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Ghazi Fabrics International Ltd.

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Website: www.ghazifabrics.com

Mills: 46 K.M. Multan Road, Bhair Pheru, Dist Kasur.



Ghazi Fabrics International Limited
Signature of Quality



Half Yearly Report

December 31, 2019

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.

DIRECTOR'S REVIEW

Dear Shareholders,

We are pleased to present the financial statements for the half year ended December 31, 2019.

Operating results

During the period under review the Company's gross profit was Rs. 92.972 million (corresponding period: Rs. 136.482 million) and the loss after tax of Rs. 118.390 million (corresponding period: Rs. 41.583 million). Loss per share is Rs. 3.63 (corresponding period: Rs. 1.27).

Financial highlights

	For The Half year Ended December 31, 2019 2018	
	Rupees	
Sales	2,448,608,528	2,288,013,220
Gross profit	92,972,006	136,482,625
Loss after tax	118,390,308	41,583,912
Gross profit (%)	3.80	5.97
Earning per share –EPS- Rs.	(3.63)	(1.27)

Indicative from the figures above, total sales of the Company increased by nearly 7.02 % as compared to corresponding period. Gross profit decreased by 31.88% as compared to corresponding period. The main reason for increase in loss is due to increase in the cost of raw material, fuel prices and squeezing of margin in the sale price of the products.

Future prospects

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

Bold steps, (including but not limited to) such as the formalization of textile policy, reduced tax rates for the industry, refunds of tax amounts, immediate measures for the availability of electricity and rationalization of its cost need to be taken by the Government; for they will provide the much needed support to the local industry.

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
February 25, 2020

ڈائریکٹر رپورٹ

محترم حصص یافتگان،

ہم 31 دسمبر 2019ء کو ختم ہونے والی ششماہی کے مالی گوشوارے پیش کرتے ہیں۔

آپریٹنگ نتائج:

زیر جائزہ مدت کے دوران کمپنی کا خام منافع 92.972 ملین روپے جو پچھلے سال اسی مدت کے دوران 136.482 ملین روپے اور بعد از ٹیکس نقصان 118.390 ملین روپے جو پچھلے سال اسی مدت کے مطابق 41.583 ملین روپے رہا۔ فی حصہ نقصان 3.63 روپے نقصان (1.27: 2018)

دسمبر 2019	دسمبر 2018	فروخت
روپے	روپے	
2,288,013,220	2,448,608,528	خام منافع
136,482,625	92,972,006	بعد از ٹیکس نقصان
41,583,912	118,390,308	خام منافع (%)
5.97	3.80	فی حصہ آمدنی
(1.27)	(3.63)	

مندرجہ بالا اعداد و شمار کے مطابق کمپنی کی مجموعی فروخت پچھلے سال کی اسی مدت کے مقابلے میں 7.02% بڑھ گئی ہے۔ اس کے علاوہ خام منافع اسی مدت کے مقابلے میں 31.88% کم ہو گیا۔ نقصان میں اضافہ کی بنیادی وجہ خام مال کی قیمت میں اضافہ، تیل کی قیمتوں میں اضافہ اور قیمت فروخت میں کمی کی وجہ سے ہوا۔ مستقبل کے امکانات:

پاکستان کی مجموعی اقتصادی صورت حال انتہائی دباؤ میں ہے۔ توانائی کی بڑھتی ہوئی قیمتیں، مسلسل اقتصادی عدم استحکام، بین الاقوامی مارکیٹوں میں زبردست مقابلہ اور گزشتہ کئی سالوں میں کاروبار کی بڑھتی ہوئی قیمتیں برآمد کی ترقی، فروخت اور مارکیٹ میں مقابلے کی راہ میں رکاوٹ ہے۔ بڑا سرمایہ ٹیکس ریفرنڈم کی مد میں بھی پھنسا ہوا ہے۔

حکومت کی طرف سے بہتری کے اقدامات لینے کی ضرورت ہے۔ جن میں ٹیکسٹائل پالیسی کو بنانا، صنعت کے لئے ٹیکس کی شرح میں کمی، ٹیکس کی رقم کی واپسی، بجلی کی دستیابی کے فوری اقدامات اور اس کی لاگت کو احتیاطاً دینا شامل ہے جو مقامی صنعت کو ضروری مدد فراہم کرے گا۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

کامران ارشد

ڈائریکٹر

لاہور

25 فروری 2020ء

محمد ارشد چوہدری

چیف ایگزیکٹو

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
GHAZI FABRICS INTERNATIONAL LIMITED.
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of GHAZI FABRICS INTERNATIONAL LIMITED as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial statement for the six months period then ended (here-in-after referred to as "interim financial Statements"). Management is responsible for the preparation and presentation of these interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as of and for the six months period ended December 31, 2019 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting

The engagement partner on the review resulting in this independent auditor's review report is ABDUL RAHMAN.

LAHORE

Dated: February 25, 2020

QADEER & COMPANY
CHARTERED ACCOUNTANTS

**GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2019**

	Note	Unaudited December 31, 2019 Rupees	Audited June 30, 2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	5	400,000,000	400,000,000
Issued, subscribed and paid-up capital	5	326,356,000	326,356,000
Directors and sponsors' loan		2,216,150,837	2,172,277,835
Accumulated loss		(1,426,404,269)	(1,308,013,961)
		1,116,102,568	1,190,619,874
NON CURRENT LIABILITIES			
Long term financing	6	207,500,028	131,250,000
Deferred liabilities		174,249,445	169,441,718
		381,749,473	300,691,718
CURRENT LIABILITIES			
Trade and other payables		469,578,133	223,854,895
Unclaimed dividend		4,985,265	4,985,265
Markup / interest payables		33,081,218	27,597,559
Short term bank borrowings		762,921,250	1,255,862,680
Current portion of long term financing	6	121,000,000	80,550,028
Provision for taxation		94,067,552	58,672,545
		1,485,633,418	1,651,522,972
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		2,983,485,459	3,142,834,564
ASSETS			
NON CURRENT ASSETS			
Property, plants & equipment	8	1,343,022,482	1,401,015,957
Long term deposit		13,011,694	13,011,694
		1,356,034,176	1,414,027,651
CURRENT ASSETS			
Stores, spares and loose tools		135,613,650	131,914,262
Stock in trade		652,751,146	729,190,906
Trade debts		439,503,158	419,711,284
Loans and advances		316,325,320	244,569,386
Refunds from Government agencies		78,636,469	196,637,350
Cash and bank balances		4,621,540	6,783,725
		1,627,451,283	1,728,806,913
		2,983,485,459	3,142,834,564

