



Ghazi Fabrics International Limited
Signature of Quality



3rd Quarterly Report

March 31, 2020

UN-AUDITED



GHAZI FABRICS INTERNATIONAL LIMITED
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)
Muhammad. Salman Tariq (Non Executive Director)
Wajeeha Haaris (Non Executive Director)
Muhammad Imran Rasheed (Independent Director)

Audit Committee

Muhammad Imran Rasheed
Chairman/ member

Rizwan Arshad
Member

Muhammad Salman Tariq
Member

Human Resource & Remuneration Committee

Mohammad Imran Rasheed
Chairman/Member

Mrs. Azra Yasmin
Member

Wajeeha Haaris
Member

Company Secretary

Majid Rehman, ACA

Chief Financial Officer

Abid Rafi

Internal Auditor

Nasir Imran Elahi, ACA

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

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.



**GHAZI FABRICS INTERNATIONAL LIMITED
DIRECTOR'S REPORT**

Dear Shareholders,

We are pleased to present the financial statements for the nine months ended March 31, 2020.

Operating results

During the period under review the Company's gross profit was Rs. 211.260 million (corresponding period: Rs. 221.560 million) and the loss after tax of Rs. 136.908 million (corresponding period: Rs. 83.572 million). Loss per share is Rs. 4.20 (corresponding period: Rs. 2.56).

Financial highlights

	For The Nine months Ended March 31,	
	2020	2019
	R u p e e s	
Sales	3,943,563,246	3,764,010,741
Gross profit	211,260,773	221,560,482
Loss after tax	(136,908,780)	(83,572,964)
Gross profit (%)	5.36	5.89
Earning per share –EPS- Rs.	(4.20)	(2.56)

Indicative from the figures above, total sales of the Company increased by nearly 4.77 % as compared to corresponding period. Gross profit computed Rs. 211.260 million as compared to Rs. 221.560 million in corresponding period.

Review of Operations and Future prospects

Operations of the Company were performing reasonably well until the last ten days of the concerned quarter when the impact of the global pandemic began to be felt. Both of the local and export markets were closed, resulting in a drastic drop in sales. Further, the results of coming quarter will be highly dependent on the opening of American, European and Local markets.

Besides, most importantly government should immediately provide a substantial relief to the textile industry by reduction in electricity and gas tariff as the crude oil price has declined massively in global market.

Sooner or later this pandemic is going to be over and it is hoped that the world will recover from coronavirus (COVID-19). We pray for everyone without caste and creed.

Acknowledgement

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

For and on behalf of the Board

Mohammad Arshad Chaudhry
Chief Executive Officer

Kamran Arshad
Director

Lahore
April 29, 2020



GHAZI FABRICS INTERNATIONAL LIMITED

ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

ہم 31 مارچ 2020ء کو ختم ہونے والے نو ماہ کے مالی گوشوارے پیش کرتے ہیں۔

آپریٹنگ نیٹج:

زیر جائزہ مدت کے دوران کمپنی کا خام منافع 211.260 ملین رہا جو پچھلے سال اسی مدت کے دوران 221.560 ملین رہا اور بعد از ٹیکس نقصان

136.908 ملین رہا جو پچھلے سال اسی مدت کے مطابق 83.572 ملین روپے رہا۔ فی شیئر نقصان (4.20) رہا۔ (نقصان 2.56 : 2019)

2019 مارچ	2020 مارچ	
روپے	روپے	
3,764,010,741	3,943,563,246	فروخت
221,560,482	211,260,773	خام منافع
(83,572,964)	(136,908,780)	بعد از ٹیکس / نقصان
5.89	5.36	خام منافع %
(2.56)	(4.20)	فی شیئر آمدنی

مندرجہ بالا اعداد و شمار کے مطابق کمپنی کی مجموعی فروخت پچھلے سال اسی مدت کے مقابلے میں %4.77 بڑھ گئی ہے۔ اسکے علاوہ خام منافع اسی مدت کے مقابلے میں 211.260 ملین رہا جو پچھلے سال اسی مدت کے دوران 221.560 ملین رہا۔

آپریٹنگ اور مستقبل کے امکانات کا جائزہ:

