماری رائے میں نئے بیج کی ترقی میں وقت درکار ہے۔ اس دوران حکومت کو کپاس کے بیج درآمد کرنے کے لئے فوری اقدامات اٹھانے چاہئیں جو ہماری مٹی کے لئے موزوں ہو۔ ہم تجویز کرتے ہیں کہ جب تک ہم زیادہ سے زیادہ پیداواری سطح کو حاصل نہ کر لیں تب تک کپاس کی درآمد پر ٹیکس پابندی اٹھائی جائے۔

مستقبل کے امکانات:

مستقبل کا نظارہ بہت مشکل لگتا ہے ٹیکسٹائل کے کاروبار میں عالمی سطح پر بہت مقابلہ ہے۔

اگر مجموعی ماحول ترقی کے لئے سازگار رہتا ہے، توانائی کی فراہمی اور نظم و ضبط کی صورتحال میں بہتری آتی ہے تو کاروباری فضاء بہتر ہو جائے گی۔ تاہم سیزن 2023-24 کے موسم میں گھریلو کپاس کی فصل کے ہدف پیداوار سے نیچے، بجلی اور ایندھن کی بڑھتی ہوئی قیمتوں کے رجحان سے بین الاقوامی منڈیوں میں ٹیکسٹائل انڈسٹری کی مسابقت کو بری طرح متاثر کیا ہے۔

ہم اس شعبے میں ترقی کرنے کی کوشش جاری رکھیں گے اور نئی مارکیٹ میں مواقع تلاش کرتے رہیں گے۔ پاکستان دنیا میں کاٹن بارن کے سب سے بڑے برآمد کنندہ میں سے ایک ہونے کے علاوہ کپاس کا چوتھا سب سے بڑا پروڈیوسر اور تیسرا سب سے بڑا صارف ہے۔ کپاس کے شعبے کے ساتھ ساتھ ٹیکسٹائل اور ملبوسات کی صنعت ملک کے جی ڈی پی کا 11% اور ملک کی برآمدات کا 60% ہونے کے علاوہ 35% لوگوں کو روزگار مہیا کرتی ہے۔ مقامی معیشت کا اہم شعبہ ہونے کی وجہ سے ملک کا مستقبل ٹیکسٹائل سے جڑا ہے۔ جس کی بدولت یہ شعبہ تمام سٹیک ہولڈرز کے لئے توجہ کا مرکز رہے گا۔

متعلقہ فریق:

متعلقہ فریقین کے درمیان لین دین آرمز لینتھ پر کیا گیا ہے۔ جن کا موازنہ غیر مقابل قیمتوں کے طریقہ کار سے کیا گیا ہے۔ کمپنی مکمل طور پر اور بہترین طریقوں سے ٹرانسفر پرائسنگ کے طریقوں پر عمل پیرا ہے۔ جو کہ پاکستان سٹاک ایکسچینج کے لسٹنگ کے ضابطے میں موجود ہیں۔

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024ء کو ختم ہونے والے مالی سال متعلقہ کمپنی کی سالانہ رپورٹ مع آڈٹ شدہ اکاؤنٹس پیش کرتے ہیں۔ گزشتہ مالی سال 30 جون 2023 کے اعداد و شمار تقابلی جائزے کے لئے شامل کئے گئے ہیں۔

کارپوریٹ گورننس کے کوڈ کی تعمیل کے لئے سالانہ رپورٹ کی توثیق چیف ایگزیکٹو آفیسر اور چیف فنانسیشنل آفیسر کی طرف سے کی گئی ہے جو کہ آڈٹ کمیٹی کی طرف سے منظوری کی سفارش کے بعد بورڈ آف ڈائریکٹرز کی طرف سے منظور کی گئی ہے۔

کمپنی کی بنیادی سرگرمی گریے یارن اور گریے فیبرکس کی تیاری ہے جو مقامی اور غیر ملکی مارکیٹوں میں فروخت کی جاتی ہے۔ کمپنی کی آپریٹنگ کارکردگی پر سرسری نظر ڈالنے کے لئے اس سال کے مالیاتی نتائج اور تقابلی اعداد و شمار کے ساتھ پیش کیے گئے ہیں؛

سال 2023	سال 2024	
روپے (000)		
نظر ثانی شدہ		
3,782,030	3,952,785	فروخت:
488,592	428,685	مقامی
(351,998)	(408,877)	برآمدات
(505,575)	(584,914)	خام منافع / (نقصان)
132,888	97,802	آپریٹنگ منافع / (نقصان)
(667,674)	(666,312)	مالیاتی اخراجات
(20.46)	(20.42)	بعد از ٹیکس منافع / (نقصان)
		فی شیئر منافع / (نقصان) روپے

مالی اور آپریٹنگ کارکردگی:

مالی سال 2023-24 مجموعی نقصان 408.877 ملین روپے کے مقابلے میں 2022-23 کے لئے مجموعی نقصان 351.998 ملین روپے ریکارڈ کیا گیا ہے جو کہ نقصان میں اضافہ دکھا رہا ہے۔ مالی سال 2023-24 میں ٹیکس کے بعد نقصان 666.312 ملین روپے کے مقابلے میں سال 2022-23 میں ٹیکس کے بعد نقصان 667.674 ملین روپے ہے۔ جو کہ نقصان میں کمی دکھا رہا ہے۔ مالی سال 2023-24 میں 20.42 روپے فی حصص نقصان کے مقابلے میں مالی سال 2022-23 میں 20.46 روپے فی حصص نقصان دکھا رہا ہے۔

پیداواری لاگت خاص طور پر توانائی اور خام مال کی لاگت، کم اقتصادی سرگرمیوں کی وجہ سے فروخت کی قیمت کم رہنے اور بدترین معاشی بحران کے اثرات کو انتظامیہ نے کم کرنے کی پوری کوشش کی ہے۔ کمپنی نے جہاں تک ممکن تھا وہاں اخراجات کو کم کرنے کی کوشش جاری رکھی ہے۔

آڈٹ رپورٹ پر تبصرہ:

آڈٹرز نے کمپنی کے کام کو معمول کے مطابق جاری رکھنے کی مستقبل کی صلاحیت کے حوالے سے ایک مشاہدہ کیا ہے۔ آڈٹرز نے معاملے کے پیرا گراف 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 مالیاتی بیانات گونگ کنسرن کی بنیاد پر تیار کرے۔

PATTERN OF SHAREHOLDING

As At June 30, 2024

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

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

30-06-2024

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
573	1	100	48,932
3,296	101	500	1,508,575
379	501	1,000	348,716
291	1,001	5,000	716,903
42	5,001	10,000	321,754
17	10,001	15,000	221,501
5	15,001	20,000	93,000
5	20,001	25,000	114,700
4	25,001	30,000	113,600
1	30,001	35,000	35,000
1	35,001	40,000	39,607
1	45,001	50,000	47,500
1	50,001	55,000	54,000
1	70,001	75,000	75,000
1	75,001	80,000	76,000
2	95,001	100,000	199,612
1	100,001	105,000	105,000
1	120,001	125,000	124,500
2	145,001	150,000	300,000
1	260,001	265,000	262,000
1	295,001	300,000	300,000
1	670,001	675,000	673,000
1	1,615,001	1,620,000	1,617,600
1	2,490,001	2,495,000	2,491,100
1	3,220,001	3,225,000	3,222,000
1	3,225,001	3,230,000	3,226,000
1	16,295,001	16,300,000	16,300,000
4,632			32,635,600

2.3 Categories of Shareholders	Shares Held	Percentage (%)
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	20,707,700	63.4513
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	124,500	0.3815
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	5,117,991	15.6822
b. Foreign	6,448,000	19.7576
2.3.9 Others (to be specified) Joint Stock Companies	198,209	0.6073

CATEGORIES OF SHAREHOLDING

Sr. No.	Name	No. of Shares Held	Percentage (%)
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	1,000	0.0031
3	MR. MUHAMMAD KAMRAN ARSHAD	1,617,600	4.9566
4	KHA WAJA WAHEED RAZA (CDC)	35,000	0.1072
5	MISS. WAJEEHA ARSHAD	500	0.0015
6	MR. RIZWAN ARSHAD	2,753,100	8.4359
7	MR. MUHAMMAD IMRAN RASHEED	500	0.0015
Executives:		3,000	0.0092
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		152,200	0.4664
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	MR. RIZWAN ARASHAD	2,753,100	8.4359
3	MISS FAREEHA ARSHAD	3,226,000	9.8849
4	MR. ABDULLAH IBRAHIM HUSSAIN	3,222,000	9.8727