متعلقہ سہ ماہی کے آخری دس دن تک کمپنی کے آپریٹنگ معقول حد تک بہتر کارکردگی کا مظاہرہ کر رہے تھے جب عالمی وبائی بیماری کے اثرات محسوس ہونے لگے۔ مقامی اور برآمد دونوں مارکیٹیں بند ہو گئیں، جس کے نتیجے میں فروخت میں زبردستی کمی واقع ہوئی۔ نزدیک آنے والی سہ ماہی کے نتائج کا انحصار امریکہ، یورپی اور مقامی مارکیٹوں کے آغاز پر ہوگا۔ اس کے علاوہ، سب سے اہم بات یہ ہے کہ حکومت کو بجلی اور گیس کے نرخوں میں کمی کے ذریعے ٹیکسٹائل کی صنعت کو فوری طور پر کافی ریلیف فراہم کرنا چاہیے کیوں کہ عالمی منڈی میں خام تیل کی قیمت میں بڑے پیمانے پر کمی واقع ہوئی ہے۔ جلد یا بدیر یہ وبائی بیماری کا خاتمہ ہونے والا ہے اور امید ہے کہ دنیا کو کرونا وائرس (COVID-19) سے ٹھیک ہو جائے گی، ہم ذات پات اور مذہب کے بغیر ہر ایک کے لئے دعا کرتے ہیں۔

اعتراف:

ہم کمپنی کی انتظامیہ اور ملازمین کی انتھک محنت اور توجہ کے شکر گزار ہیں۔ ہم اپنے حصص یافتگان، بینکاروں، سپلائرز اور اپنے قابل قدر صارفین کے تعاون کا بھی شکر یادا کرتے ہیں جو اس مدت میں انہوں نے ہمارے ساتھ کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

کامران ارشد
ڈائریکٹر

محمد ارشد چوہدری
چیف ایگزیکٹو

لاہور

29 اپریل 2020ء



GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2020

	Note	Unaudited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	4.01	400,000,000	400,000,000
Issued, subscribed and paid-up capital	4.02	326,356,000	326,356,000
Directors' loan		2,266,150,837	2,172,277,835
Accumulated loss		(1,444,922,741)	(1,308,013,961)
		1,147,584,096	1,190,619,874
NON CURRENT LIABILITIES			
Long term financing	5	221,727,012	131,250,000
Deferred liabilities		209,728,577	169,441,718
		431,455,589	300,691,718
CURRENT LIABILITIES			
Trade and other payables		383,027,513	223,854,895
Unclaimed dividends		4,985,265	4,985,265
Markup / interest payables		25,722,763	27,597,559
Short term bank borrowings		885,880,751	1,255,862,680
Current portion of long term financing	5	87,000,000	80,550,028
Provision for taxation		115,789,453	58,672,545
		1,502,405,745	1,651,522,972
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		3,081,445,430	3,142,834,564
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	7	1,306,690,064	1,401,015,957
Capital work in progress		-	-
		1,306,690,064	1,401,015,957
Long term deposit		13,011,694	13,011,694
		1,319,701,758	1,414,027,651
CURRENT ASSETS			
Stores, spares and loose tools		123,733,559	131,914,262
Stock in trade		836,221,050	729,190,906
Trade debts		477,600,718	419,711,284
Loans and advances		226,740,182	244,569,386
Refunds from Government agencies		89,447,365	196,637,350
Cash and bank balances		8,000,798	6,783,725
		1,761,743,672	1,728,806,913
		3,081,445,430	3,142,834,564

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

Chief Executive

Chief Financial Officer

Director



**GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

	Note	Nine Months Ended		Quarter Ended	
		March 31,		March 31,	
		2020	2019	2020	2019
		Rupees		Rupees	
SALES - Net	8	3,943,563,246	3,764,010,741	1,494,954,718	1,475,997,521
COST OF SALES	9	3,732,302,473	3,542,450,259	1,376,665,951	1,390,919,664
GROSS PROFIT		211,260,773	221,560,482	118,288,767	
SELLING AND DISTRIBUTION		45,268,274	81,817,222	23,277,353	31,347,407
ADMINISTRATIVE EXPENSES		88,346,565	78,941,567	31,201,253	22,834,024
OTHER OPERATING EXPENSES		2,818,597	2,652,302	3,664,332	789,744
		136,433,436	163,411,091	50,814,274	54,971,175
OPERATING PROFIT / (LOSS)		74,827,337	58,149,391	67,474,493	30,106,682
OTHER INCOME		6,039,392	24,159,086	3,868,594	3,378,305
		80,866,729	82,308,477	71,343,087	33,484,987
FINANCE COST		128,318,463	103,609,582	36,934,151	32,981,180
LOSS BEFORE TAXATION		(47,451,734)	(21,301,105)	38,073,268	(285,937)
PROVISION FOR TAXATION		89,457,046	62,271,859	52,927,408	42,492,859
LOSS AFTER TAXATION		(136,908,780)	(83,572,964)	(14,854,140)	(42,778,796)
Earnings per share - Basic		(4.20)	(2.56)	(0.46)	(1.31)

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

Chief Executive

Chief Financial Officer

Director



GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended		Quarter Ended	
	March 31,		March 31,	
	2020	2019	2020	2019
	Rupees		Rupees	
Loss after taxation	(136,908,780)	(83,572,964)	(14,854,140)	(42,778,796)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(136,908,780)</u>	<u>(83,572,964)</u>	<u>(14,854,140)</u>	<u>(42,778,796)</u>