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
	<u>Nil</u>		

SIX YEARS FINANCIAL STATISTICAL SUMMARY

Measure of performance	2024	2023	2022	2021	2020	2019	2018
..... Rupees in Thousand							
Sales - net	4,422,589	4,285,864	8,633,337	6,340,314	4,703,859	5,418,786	3,797,059
Cost of sales	4,831,466	4,637,862	8,247,787	5,790,439	4,566,155	5,033,977	3,571,402
Gross profit/(Loss)	(408,877)	(351,998)	385,550	549,875	137,704	384,809	225,657
Operating profit/(Loss)	(584,914)	(505,675)	159,582	346,749	(31,852)	206,985	18,329
(Loss) / profit after tax	(666,312)	(667,674)	7,624	196,556	(223,595)	(51,444)	(175,202)
In % age terms							
Cost of sales	109.25	108.21	95.53	91.33	97.07	92.90	94.06
Operating profit/(Loss)	(13.23)	(11.80)	1.85	5.47	(0.68)	3.82	0.48
(Loss)/ profit after tax	(15.07)	(15.58)	0.09	3.10	(4.75)	(0.95)	(4.61)
Financial position							
Property, plant and equipment-net	4,060,580	1,190,878	1,249,993	1,233,010	1,321,561	1,401,016	1,415,526
Capital work in progress		-	34,073	72,482	-	-	90,830
Fixed assets	4,060,580	1,190,878	1,284,066	1,305,493	1,321,561	1,401,016	1,506,356
Current assets							
Stores, spares and loose tools	116,950	133,896	129,769	130,879	122,871	131,914	115,609
Stocks in trade	235,283	633,400	1,049,717	698,180	990,238	729,191	449,614
Other current assets	423,849	606,471	973,134	657,844	520,088	860,918	577,315
Cash and cash equivalent	10,205	6,086	5,314	18,532	8,591	6,784	30,450
	786,287	1,379,853	2,157,934	1,505,435	1,641,788	1,728,807	1,172,988
Current liabilities							
Short term borrowings	40,456	657,542	1,014,605	775,971	1,037,670	1,255,863	983,332
Current portion of long term loans	-	-	94,500	121,250	119,750	80,550	150,000
Other current liabilities	450,014	455,870	626,332	306,778	386,240	315,110	334,743
	490,470	1,113,412	1,735,437	1,203,999	1,543,660	1,651,523	1,468,075
Net working capital	295,817	266,441	422,497	301,436	98,128	77,284	(295,087)
Long term loans - excluding sponsors' loan	-	-	-	61,500	162,250	131,250	56,250

FINANCIAL HIGHLIGHTS

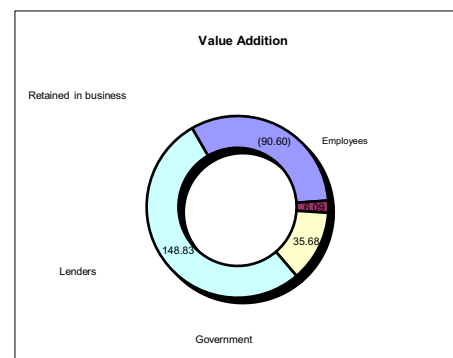
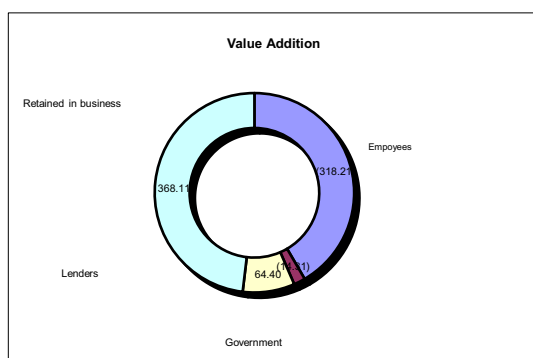
Financial Highlights		2024	2023	2022	2021	2020	2019	2018
	Rupees.....						
A. Profitability Ratios:								
Earning before interest, taxation and depreciation	Rs.	(477,605,679)	(392,302,806)	277,940,606	468,974,052	95,489,077	340,596,271	160,223,452
Earning before interest and taxation	Rs.	(584,913,596)	(505,674,598)	159,582,302	346,749,150	(31,851,713)	206,984,710	18,328,741
Profit / (Loss) before taxation and depreciation	Rs.	(575,407,886)	(525,190,343)	177,763,929	373,369,064	(77,566,805)	195,562,579	40,194,263
Gross profit ratio	%	(9.25)	(8.21)	4.47	8.67	2.93	7.10	5.94
Operating profit / (loss) margin to sales (net)	%	(13.23)	(11.80)	1.85	5.47	(0.68)	3.82	0.48
Net profit / (loss) margin to sales (net)	%	(15.07)	(15.58)	0.09	3.10	(4.75)	(0.95)	(4.88)
EBITD margin to sales (net)	%	(10.80)	(9.15)	3.22	7.40	2.03	6.29	4.22
B. Liquidity Ratios :								
Current ratio	%	1.60	1.24	1.24	1.25	1.06	1.05	0.80
Quick / Acid-test ratio	%	1.12	0.67	0.64	0.67	0.42	0.61	0.25
Cash to current liabilities	%	0.021	0.005	0.003	0.02	0.01	0.004	2.07
Cash flow from operations to sales	%	0.14	0.17	(0.04)	-	0.03	(0.12)	8.95
Working capital (Net current assets)	Rs.	295,816,934	266,441,497	422,496,628	301,435,015	98,127,442	77,283,941	(295,086,622)
Working capital turnover	Times	14.95	16.09	20.43	21.03	47.94	70.12	(12.87)
C. Activity / Turnover Ratios								
Debtors turnover ratio	Times	39.00	23.12	15.65	15.75	14.38	12.91	30.00
No. of days in receivables / Average collection period	Days	12.33	31.38	20.17	21.00	28.98	18.40	12.17
Inventory turnover ratio	Times	11.12	5.51	9.44	6.86	5.31	8.54	6.32
No. of days in inventory	Days	35.85	44.70	36.95	48.60	66.71	39.70	57.77
Creditors turnover ratio	Times	10.44	9.11	25.52	21.86	18.98	25.03	11.72
No. of days in creditors / Average payment period	Days	21.63	29.22	11.77	11.32	14.78	11.54	31.14
Property, plant and equipment turnover	Days	335.12	101.42	52.85	70.98	102.55	94.37	136.07
Total assets turnover	Days	410.67	220.04	146.07	162.57	230.95	211.70	258.81
D. Investment Ratios								
Basic earnings / (loss) per share	Rs.	(20.42)	(20.46)	0.23	6.02	(6.85)	(1.58)	(5.37)
Cash dividend per share	Rs.	-	-	-	0.75	-	-	-
E. Capital Structure Ratios								
Total liabilities to total assets	%	9.86	43.56	52.15	48.65	61.84	62.12	61.15
Interest coverage	Times	5.98	3.81	1.59	3.63	(0.18)	1.43	0.15

STATEMENT OF VALUE ADDITION

Statement of Value addition	2024	2023
Sales	4,422,588,766	4,285,864,399
Less: Manufacturing / administration and general expenses	(4,579,823,506)	(4,697,890,057)
	(157,234,740)	(412,025,659)
Other income	5,377,464	39,586,003
Total value added	(151,857,276)	(372,439,656)
Distribution		
Employees :		
Salaries and wages	483,218,614	337,445,004
Government :		
Corporate tax	20,690,817	(23,843,932)
Development surcharge	1,039,422	1,149,131
	21,730,239	(22,694,801)
Lenders :		
Financial institution (Markup, Bank charges)	(97,802,207)	(132,887,537)
Retained in business:		
Depreciation	107,307,917	113,371,792
Profit / (Loss)	(666,311,839)	(667,674,114)
	(559,003,922)	(554,302,322)
	(151,857,276)	(372,439,656)

Percentage

Employees	(318.21)	(90.60)
Government	(14.31)	6.09
Lenders	64.40	35.68
Retained in business	368.11	148.83





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, 2024 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, 2024.

Lahore.
October 02, 2024

QADEER AND COMPANY
CHARTERED ACCOUNTANTS
Engagement Partner: Salahuddin Mahmood

UDIN: CR202410809qTKaQexiH

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

Name of company: GHAZI FABRICS INTERNATIONAL LIMITED

Year ending: JUNE 30, 2024

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

1. The total number of directors are seven as per the following:
 - a. Male: 05
 - b. Female: 02

2. 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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. 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.
5. 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;
6. 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.
7. 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.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Majority of the Directors of the Company are exempted/certified from the requirement of Directors' Training program.
10. 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.
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
12. The board has formed committees comprising of members given below:
 - a) **Audit Committee**
 1. Mr. Muhammad Imran Rasheed – Chairman/Member
 2. Mr. Rizwan Arshad – Member
 3. Mrs. Wajeeha Harris – Member
 - b) **HR and Remuneration Committee**
 1. Mr. Muhammad Imran Rasheed – Chairman/Member
 2. Mrs. Azra Yasmin – Member
 3. Mrs. Wajeeha Harris – Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee was as per following:
 - a) Audit Committee (6)
 - 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 regulations 3,6,7,8,27,32,33 and 36 below.

Regulation No.	Non-Mandatory / Optional Requirements	Explanations
19	<p>Directors' Training:</p> <p>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</p> <p>(ii) at least one head of department every year under the Directors' Training program from July 2022.</p>	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	<p>Nomination Committee:</p> <p>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.</p>	The Board takes care of the responsibilities prescribed for Nomination Committee, therefore, separate Nomination Committee is not considered necessary.
30	<p>Risk Management Committee:</p> <p>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.</p>	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	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, 2024

Chairperson

Financial Statements

For the year ended June 30, 2024



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, 2024, 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 a summary of significant accounting policies 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, 2024 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. 666.312 million during the year, and as of that date, Company has accumulated loss of Rs. 2,655.783 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 3.17 and 25 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.
<p>Revaluation of Land</p> <p>Refer to note 4 and 7 of the accompanying financial statements.</p> <p>Company has changed the policy for land from cost basis to revaluation model, which resulted in revaluation surplus of Rs. 2,979.035 million.</p> <p>We have identified the revaluation of land as a key audit matter due to significance of revaluation surplus balance to the financial statements and the significant judgements and inherent estimation uncertainty associated with determining the revalued amount.</p>	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluating the completeness and description of the land records provided to the management's valuation expert; • Review the reasonableness of the value determined by the independent valuation expert and underlying assumption used by them; • Assessed the adequacy of related disclosures in the financial statements.

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 a 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:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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**.

October 02, 2024

UDIN: AR202410809cWDHOndQU

**QADEER AND COMPANY
CHARTERED ACCOUNTANTS
LAHORE**

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

		2024	Restated 2023
		Rupees	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
40,000,000 (2023: 40,000,000) ordinary shares of Rs. 10/- each		400,000,000	400,000,000
Issued, subscribed and paid up share capital	6	326,356,000	326,356,000
Capital reserves - revaluation surplus on property, plant and equipment	7	2,979,034,752	-
Revenue reserves - accumulated loss		(2,655,783,277)	(1,986,841,894)
		649,607,475	(1,660,485,894)
Subordinated loan - unsecured	8	-	1,500,000,000
Directors' loan - unsecured	8	3,835,736,878	1,618,686,878
		3,835,736,878	3,118,686,878
Total equity		4,485,344,353	1,458,200,984
Non-current liabilities			
Long term financing	9	-	-
Deferred liabilities	10	171,065	12,130,606
		171,065	12,130,606
Current liabilities			
Trade and other payables	11	387,181,592	393,086,332
Unclaimed dividend		5,901,824	5,938,575
Accrued mark-up	12	2,657,351	3,949,717
Short term borrowings	13	40,455,521	657,541,575
Current portion of long term financing	9	-	-
Provision for taxation - net	14	54,273,464	52,895,004
		490,469,752	1,113,411,203
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		4,975,985,170	2,583,742,793
ASSETS			
Non-current assets			
Property, plant and equipment	16	4,060,580,291	1,190,878,399
Capital work in progress	17	-	-
		4,060,580,291	1,190,878,399
Long term deposits	18	13,011,694	13,011,694
Deferred tax - net	10	116,106,500	-
		4,189,698,485	1,203,890,093
Current assets			
Stores, spare parts and loose tools	19	116,949,643	133,896,405
Stock in trade	20	235,282,865	633,399,506
Trade debts	21	113,405,624	185,377,353
Loans, advances, deposits and prepayments	22	33,613,048	121,057,209
Tax refunds/ rebate due from the Government	23	276,830,357	300,036,302
Cash and bank balances	24	10,205,148	6,085,925
		786,286,685	1,379,852,700
TOTAL ASSETS		4,975,985,170	2,583,742,793

The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	Restated 2023
		Rupees	
Sales - net	25	4,422,588,766	4,285,864,399
Cost of goods sold	26	(4,831,465,986)	(4,637,862,177)
Gross loss		(408,877,220)	(351,997,778)
Selling and distribution cost	27	(50,766,857)	(64,352,357)
Administrative and general expenses	28	(126,131,544)	(127,064,609)
Other operating charges	29	(4,515,439)	(1,845,857)
		(181,413,840)	(193,262,823)
Other operating income	30	5,377,464	39,586,003
Operating loss		(584,913,596)	(505,674,598)
Finance cost	31	(97,802,207)	(132,887,537)
Loss before taxation and levy		(682,715,803)	(638,562,135)
Levy	32	(4,286,853)	(5,268,047)
Loss before taxation		(687,002,656)	(643,830,182)
Taxation	32	20,690,817	(23,843,932)
Loss after taxation		(666,311,839)	(667,674,114)
Loss per share - basic and diluted	33	(20.42)	(20.46)

The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2024

	2024	Restated 2023
	Rupees	
Loss for the year	(666,311,839)	(667,674,114)
<i>Items that will not be subsequently reclassified to statement of profit or loss:</i>		
Remeasurements of defined benefit obligation	(3,569,145)	(8,823,749)
Impact of deferred tax	939,601	2,349,951
	(2,629,544)	(6,473,798)
Revaluation surplus on property, plant and equipment	2,979,034,752	-
Total comprehensive income / (loss) for the year	<u>2,310,093,369</u>	<u>(674,147,912)</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2024

	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 reserve	Director's loan unsecured	TOTAL Equity
Rupees						
Balance as at July 01, 2022	326,356,000	-	(1,312,693,982)	(986,337,982)	2,639,686,878	1,653,348,896
Transactions with owner - Loan from director	-	-	-	-	479,000,000	479,000,000
Loss after taxation for the year - restated	-	-	(667,674,114)	(667,674,114)	-	(667,674,114)
Other comprehensive loss for the year	-	-	(6,473,798)	(6,473,798)	-	(6,473,798)
Total comprehensive loss for the year - restated	-	-	(674,147,912)	(674,147,912)	-	(674,147,912)
Balance as at June 30, 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

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

37

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	Restated 2023
		Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation and levy		(682,715,803)	(638,562,135)
Adjustments for:			
- Depreciation	16.01	107,307,917	113,371,792
- Gain on disposal of property, plant and equipment		(138,750)	(7,732,528)
- Provision for staff retirement benefits	10.05	4,131,127	18,447,454
- Exchange loss/(gain)		1,796,959	(15,938,702)
- Finance cost	31	97,802,207	132,887,537
		<u>210,899,460</u>	<u>241,035,553</u>
Operating loss before working capital changes		(471,816,343)	(397,526,582)
<i>Decrease / (increase) in current assets:</i>			
- Stores, spares and loose tools		16,946,762	(4,127,596)
- Stock in trade		398,116,641	416,317,065
- Trade debts		70,174,770	382,087,492
- Loans and advances		87,444,161	14,702,971
- Tax refunds/ rebate due from the Government		2,929,137	14,457,670
<i>(Decrease) / increase in current liabilities:</i>			
- Trade and other payables		(26,701,994)	(99,572,113)
		<u>548,909,477</u>	<u>723,865,489</u>
Cash generated from operations		77,093,134	326,338,907
Income tax paid / deducted - net		(10,076,281)	(134,525,939)
Gratuity paid	10.05	(65,893,945)	(55,222,593)
Finance cost paid		(99,094,573)	(150,690,324)
Net cash used in operating activities		(97,971,665)	(14,099,949)
CASH FLOW FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased	16	(221,553)	(76,438,886)
Capital work in progress		-	34,072,846
Proceeds from disposal of property, plant and equipment		2,385,246	29,914,530
Net cash generated from / (used in) investing activities		2,163,693	(12,451,510)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term loans - net		-	(94,500,000)
Increase in directors and sponsors loan		717,050,000	479,000,000
Unclaimed dividend		(36,751)	(113,178)
Short term borrowings		(617,086,054)	(357,063,889)
Net cash generated from financing activities *		99,927,195	27,322,933
Net increase in cash and cash equivalents		4,119,223	771,474
Cash and cash equivalents at the beginning of the year		6,085,925	5,314,451
Cash and cash equivalents at the end of the year	24	10,205,148	6,085,925

* There are no non-cash items included in these activities.