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

Chief Executive

Chief Financial Officer

Director



GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	(47,451,734)	(21,301,105)
Adjustment for:		
Depreciation	99,561,106	98,775,893
(Gain) / Loss on disposal of fixed assets	1,577	-
Staff retirement benefits	20,978,033	15,563,765
Finance cost	128,318,463	103,609,582
	<u>248,859,179</u>	<u>217,949,240</u>
Cash flows before working capital changes	201,407,445	196,648,135
(Increase)/decrease in current assets		
Stores, spares and loose tools	8,180,703	(22,187,811)
Stock in trade	(107,030,144)	(158,855,820)
Trade debts	(57,889,434)	(155,632,939)
Loans and advances	34,912,051	(5,300,553)
Refunds from Govt. Agencies	107,189,985	25,032,359
Increase/(decrease) in current liabilities		
Trade and other payables	159,172,618	(24,514,019)
	<u>144,535,779</u>	<u>(341,458,783)</u>
Cash (Outflows) / Inflows from operations	345,943,224	(144,810,648)
Finance cost paid	(130,193,259)	(90,254,677)
Staff retirement benefits paid	(13,031,312)	(12,092,284)
Income tax paid	(17,082,847)	(43,570,351)
	<u>185,635,806</u>	<u>(290,727,960)</u>
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(5,450,680)	(90,910,996)
Proceeds from disposal of property, plant and equipment	213,890	-
Capital work in progress	-	90,830,496
Long term deposits	-	-
	<u>(5,236,790)</u>	<u>(80,500)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	96,926,984	(110,950,000)
Loan from directors and others-net	93,873,002	161,000,000
Unclaimed dividend	-	(12,370)
Short term borrowings- net	(369,981,929)	221,931,472
	<u>(179,181,943)</u>	<u>271,969,102</u>
Net cash generated from financing activities		
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,217,073	(18,839,358)
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	6,783,725	30,450,406
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,000,798	11,611,048

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

Chief Executive

Chief Financial Officer

Director



**GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

	Issued, subscribed and paid-up capital	Director's Loan	Accumulated losses	Total
	<i>R U P E E S</i>			
Balance as at July 01, 2018	326,356,000	1,993,777,835	(1,263,975,167)	1,056,158,668
Transaction with owner loan from directors	-	161,000,000	-	161,000,000
Total comprehensive loss for the period	-	-	(83,572,964)	(83,572,964)
Balance as at March 31, 2019	326,356,000	2,154,777,835	(1,347,548,131)	1,133,585,704
Balance as at July 01, 2019	326,356,000	2,172,277,835	(1,308,013,961)	1,190,619,874
Transaction with owner loan from directors	-	93,873,002	-	93,873,002
Total comprehensive loss for the period	-	-	(136,908,780)	(136,908,780)
Balance as at March 31, 2020	326,356,000	2,266,150,837	(1,444,922,741)	1,147,584,096

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

Chief Executive

Chief Financial Officer

Director



**GHAZI FABRICS INTERNATIONAL LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

1 STATUS AND ACTIVITIES

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

2 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017.

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods for computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended June 30, 2019.

	March 31, 2020 Rupees	June 30, 2019 Rupees
4 SHARE CAPITAL		
4.01 Authorized capital		
40,000,000 (June 30, 2019 : 40,000,000) ordinary shares of Rs. 10/- each paid in cash.	<u>400,000,000</u>	<u>400,000,000</u>
4.02 Issued, subscribed and paid up capital:		
32,635,600 (June 30, 2019 : 32,635,600) ordinary shares of Rs. 10/- each paid in cash.	<u>326,356,000</u>	<u>326,356,000</u>
A provision is recognized in the balance sheet when the company has legal or constructive		
5 LONG TERM FINANCING - Secured		
Opening balance	211,800,028	206,250,028
Add: Acquired during the period	150,000,000	150,000,000
Less: Repayment during the period	<u>(53,073,016)</u>	<u>(144,450,000)</u>
	308,727,012	211,800,028
Less: Current portion	<u>(87,000,000)</u>	<u>(80,550,028)</u>
	<u>221,727,012</u>	<u>131,250,000</u>

6 CONTINGENCIES AND COMMITMENTS

- 6.01 There is no material change in the status of the contingencies reported in the annual financial statements for the year ended June 30, 2019.
- 6.02 Commitments against irrevocable letters of credit outstanding as at March 31, 2020 amounts to Rs. 519.91 million : (June 30, 2019 Rs. 16.627. million).