The annexed notes from 1 to 43 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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. 2,655.783 million (2023: Rs. 1,986.842 million) at the year end and net loss during the year comprises of Rs. 666.312 million (2023: Rs. 667.674 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 company has replaced certain outdated machines under business process reengineering (BMR) arrangement and which would ensure that company shall has better efficiency and would generate more resources to operate cost effectively in future periods;
- 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. 717.050 million (2023: Rs. 479.000 million) during the year to meet working capital requirements and for the settlement of long-term liability;
- That the markup on short term borrowings and long-term loans has been paid on timely basis as per the agreements with the bank amounting to Rs. 99.095 million;
- That the Company has successfully settled all the long-term loans and short term borrowings. Further, upon the full repayment of the loans, all associated charges and pledges, as mentioned note 9.02 and. 9.03, have been released. This will further improve the liquidity and working capital position of the company in current and future periods.
- That the repayment of long-term loan 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;
- The company is successfully generating positive cash flow from its operational activities, and it maintains a healthy current ratio, indicating its ability to meet short-term liabilities with available assets.
- That company has successfully paid Rs. 65.895 million to its existing employees as staff retirement benefits during the year to meet its statutory provisions of labor 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 as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 where provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.02 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current year

There are certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.03 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, amendments or interpretations	Effective date (accounting period beginning on or after)
IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2024
IFRS 16 - 'Leases' (amendments)	January 1, 2024
IAS 7 - 'Statement of Cash Flows' (amendments)	January 1, 2024
IFRS 7 - 'Financial Instruments Disclosures' (amendments)	January 1, 2024
IAS 21 - 'The Effects of Changes in Foreign Exchange Rates' (amendments)	January 1, 2025

The management is in the process of assessing the impact of these standards, amendments and interpretations on the financial statements of the Company.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on or after July 1, 2024, but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

IFRS 1 - First-time Adoption of International Financial Reporting Standards

IFRS 17 – Insurance Contracts

2.04 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity) that is determined based on the present value of defined benefit obligation less fair value of plan assets, freehold land that is stated at fair values determined by an independent valuer. These financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.05 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources, actual results may differ from the estimates.

The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected. Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, allowances for expected credit losses, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have any material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of accounting and reporting standards as applicable in Pakistan that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows:

2.05.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

2.05.2 Recoverable amount of assets / cash generating units

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.05.3 Fair value of financial instruments having no active market

Fair value of financial instruments having no active market is determined using discounted cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

2.05.4 Taxation

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.05.5 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.06 Functional and presentation currency

Items included in the financial statements are prepared using the currency of the primary economic environment in which the company operates i.e. Pakistan Rupees which is the Company's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.01 Ordinary share capital

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

3.02 Employee benefits - Defined benefit plan

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under this scheme after the completion of a prescribed qualifying period of service. The latest actuarial valuation was carried out as at June 30, 2024. Charge for the current year is based on estimates provided by the actuary as at June 30, 2024. All actuarial gains and losses (i.e. remeasurements) are recognized in 'other comprehensive income' as they occur.

3.03 Borrowings

These are recognized initially at fair value less attributable transaction cost. Subsequent to initial recognition, these are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

3.04 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

3.05 Taxation

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessment made / finalized during the year.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets, are recognized to the extent of potential available taxable profit against which temporary differences, unused tax losses and tax credits can be utilized.

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

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.

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

3.06 Trade and other payables

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

3.07 Trade and other receivables

Trade debts originated by the Company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

3.08 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any), except freehold land that is stated at revalued amount less impairment loss (if any). Cost of property, plant and equipment consists of historical cost and other directly attributable costs incurred to bring the assets to their working condition.

'Depreciation on property, plant and equipment has been provided by using the reducing balance method at the rates specified in note 16. Full month depreciation is charged in the month of addition while no depreciation is charged in the month of disposal.

'Maintenance and normal repairs are charged to the statement of profit or loss as expense when incurred. Major renewals and improvements are capitalized. Gain or loss on disposal of property, plant and equipment, if any, is shown in the statement of profit or loss.

3.09 Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the expenditures on material, labor and appropriate overheads directly relating to the construction, erection or installation of an item of property, plant and equipment. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

3.10 Impairment

Carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and impairment loss is recognized in the statement of profit or loss.

3.11 Stores, spares and loose tools

Usable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus incidental charges. Provision for obsolete and slow moving stores and spares is based on management's estimate.

3.12 Stock in trade

These are valued at lower of cost or net realizable value except waste which is valued at net realizable value determined at average selling price.

Cost is determined as follows:

Raw materials	-	At weighted average cost.
Work in process	-	At annual average material cost plus appropriate manufacturing costs.
Finished goods	-	At average manufacturing cost.
Trading goods	-	At weighted average cost
Wastes	-	At net realizable value.

'Net realizable value signifies the estimated selling price at which goods in stock could be currently sold less any further costs that would be incurred to complete the sale.

Costs in relation to work in process and finished goods represent annual average costs which consist of prime costs and appropriate manufacturing overheads.

Items in transit are stated at cost comprising invoice value and other incidental charges paid thereon.

3.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents comprise cash in hand and cash at banks in current and saving accounts.

3.14 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through statement of profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through statement of profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the 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 on 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 the statement of profit or loss.

Off-setting of financial assets and financial liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position 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.

3.15 Foreign currency translation and transactions

'Assets and liabilities in foreign currency are stated in Pak Rupees at the rates of exchange ruling on the balance sheet date or rate of exchange fixed under contractual agreements. Transactions in foreign currency are translated into Pak Rupees (functional and presentation) at the exchange rate prevailing on the date of transaction. All exchange differences are included in the statement of profit or loss.

3.16 Related party transactions / Transfer pricing

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

3.17 Revenue recognition

Revenue from local sale of goods be recognized at the point in time when control of goods is transferred to the customer, which is when the goods are dispatched to the customer and invoices are generated.

- Revenue is recognised at transaction price (which excludes estimates of variable consideration), which represents the fair value of the consideration received or receivable excluding discount, rebates and government levies and the payment is typically due on the satisfaction of performance obligation.
- Export sales are recorded at the time of receipt of bill of lading.
- Export rebate and duty drawbacks are accrued on the basis of actual export proceeds realized.
- 'Profit on savings accounts is recognised on effective interest rate method.
- Scrap sales are recognised on delivery to customers at realized amounts.

3.18 Borrowing costs

Borrowing costs relating to the acquisition, construction or production of a qualifying asset are recognized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the period in which these are incurred.

3.19 Dividends

Dividend is recognized as a liability in the period in which it is declared.

3.20 Earning per share (EPS)

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4 CHANGE IN ACCOUNTING POLICY

- During the year, the company has changed its accounting policy for valuation of following class of property, plant and equipment: Freehold land.

Previously, freehold land was stated at cost less impairment loss (if any) under the "Cost Model" as specified by IAS-16 (Property, Plant and Equipment), however in current year, Company has changed its basis for measurement of freehold land to "Revaluation Model", for which freehold land is revalued by an independent valuer and impact of change in its fair value is recognized in respective assets.

The impact of the change in accounting policy cannot be reliably measured at the beginning of the financial year, therefore, the corresponding figures / balances have not been restated. Furthermore, since the revalued asset class is non-depreciable, the change in accounting policy will have no effect on the statement of profit or loss.

- During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release-27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS-12 "Application Guidance on Accounting for Minimum Taxes and Final Taxes" (the Guidance). Accordingly, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of this change in accounting policy retrospectively under IAS-8 and the corresponding figures have been restated in these financial statements. Furthermore, there is no impact on profit after tax and earnings per share, basic and diluted. The effects of restatement on financial statement line items for the prior period, are as follows:

Had there been no change in accounting policy	Impact of change in accounting policy	As restated
..... Rupees.....		

Effect on statement of Profit or Loss

For the year ended June 30, 2024:

Tax on export sales	-	4,286,853	4,286,853
Profit / (Loss) before taxation	(682,715,803)	(4,286,853)	(687,002,656)
Taxation	16,403,964	4,286,853	20,690,817
Profit after tax	(666,311,839)	-	(666,311,839)

For the year ended June 30, 2023:

Tax on export sales	-	5,268,047	5,268,047
Profit / (Loss) before taxation	(638,562,135)	(5,268,047)	(643,830,182)
Taxation	(29,111,979)	5,268,047	(23,843,932)
Profit / (Loss) after tax	(667,674,114)	-	(667,674,114)

5 RESTATEMENT RATIONALE

In July 2023, the Company identified an error in the recording of import purchases for the financial year ended June 30, 2023. The impact of this error has been retrospectively adjusted in these financial statements in accordance with the requirements of International Accounting Standard (IAS-8) — 'Accounting Policies, Changes in Accounting Estimates, and Errors.' The error has been addressed by restating the affected financial statement line items for the prior period, as mentioned below:

		As at June 30, 2023		
		As previously reported	Effect of restatement	As re-stated
		-----Rupees -----		
<u>Effect on Statement of Profit or Loss</u>		Note		
Purchases	26.01	3,165,069,968	216,415,418	3,381,485,386
Raw materials consumed	26.01	3,181,086,950	216,415,418	3,397,502,368
Gross Profit / (loss)		(135,582,360)	(216,415,418)	(351,997,778)
Taxation		29,111,979	-	29,111,979
Profit / (Loss) after taxation		(451,258,696)	(216,415,418)	(667,674,114)
Earning / (Loss) per share - Basic and diluted	33	(13.83)	(6.63)	(20.46)
<u>Effect on Statement of Financial Position</u>				
Accumulated loss		(1,770,426,476)	(216,415,418)	(1,986,841,894)
Total equity		1,674,616,402	(216,415,418)	1,458,200,984
Trade and other payables - Creditors for goods supplied	11	70,609,539	181,936,336	252,545,875
Loans, advances, deposits and prepayments - Letters of credit	22	106,737,761	(34,479,082)	72,258,679

2024	2023
Rupees	

6 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

32,635,600 (2023:32,635,600) Ordinary shares of Rs. 10/- each fully paid in cash

326,356,000	326,356,000
--------------------	--------------------

6.01 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.

7 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

Movement during the year:

Opening balance	-	-
Surplus arise during the year	2,979,034,752	-
Closing balance	2,979,034,752	-

7.01 This represents surplus arisen on revaluation of freehold land (factory & head office). The revaluation is conducted for the first time during the current financial year by an independent valuer M/s Tristar International Consultant (Pvt.) Limited, an independent valuer not connected with the Company.

7.02 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.

7.03 The forced sale value of the revalued freehold land as on the date of revaluation was determined to be Rs. 2,607.10 million.

7.04 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.

7.05 Had there been no revaluation, the net book value of these assets would have amounted to Rs. 88.145 million.

8 DIRECTORS' LOAN - UNSECURED

Subordinated loan - unsecured	-	1,500,000,000
Loan from directors - unsecured	3,835,736,878	1,618,686,878
	3,835,736,878	3,118,686,878

8.01 These loans are accounted for under Technical Release - 32 "Accounting Director's Loan" issued by the Institute of Chartered Accountants of Pakistan.

8.02 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. In view of above, directors' loan are classified as equity.

8.03 Previously, from the total director loans, subordination loan agreements of Rs. 1,500.000 million were executed with both Habib Bank Limited and United Bank Limited. However, upon the full repayment of the long-term loans to the respective lenders and the issuance of No Objection Certificates (NOCs), the subordination has been revoked, and all associated charges and pledges, as mentioned in note 9.02 and 9.03, have been released.

		2024	2023
	Note	Rupees	
9 LONG TERM FINANCING			
Loan from banking companies - secured			
United Bank Limited - NIDF - III	9.01	-	-
Habib Bank Limited - Term Finance	9.03	-	-
		-	-
9.01 Term Finance (NIDF III)			
Opening balance		-	12,500,000
Payment during the year		-	(12,500,000)
Closing balance		-	-

9.02 The loan was obtained to reprofile the company's financial position, and having a markup of one-month KIBOR plus 1.5% per annum. It is secured by a first pari passu equitable mortgage on property, plant, and equipment valued at Rs. 1,471.000 million along with personal guarantees from the CEO and two directors of the Company.

9.03 HBL-Term Finance			
Acquired during the year		-	82,000,000
Payment during the year		-	(82,000,000)
Closing balance		-	-

This loan was obtained to reprofile the Company's financial position, and is repayable in sixteen quarterly installments from the first drawdown, with a markup of three-month KIBOR plus 1.5% p.a, payable quarterly. It is secured by a first pari passu charge on the company's fixed assets, valued at Rs. 932.000 million, and personal guarantees from the CEO and a director.

		2024	2023
	Note	Rupees	
10 DEFERRED LIABILITIES			
Deferred tax - net	10.01 & 10.02	(116,106,500)	(46,234,132)
Staff retirement benefits	10.03	171,065	58,364,738
		(115,935,435)	12,130,606
10.01 Deferred tax - net			
Taxable temporary differences / (Deductible temporary differences) balance arising in respect of:			
● Accelerated tax depreciation		155,228,575	190,613,066
● Minimum tax		(271,290,041)	(221,303,431)
● Staff retirement benefits		(45,034)	(15,543,767)
		(116,106,500)	(46,234,132)

10.02 The movement in temporary differences are as follows:

Particulars	Rupees						
	Balance as at June 30, 2022	Recognised in Profit or Loss	Recognised in other comprehensive Income	Balance as at June 30, 2023	Recognised in Profit or Loss	Recognised in other comprehensive Income	Balance as at June 30, 2024
Deferred tax debits:							
Recognised Losses	-	-	-	-	-	-	-
Minimum tax	(171,602,151)	(49,701,280)	-	(221,303,431)	(49,986,610)	-	(271,290,041)
Staff retirement benefits	(22,903,811)	9,709,996	(2,349,951)	(15,543,767)	14,559,132	939,601	(45,034)
	(194,505,962)	(39,991,284)	(2,349,951)	(236,847,198)	(35,427,478)	939,601	(271,335,075)
Deferred tax credits:							
Accelerated depreciation	174,415,412	16,197,654	-	190,613,066	(35,384,490)	-	155,228,575
Depreciation allowance							
	174,415,412	16,197,654	-	190,613,066	(35,384,490)	-	155,228,575
	(20,090,550)	(23,793,630)	(2,349,951)	(46,234,132)	(70,811,969)	939,601	(116,106,500)

10.03 The Company has not recognized deferred tax asset on minimum tax amounting to Rs.63.031 million (2023:Rs.63.031 million) due to uncertainty of adjustments in future periods using prudence.

10.04 Staff retirement benefits:

Statement of financial position

Present value of defined benefit obligation	171,065	58,364,738
plus payables	-	-
Statement of financial position liability/(asset)	<u>171,065</u>	<u>58,364,738</u>

10.05 Changes in Present Value of Defined Benefit Obligations

Present Value of Defined Benefit Obligations	58,364,738	86,316,128
Current Service Cost	20,318,061	41,620,490
Past Service Cost	-	-
Interest cost on defined benefit obligations	4,130,387	7,778,390
Benefits paid	(65,893,945)	(55,222,593)
Gains and losses arising on plan settlements	(20,317,321)	(30,951,426)
Remeasurements :		
Actuarial (gain)/losses from changes in financial assumptions	(49)	848,706
Experience adjustments	3,569,194	7,975,043
Present Value of Defined Benefit Obligations	<u>171,065</u>	<u>58,364,738</u>

10.06 Expenses to be Charged to P&L

Current service cost	20,318,061	41,620,490
Past service cost	-	-
Gains and losses arising on plan settlements	(20,317,321)	(30,951,426)
Interest cost on defined benefit obligation	4,130,387	7,778,390
Expense chargeable to P&L	<u>4,131,127</u>	<u>18,447,454</u>

10.07 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	(49)	848,706
Expectation adjustments	3,569,194	7,975,043
Total remeasurements chargeable in OCI	<u>3,569,145</u>	<u>8,823,749</u>

10.08 Changes in net liability		
Statement of financial position liability/(assets)	58,364,738	86,316,128
Expense chargeable to P&L	4,131,127	18,447,454
Remeasurements chargeable in other comprehensive income	3,569,145	8,823,749
Benefits paid	(65,893,945)	(55,222,593)
Benefits payable transferred to short term liability	-	-
Statement of financial position liability/(assets)	171,065	58,364,738

10.09 Significant Actuarial Assumptions		
Discount rate used for interest cost in P&L charge	16.25%	13.25%
Discount rate used for year end obligation	14.75%	16.25%
Salary increase used for year end obligation		
Salary Increase FY 2024	N/A	15.25%
Salary Increase FY 2025	13.75%	15.25%
Salary Increase FY 2026	13.75%	15.25%
Salary Increase FY 2027	13.75%	15.25%
Salary Increase FY 2028	13.75%	15.25%
Salary Increase FY 2029	13.75%	15.25%
Salary Increase FY 2030 onward	13.75%	15.25%
Next salary is increased at	1-Jan-25	1-Jan-24
Mortality Rates	SLIC 2001-2005	SLIC 2001-2005
	Setback 1 year	Setback 1 year
Withdrawal Rates	Age based	Age based
Retirement Assumptions	Age 60	Age 60

10.10 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, 2024. using Project Unit Credit Method.

10.11 Estimated expenses to be Charged to P&L in FY 2025

	Rupees
Current service cost	17,595,728
Interest cost on defined benefit obligation	25,232
Amount chargeable to P&L	17,620,960

10.12 Year End Sensitivity Analysis on Defined Benefit Obligation

	Rupees
Discount Rate + 100 bps	167,403
Discount Rate - 100 bps	174,869
Salary Increase + 100 bps	174,869
Salary Increase - 100 bps	167,339

10.13 Expected Benefit Payment for the Next 10 years and Beyond

	Rupees
FY 2025	-
FY 2026	14,117,507
FY 2027	13,098,538
FY 2028	10,558,739
FY 2029	8,100,596
FY 2030	5,915,314
FY 2031	4,153,277
FY 2032	2,944,593
FY 2033	2,057,463
FY 2034	1,400,626
FY 2035 Onwards	2,698,636
The average duration of the defined benefit obligation is	2 years

10.14 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.