7 OPERATING FIXED ASSETS

	March 31, 2020	June 30, 2019
	Rupees	Rupees
Opening written down value	1,401,015,957	1,415,526,051
Addition during the period		
Land - freehold	-	-
Building on freehold land	-	-
Plant and machinery	-	118,935,967
Furniture and fittings	-	165,500
Vehicles	5,450,680	-
Equipment	-	-
Electric installation	-	-
	5,450,680	119,101,467
Book value of assets disposed off during the period	(215,467)	-
Depreciation for the period	(99,561,106)	(133,611,561)
	<u>1,306,690,064</u>	<u>1,401,015,957</u>

	Unaudited		Unaudited	
	Nine Months Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Rupees	Rupees	Rupees	Rupees
8 SALES-NET				
Sales	3,942,142,004	3,762,904,901	1,493,533,476	1,475,758,413
Rebate	1,421,242	1,105,840	1,421,242	239,108
	<u>3,943,563,246</u>	<u>3,764,010,741</u>	<u>1,494,954,718</u>	<u>1,475,997,521</u>

9 COST OF SALES

Raw material consumed	2,810,001,908	2,607,613,811	992,982,786	1,037,836,873
Fabric conversion, dyeing and bleaching	961,151	12,135,136	50,600	3,913,361
Salaries, wages and benefits	371,842,193	301,353,801	127,236,207	100,723,758
Fuel and power	465,563,855	400,893,729	154,647,297	155,065,023
Packing material consumed	40,981,499	32,167,201	14,703,130	13,846,177
Sizing material consumed	35,848,422	43,608,153	13,206,792	28,191,462
Store and spares consumed	72,938,054	59,735,449	28,431,455	14,142,531
Insurance	4,322,816	3,849,772	1,824,895	1,288,711
Repair and maintenance	15,625,957	8,860,675	5,524,581	3,061,195
Depreciation	94,820,101	93,837,098	34,706,034	32,477,915
	<u>3,912,905,956</u>	<u>3,564,054,825</u>	<u>1,373,313,777</u>	<u>1,390,547,006</u>
Adjustment of work in process	(57,609,751)	(21,528,601)	(59,469,885)	(13,464,561)
Cost of goods manufactured	3,855,296,205	3,542,526,224	1,313,843,892	1,377,082,445
Adjustment of finished goods	(122,993,732)	(75,965)	62,822,059	13,837,219
	<u>3,732,302,473</u>	<u>3,542,450,259</u>	<u>1,376,665,951</u>	<u>1,390,919,664</u>

10 TRANSACTION WITH RELATED PARTIES

	Nine Months Ended	
	March 31, 2020	March 31, 2019
	Rupees	Rupees
Receipt / (Repayment) of Sponsors' loan - net	<u>93,873,002</u>	<u>161,000,000</u>



11 INFORMATION ABOUT REPORTING SEGMENT

The following table presents revenue and profit information regarding the Company's operating segments for the nine months ended March 31, 2020 and March 31, 2019.

	Spinning	Weaving	Inter - segment Transactions	Consolidated
Amount (Rupees)				
March 31, 2020				
Sales	2,344,449,629	1,952,697,509	(353,583,892)	3,943,563,246
Cost of Sales:	(2,274,932,087)	(1,810,954,277)	353,583,892	(3,732,302,473)
Gross profit	69,517,542	141,743,232	-	211,260,773
Selling and distribution costs	(24,697,592)	(20,570,682)	-	(45,268,274)
Administrative and general expenses	(48,200,368)	(40,146,197)	-	(88,346,565)
Profit before taxation & un-allocated expenses	(3,380,418)	81,026,352	-	77,645,934
Un-allocated expenses:				
Other operating expenses				(2,818,597)
Other operating income				6,039,392
Finance cost				(128,318,463)
Loss before taxation				(47,451,734)
Taxation				(89,457,046)
Net loss for the period				(136,908,780)

Amount (Rupees)				
March 31, 2019				
Sales	2,365,478,175	2,116,533,279	(718,000,713)	3,764,010,741
Cost of Sales:	(2,272,249,755)	(1,988,201,217)	718,000,713	(3,542,450,259)
Gross profit / (Loss)	93,228,420	128,332,062	-	221,560,482
Selling and distribution costs	(43,636,029)	(38,181,193)	-	(81,817,222)
Administrative and general expenses	(42,102,340)	(36,839,227)	-	(78,941,567)
Profit /(loss) before taxation & un-allocated expenses	7,490,051	53,311,641	-	60,801,693
Un-allocated expenses:				
Other operating expenses				(2,652,302)
Other operating income				24,159,086
Finance cost				(103,609,582)
Loss before taxation				(21,301,105)
Taxation				(62,271,859)
Net loss for the period				(83,572,964)

12 AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 29, 2020.

13 CORRESPONDING FIGURES

- 13.1 Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.
- 13.2 Figures have been rounded off to the nearest rupee.

Chief Executive

Chief Financial Officer

Director

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