		2024	Restated 2023
	Note	Rupees	
11 TRADE AND OTHER PAYABLES			
Creditors for:			
● Goods supplied		163,182,360	252,545,875
● Services		65,331,518	91,677,483
Accrued liabilities		109,543,015	21,451,440
Advances from customers - unsecured		17,213,870	14,748,785
Security deposits	11.01	171,000	171,000
Withholding tax payable		31,739,829	9,063,372
Workers' welfare fund payable		-	3,428,377
		387,181,592	393,086,332

11.01 It represents security received from mill canteen contractors, shops etc. and is kept in separate bank account.

		2024	2023
	Note	Rupees	
12 ACCRUED MARK-UP			
Long term financing		-	1,439
Short term borrowings		2,657,351	3,948,278
		2,657,351	3,949,717
13 SHORT TERM BORROWINGS			
Habib Bank Limited - secured	13.01	40,455,521	531,371,308
United Bank Limited - secured	13.02	-	86,104,751
Bank overdrafts		-	40,065,516
		40,455,521	657,541,575

13.01 These represent utilized portion of short term finance facilities of Rs. 865.000 million (2023: Rs. 865.000 million) (including Letter of Guarantee Facility of Rs. 91.000 million (2023: Rs. 91.000 million) as mentioned in contingencies note below) under mark up arrangement. These facilities carry mark up of one month KIBOR plus 1.5% per annum. These short term borrowings along with long term financing are secured by first pari passu equitable mortgage charge on property, plant and equipment of the Company valuing Rs. 932.000 million (2023: Rs. 932.000 million), pledge of cotton and polyester bales, lien on import documents / export contracts and personal guarantee of the chief executive and director of the Company.

13.02 These represent utilized portion of short term finance facilities of Rs. 620.000 million (2023 : Rs. 720.000 million) available from United Bank Limited under mark up arrangement. These facilities carry mark up at 1 month KIBOR plus 1.5% per annum. These borrowings along with long term financing are secured by first pari passu charge on present and future fixed assets of the Company premises valuing Rs. 1,471.000 million (2023 :Rs. 1,471.000 million), pledge of cotton and polyester bales, lien on import documents / export contracts and personal guarantee of the chief executive and director of the Company.

14 PROVISION FORTAXATION - NET

Opening balance		52,895,004	105,869,292
Levy	32	4,286,853	5,268,047
Provision for current tax for the year	32	49,986,610	47,626,956
		54,273,463	52,895,003
Payments / adjustments against advance tax		(52,895,003)	(105,869,291)
		54,273,464	52,895,004

Income tax return up to and including tax year 2023 has been filed to the tax authorities under the provision of Income Tax Ordinance, 2001.

15 CONTINGENCIES AND COMMITMENTS

Contingencies

- 15.01** 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.
- 15.02** 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.
- 15.03** 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.
- 15.04** 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)
- 15.05** 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 W.P.No. 42176/2020. The writ petition was filed by APTMA challenging the levy and demand of GIDC prior to coming into force of GIDC Act, 2015 as well as levy and demand of GIDC at the tariff applicable to captive power consumers instead of industrial consumers. Ghazi Fabrics International Limited has been arrayed as Respondent No. 38 in the titled ICA.
- 15.06** 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 23.01.2013 to 31.08.2015.
- 15.07** 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 W.P. No. 67112/2021. Please note that W.P. 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.
- 15.08** 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.
- 15.09** WP No. 26839/2023-Ihsan Cotton Products (Pvt.) Limited, etc. Vs. Federation of Pakistan, etc. The above writ petition was filed before the Honorable Lahore High Court, Lahore, inter alia, on behalf of the company to challenge the discontinuation of subsidized electricity tariff (Rs. 19.99/kwh) with effect from 01.03.2023, which was earlier available to the export oriented industrial units including the company. Vide judgement dated 12.07.2023, the titled writ petition has been dismissed. However, an appeal bearing ICA No. 49287/2023 against the said judgement dated 12.07.2023 has been filed by the textile companies including the company which is pending adjudication. Ghazi Fabrics International Limited has been arrayed as Appellant No. 2 in the ICA.

Based on the facts of the aforementioned cases and legal advisor's advice, the Company is confident that the outcome of these cases would be in favor of the Company. Accordingly, no provision has been recognized in these financial statements.

- 15.10** The Company has provided bank guarantee in favor of Sui 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.

- 15.11** Export bills discounted to nil (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 is nil (2023: Rs. 13.439 million).

16 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost / Revaluation				Accumulated Depreciation			Rupees Book Value as at June 30, 2024
	As at July 01, 2023	Additions / Transfer from CWIP	Revaluation	Disposals	As at June 30, 2024	For the year	As at June 30, 2024	
	Rate %	As at June 30, 2024	Disposals	As at July 01, 2023	Disposals	As at June 30, 2023		
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
Plant and machinery	2,666,383,911	-	14,802,725	14,802,725	2,651,581,186	10	84,411,112	1,893,334,358
Grid station and generators	115,587,847	-	-	-	115,587,847	10	6,991,026	52,668,614
Furniture and fixtures	18,157,290	-	-	-	18,157,290	10	284,001	15,601,282
Vehicles	90,612,560	-	-	-	90,612,560	20	6,166,553	65,946,348
Equipment	24,703,240	221,553	-	-	24,924,793	10	530,258	20,134,008
Electric installations	67,980,323	-	-	-	67,980,323	10	926,153	59,644,950
Total	3,468,018,568	221,553	2,979,034,752	14,802,725	6,432,472,148		107,307,917	2,371,891,857

Particulars	Cost / Revaluation				Accumulated Depreciation			Rupees Book Value as at June 30, 2023
	As at July 01, 2022	Additions / Transfer from CWIP	Revaluation	Disposals	As at June 30, 2023	For the year	As at June 30, 2023	
	Rate %	As at June 30, 2023	Disposals	As at July 01, 2022	Disposals	As at June 30, 2022		
Owned								
Land - freehold	88,145,248	-	-	-	88,145,248	-	-	88,145,248
Buildings on freehold land	396,448,149	-	-	-	396,448,149	5-10	8,538,462	256,562,483
Plant and machinery	2,688,502,600	73,094,976	-	95,213,665	2,666,383,911	10	87,600,774	1,821,480,475
Grid station and generators	115,587,847	-	-	-	115,587,847	10	7,767,807	45,677,588
Furniture and fixtures	18,157,290	-	-	-	18,157,290	10	315,557	15,317,281
Vehicles	87,533,990	3,078,570	-	-	90,612,560	20	7,579,918	59,779,795
Equipment	24,437,900	265,340	-	-	24,703,240	10	540,215	19,603,750
Electric installations	67,980,323	-	-	-	67,980,323	10	1,029,059	58,718,797
Total	3,486,793,347	76,438,886	-	95,213,665	3,468,018,568		113,371,792	2,277,140,170

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

	2024	2023
Cost of sales	101,942,521	107,703,202
Administrative and general expenses	5,365,396	5,668,590
	107,307,917	113,371,792

16.02 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, Multan Road, Bhaiphero, Kasur

16.03 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		
			Book Value	Sale Proceeds	Gain / (Loss)
Absorption Chillers	14,802,725	12,556,229	2,246,496	2,385,246	138,750
Total 2024	14,802,725	12,556,229	2,246,496	2,385,246	138,750
Total 2023	95,213,665	73,031,663	22,182,002	29,914,530	7,732,528

		2024	2023
	Note	Rupees	
17 CAPITAL WORK IN PROGRESS			
Plant and machinery	17.01	-	-
17.01 Opening balance		-	34,072,846
Additions made during the year		-	31,422,128
Capitalized during the year		-	65,494,974
		-	(65,494,974)
		-	-
18 LONG TERM DEPOSITS			
Considered good			
Lahore Electric Supply Company Limited - non interest bearing		12,368,620	12,368,620
Others - non interest bearing		643,074	643,074
		13,011,694	13,011,694
19 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	19.01	65,457,245	76,353,134
Spares	19.01	47,312,742	53,240,820
Loose tools		4,179,656	4,302,451
		116,949,643	133,896,405
19.01 No identifiable store and spare are held for specific capitalization.			
20 STOCK IN TRADE			
Raw material	20.01	36,980,289	340,318,171
Work-in-process		64,209,161	38,482,924
Finished goods		134,093,415	254,598,411
		235,282,865	633,399,506
20.01 This includes an amount of Rs. 250.000 million (2023: Rs. 281.189 million) approximately, which is pledged against short term finances.			
21 TRADE DEBTS			
Local debts (unsecured - considered good)		90,836,464	109,752,051
Foreign debts (secured - considered good)		22,569,160	75,625,302
		113,405,624	185,377,353
			Restated
		2024	2023
		Rupees	
22 LOANS, ADVANCES, DEPOSITS AND PREPAYMENTS			
Employees - considered good and non interest bearing		555,155	914,014
Suppliers - considered good and non interest bearing		31,825,685	40,522,416
Letters of credit		305,098	72,258,679
Prepaid expenses		800,336	7,235,327
Security deposit		126,774	126,773
		33,613,048	121,057,209

		2024	2023
	Note	Rupees	
23 TAX REFUNDS/ REBATE DUE FROM THE GOVERNMENT			
Advance income tax		32,752,739	43,359,019
Income tax refundable		110,735,776	120,406,304
		143,488,515	163,765,323
Sales tax refund		133,341,842	136,270,979
		276,830,357	300,036,302
24 CASH AND BANK BALANCES			
Cash in hand		1,338,612	596,953
Cash at banks:			
- current accounts		7,610,412	5,488,972
- saving account	24.1	1,256,124	-
		8,866,536	5,488,972
		10,205,148	6,085,925
24.1	This carry mark up at the rates ranging from 10.20 % to 10.27 % per annum (2023: nil).		
25 SALES - NET			
Local:			
- Yarn		1,786,310,187	425,831,362
- Cotton and viscose		175,139,897	1,133,660,577
- Fabric		1,991,335,177	2,222,538,240
	25.01	3,952,785,261	3,782,030,179
Export:			
- Fabric		428,685,291	488,513,931
Waste	25.01	40,996,758	15,242,413
Rebate on export / Duty drawback		121,456	77,876
		4,422,588,766	4,285,864,399
25.01	These were net off from sales tax including further tax amounting to Rs. 2.298 million (2023: Rs. 670.471 million).		
		2024	2023
			Restated
	Note	Rupees	
26 COST OF GOODS SOLD			
Raw materials consumed	26.01	3,295,569,107	3,397,502,368
Salaries, wages and other benefits	26.02	394,951,633	249,955,235
Fuel and power		784,480,393	370,111,121
Packing materials consumed		29,939,274	11,463,588
Sizing materials consumed		63,099,277	56,098,383
Stores and spares consumed		54,479,586	30,043,971
Repair and maintenance		3,584,820	7,711,340
Insurance		8,640,616	5,533,871
Depreciation	16.01	101,942,521	107,703,202
		4,736,687,227	4,236,123,079
Opening work in process		38,482,924	162,311,321
Closing work in process		(64,209,161)	(38,482,924)
		(25,726,237)	123,828,397
Cost of goods manufactured		4,710,960,990	4,359,951,476

	Note	2024	Restated 2023
		Rupees	
Cost of goods manufactured		4,710,960,990	4,359,951,476
Opening finished goods		254,598,411	532,509,112
Closing finished goods		(134,093,415)	(254,598,411)
		120,504,996	277,910,701
		4,831,465,986	4,637,862,177
26.01 Raw material consumed			
Opening stock		340,318,171	354,896,138
Purchases		2,990,382,789	3,381,485,386
Cotton cess		961,543	130,052
Cotton/Viscose handling charges		886,893	1,308,963
		3,332,549,396	3,737,820,539
Closing stock		(36,980,289)	(340,318,171)
		3,295,569,107	3,397,502,368

26.02 Salaries, wages and benefits include Rs. 63.870 million (2023 :Rs. 53.340 million) on account of staff retirement benefits.

27 SELLING AND DISTRIBUTION COST

Salaries, wages and benefits	27.01	10,237,088	3,415,024
Export development surcharge		1,039,422	1,149,131
Commission to selling agents		13,764,093	19,515,042
Carriage and freight		23,365,447	37,991,898
Export expenses		2,360,807	2,281,262
		50,766,857	64,352,357

27.01 Salaries, wages and benefits include Rs. 0.590 million (2023 :Rs. 0.140 million) on account of staff retirement benefits.

28 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, wages and other benefits	28.01	78,029,893	84,074,745
Traveling and conveyance		380,763	198,173
Repairs and maintenance		2,840,027	2,253,139
Rent, rates and taxes		549,880	593,657
Printing and stationery		3,711,059	3,584,837
Insurance		3,156,578	1,741,959
Fees and subscription		2,552,928	3,167,102
Telephone and postage		3,218,644	2,945,842
Vehicle running and maintenance		13,311,234	13,754,808
Utilities		4,388,222	3,436,319
Books and periodicals		4,100	19,725
Entertainment		2,902,971	2,673,115
Miscellaneous expenses		5,719,849	2,952,598
Depreciation	16.01	5,365,396	5,668,590
		126,131,544	127,064,609

28.01 Salaries, wages and benefits include Rs. 1.422 million (2023:Rs. 1.740 million) on account of staff retirement benefits.

		2024	2023
		Rupees	
29 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
● Tax and other services		575,000	-
● Out of pocket		25,000	25,000
		1,620,000	1,620,000
Legal and professional charges		1,098,480	225,857
Exchange loss		1,796,959	-
		4,515,439	1,845,857

		2024	2023
30 OTHER OPERATING INCOME			
		Rupees	
Scrap sales		5,008,034	15,914,773
Exchange gain		-	15,938,702
Profit on saving bank account		230,680	-
Gain on fixed assets disposal		138,750	7,732,528
		5,377,464	39,586,003
31 FINANCE COST			
Interest / mark up on:			
● Long term financing		-	5,529,526
● Workers' profit participation fund		-	3,575,906
● Short term borrowings		87,206,632	119,239,812
		87,206,632	128,345,244
Bank charges and commission		10,595,575	4,542,293
		97,802,207	132,887,537
32 LEVY AND TAXATION			
Levy	32.02	4,286,853	5,268,047
Current tax:			
- For the year		49,986,610	47,626,956
- Prior year		134,542	10,607
		54,408,005	52,905,610
Deferred tax income - net		(70,811,969)	(23,793,631)
		(16,403,964)	29,111,979
32.01	Numerical reconciliation between the average effective tax rate and the applicable tax rate is not given due to application of minimum tax and final tax for the calculation of provision of tax for the year.		
32.02	This represents final tax paid under section 154 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC-21 and IAS-37.		
33 LOSS PER SHARE - Basic and diluted			
Loss after taxation for the year	Rupees	(666,311,839)	(667,674,114)
Outstanding weighted average ordinary shares	No. of shares	32,635,600	32,635,600
Loss per share - Basic and diluted	Rupees	(20.42)	(20.46)
There is no diluted effect on earning per share of the Company.			
34 CHIEF EXECUTIVE, DIRECTORS' AND EXECUTIVES' REMUNERATION			
Directors remuneration	Rupees	6,300,000	6,300,000
Number of directors	Number	2	2
Executives remuneration	Rupees	9,573,000	5,850,000
Staff retirement benefit	Rupees	797,750	487,500
Number of executives	Number	5	3
34.01	No remuneration has been paid to Chief Executive of the Company.		
34.02	No meeting fee has been paid to any Director of the Company.		
35 NUMBER OF EMPLOYEES			
Total number of employees as at 30th June	Number	660	655
Average number of employees during the year	Number	658	1,368
36 TRANSACTIONS WITH RELATED PARTIES			
36.01	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:		
Director and sponsor			
Loan obtained		730,050,000	571,500,000
Loan repaid		(13,000,000)	(92,500,000)
Increase in loan - net		717,050,000	479,000,000
Balances payable with related parties:			
Directors' loan		3,835,736,878	1,618,686,878

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

- 36.02** 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

37 PLANT CAPACITY AND PRODUCTION

Spinning		
No. of spindles installed		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	1,202,079
		4,946,771
Weaving		
No. of looms installed		192
No. of looms worked		100
No. of shifts		3
Actual production converted to 40 picks based on three shifts per day	Sq. meters	29,582,390
		29,461,146

- 37.01** 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	2024	2023
	Rupees	

38 FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE

38.01	Financial assets as per statement of financial position - at amortized cost		
	Long term deposits	13,011,694	13,011,694
	Trade debts	113,405,624	185,377,353
	Loans and advances - employees	555,155	914,014
	Cash and bank balances	10,205,148	6,085,925
		137,177,621	205,388,986
38.02	Financial liabilities as per statement of financial position		
	● At cost		
	Subordinated loan - unsecured	-	1,500,000,000
	Directors' loan - unsecured	3,835,736,878	1,618,686,878
	● At amortized cost		
	Trade and other payables	338,227,893	365,845,798
	Accrued interest/mark-up	2,657,351	3,949,717
	Short term borrowings	40,455,521	657,541,575
		4,217,077,643	4,146,023,968

38.03 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, 2024, 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:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
 b) 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)
 c) 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.

39 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:

	2024	2023
	Rupees	
Foreign trade debts	22,569,160	75,625,302
Outstanding letter of credit	(22,569,160)	(13,438,788)
Net exposure	-	62,186,514

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

USD to PKR	278.04	290.00
------------	--------	--------

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, 2024, if the Pakistan Rupee had weakened / strengthened by 5% 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:

	2024	2023	2024	2023
	Percentage		Rupees	
Financial liabilities - Variable rate instruments:				
Short term borrowings	23.26 to 24.03	17.10 to 23.20	40,455,521	657,541,575

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, 2024		
Cash flow sensitivity - variable rate financial liabilities	404,555	(404,555)
As at June 30, 2023		
Cash flow sensitivity - variable rate financial liabilities	6,575,416	(6,575,416)

(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. 137.178 million (2023: Rs. 205.389 million), the financial assets exposed to credit risk amount to Rs. 126.972 million (2023: Rs. 199.303 million).

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

	2024	2023
The breakup of amount due from various trade debts were:	Rupees	
Yarn	2,513,842	34,531,295
Fabric	110,891,782	147,178,567
Others	-	3,667,491
	113,405,624	185,377,353
The aging of trade debts at the reporting date was:		
Less than 12 months	101,243,243	181,783,223
More than 12 months	12,162,381	3,594,130
	113,405,624	185,377,353

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	13,011,694	13,011,694
Trade debts	113,405,624	185,377,353
Loans and advances	555,155	914,014
Bank balances	8,866,536	5,488,972
	135,839,009	204,792,033

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
Askari Bank Limited	PACRA	A-1+	AA+
National Bank Limited	PACRA	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:

2024 (Rupees)					
Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	Over five years	
Financial Liabilities					
Subordinated loan	-	-	-	-	-
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
2023 (Rupees)					
Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	Over five years	
Financial Liabilities					
Subordinated loan	1,500,000,000	1,500,000,000	-	-	1,500,000,000
Directors' loan	1,618,686,878	1,618,686,878	-	-	1,618,686,878
Long term financing (from banking companies)	-	98,635,876	77,446,563	21,189,313	-
Trade and other payables	393,086,332	393,086,332	393,086,332	-	-
Unclaimed dividend	5,938,575	5,938,575	5,938,575	-	-
Accrued mark-up	3,949,717	3,949,717	3,949,717	-	-
Short term borrowings	657,541,575	657,541,575	657,541,575	-	-
	4,179,203,077	4,277,838,953	1,137,962,762	21,189,313	3,118,686,878

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup rates effective as at 30 June, 2024 / 2023. The rates of mark-up have been disclosed in note 9 and 13 to these financial statements.

40 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.

The gearing ratios at June 30, 2024 and June 30, 2023 comes out to be:

Total debt (including interest free loan from directors and sponsors)	3,876,192,399	3,776,228,453
Less: Cash and bank balances	(10,205,148)	(6,085,925)
Net debt	3,865,987,251	3,770,142,528
Total equity	4,485,344,353	1,458,200,984
Capital employed	8,351,331,604	5,228,343,512
Gearing ratio	0.46	0.72

41 INFORMATION ABOUT REPORTING SEGMENT

41.01 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.

41.02 The following table presents revenue and gross profit information regarding the Company's operating segments for the year ended June 30, 2024 and 2023 respectively.

	Operating Segments			
	Spinning	Weaving	Inter - segment transactions	Consolidated
	2024 (Rupees)			
Sales	2,296,825,813	2,438,325,838	(312,562,885)	4,422,588,766
Cost of sales	(2,588,045,445)	(2,555,983,425)	312,562,885	(4,831,465,986)
Gross loss	(291,219,632)	(117,657,587)	-	(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 and levy				(682,715,803)
Taxation and levy				16,403,964
Net loss for the year				(666,311,839)

	Spinning	Weaving	Inter - segment transactions	Consolidated - Restated
2023 (Rupees)				
Sales	1,631,660,695	2,732,280,954	(78,077,250)	4,285,864,399
Cost of sales	(2,230,288,227)	(2,485,651,200)	78,077,250	(4,637,862,177)
Gross profit / (loss)	(598,627,532)	246,629,754	-	(351,997,778)
Un-allocated expenses:				
Selling and distribution costs				(64,352,357)
Administrative & general expenses				(127,064,609)
Loss before taxation, finance cost and other expenses				(543,414,744)
Other operating expenses				(1,845,857)
Other operating income				39,586,003
Finance cost				(132,887,537)
Loss before taxation and levy				(638,562,135)
Taxation and levy				(29,111,979)
Net loss for the year				(667,674,114)
			2024	2023
			Rupees	

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

Europe / America	428,806,747	488,591,807
Pakistan	3,993,782,019	3,797,272,592
	4,422,588,766	4,285,864,399

41.04 All non current assets of the Company as at 30 June 2024 / 2023 are located in Pakistan.

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

42 AUTHORIZATION OF FINANCIAL STATEMENTS

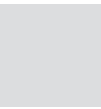
These financial statements have been authorized for issue by the board of directors of the Company in their meeting held on September 27, 2024.

43 GENERAL

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

43.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. Following significant reclassification / rearrangements have been made in these financial statements.

Reclassification to	Reclassification from	Amount
Tax refunds/ rebate due from the Government (Advance income tax - note 23)	Loans, advances, deposits and prepayments (Tax deductions/ payments - note 22)	120,406,304



PROXY FORM

(35th 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 Fifth Annual General Meeting of the Company to be held on October 26, 2024 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.5/- Revenue Stamp Recent Photograph of Proxy, who will attend AGM through video conference

Witness 1 Signature _____ Name _____ CNIC / Passport No. _____ Address _____	Witness 2 Signature _____ Name _____ CNIC / Passport No. _____ 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) alongwith proxy form to the Company.

پراکسی فارم (مختار نامہ) پینتیسویں سالانہ میٹنگ

میں/ہم _____ ولد/دختر ازوجہ _____ جو _____ سے متعلق ہیں، غازی فیبرکس 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 فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر _____ ہے، یا ان کے غیر حاضری رہنے کی صورت میں _____ (ممبر کا نام) جو کہ _____ (شہر کا نام) سے متعلق ہے، اور ان کا فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر _____ ہے جو غازی فیبرکس انٹرنیشنل لمیٹڈ کے رکن/اراکین ہیں اور 26 اکتوبر، 2024 کو منعقد ہونے والے کمپنی کے 35 ویں سالانہ اجلاس یا اس کے التواء میں ووٹنگ کیلئے میری/ہماری غیر موجودگی میں میرے/ہمارے پراکسی/مختار ہیں۔

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

درج ذیل گواہوں کی موجودگی میں میرے دستخط یہ ہیں

5/- روپے کارپوریٹ اسٹیٹمپ
چسپاں کر کے دستخط کریں۔

ممبر (ز) کا/کے دستخط، جو
کمپنی کے پاس رجسٹرڈ ہیں۔

ممبر کا/سی ڈی سی اکاؤنٹ نمبر

پراکسی کا تازہ ترین فونوگراف جو
ویڈیو لنک کے ذریعے میٹنگ میں
شرکت کرے گا،

گواہ نمبر 1

_____ دستخط	_____ دستخط
_____ نام	_____ نام
_____ شناختی/پاسپورٹ نمبر	_____ شناختی/پاسپورٹ نمبر
_____ پتہ	_____ پتہ
_____ شناختی کارڈ نمبر	_____ شناختی کارڈ نمبر

اہم نکات:








- 1- یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک شیئرز رجسٹر آفس میں مکمل طور پر پُر اور دستخط کے ساتھ موصول ہو جانا چاہیے۔
 - 2- 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۔
 - 3- اگر ایک رکن سے زائد پراکسی مقرر کرتا ہے اور ایک سے زائد 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 کیلئے:
- مندرجہ بالا کے علاوہ مندرجہ ذیل ضروریات بھی پوری کی جائیں:
- (i) پراکسی فارم پر دو افراد جن کے نام شناختی کارڈ نمبر مع پتہ کے موجود ہوں، بطور گواہ ضروری ہیں۔
 - (ii) حصص یافتگان اور پراکسی کے شناختی کارڈ نمبر یا پاسپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔
 - (iii) کسی کاروباری ادارے کی نمائندگی کی صورت میں نامزد فرد کو اپنے بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، دستخط کے نمونے اور کمپنی کے پراکسی فارم کے ہمراہ اجلاس کے وقت پیش کرنا لازمی ہوں گے۔










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