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Muhammad Arshad Chaudhry
Chief Executive Officer

Abid Rafi
Chief Financial Officer

Kamran Arshad
Director

**GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Note	Half Year Ended		Quarter Ended	
		December 31,		December 31,	
		2019	2018	2019	2018
		Rupees		Rupees	
SALES - Net	9	2,448,608,528	2,288,013,220	1,449,000,294	1,188,176,671
LESS: COST OF SALES	10	2,355,636,522	2,151,530,595	1,357,187,826	1,110,556,216
GROSS PROFIT		92,972,006	136,482,625	91,812,468	77,620,455
LESS: OPERATING EXPENSES					
SELLING AND DISTRIBUTION		21,990,921	50,469,815	13,969,098	25,896,018
ADMINISTRATIVE AND GENERAL		57,145,312	56,107,543	30,593,484	28,358,366
OTHER OPERATING CHARGES		6,482,929	1,862,558	4,905,747	221,111
		85,619,162	108,439,916	49,468,329	54,475,495
		7,352,844	28,042,709	42,344,139	23,144,961
OTHER OPERATING INCOME		2,170,798	20,780,781	817,848	19,624,991
OPERATING PROFIT / (LOSS)		9,523,642	48,823,490	43,161,987	42,769,952
LESS: FINANCE COST		91,384,312	70,628,402	68,272,995	37,023,088
PROFIT / (LOSS) BEFORE TAXATION		(81,860,670)	(21,804,912)	(25,111,008)	5,746,864
LESS : TAXATION		36,529,638	19,779,000	7,132,476	5,588,479
PROFIT / (LOSS) AFTER TAXATION		(118,390,308)	(41,583,912)	(32,243,484)	158,385
(LOSS) / Earnings per share - Basic and dilutive		(3.63)	(1.27)	(0.988)	0.005

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Muhammad Arshad Chaudhry
Chief Executive Officer

Abid Rafi
Chief Financial Officer

Kamran Arshad
Director

**GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Half Year Ended		Quarter Ended	
	December 31,		December 31,	
	2019	2018	2019	2018
	Rupees		Rupees	
Profit / (Loss) after taxation	(118,390,308)	(41,583,912)	(32,243,484)	158,385
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit / (loss) for the period	(118,390,308)	(41,583,912)	(32,243,484)	158,385

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Muhammad Arshad Chaudhry
Chief Executive Officer

Abid Rafi
Chief Financial Officer

Kamran Arshad
Director

**GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	December 31, 2019 Rupees	December 31, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(81,860,670)	(21,804,912)
Adjustment for:		
Depreciation	63,277,965	64,588,614
Staff retirement benefits	12,586,820	13,253,400
Finance cost	91,384,312	70,628,401
	<u>167,249,097</u>	<u>148,470,415</u>
Cash flows before working capital changes	85,388,427	126,665,503
 (Increase)/decrease in current assets		
Stores, spares and loose tools	(3,699,388)	(56,292,228)
Stock in trade	76,439,760	(312,366,841)
Trade debts	(19,791,874)	(115,710,031)
Loans and advances	(60,363,776)	94,909,505
Refunds from Govt. Agencies	118,000,881	55,773,929
Increase/(decrease) in current liabilities		
Trade and other payables	245,723,238	9,275,758
	<u>(356,308,841)</u>	<u>(324,409,907)</u>
Cash (Outflows) / Inflows from operations	441,697,268	(197,744,404)
Finance cost paid	(85,900,653)	(56,445,347)
Staff retirement benefits Paid	(8,913,724)	(9,988,916)
Income Tax paid	(11,392,158)	(43,570,352)
Net cash used in operating activities	335,490,733	(307,749,019)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(5,284,490)	(90,830,496)
Capital Work in Progress	-	90,830,496
Net cash used in investing activities	(5,284,490)	-
 CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	116,700,000	(55,500,000)
Loan from sponsors - net	43,873,002	150,000,000
Unclaimed dividend	-	(12,370)
Short term borrowings - net	(492,941,430)	190,170,466
Net cash generated from financing activities	(332,368,428)	284,658,096
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,162,185)	(23,090,923)
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	4,621,540	7,359,483

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Muhammad Arshad Chaudhry
Chief Executive Officer

Abid Rafi
Chief Financial Officer

Kamran Arshad
Director

**GHAZI FABRICS INTERNATIONAL LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Issued, subscribed and paid-up capital	Directors & sponsors' Loan	Accumulated losses	Total
	R	U	P	E E S
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	-	150,000,000	-	150,000,000
Total comprehensive loss for the period	-	-	(41,583,912)	(41,583,912)
Balance as at December 31, 2018	326,356,000	2,143,777,835	(1,305,559,079)	1,164,574,756
 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	-	43,873,002	-	43,873,002
Total comprehensive loss for the period	-	-	(118,390,308)	(118,390,308)
Balance as at December 31, 2019	326,356,000	2,216,150,837	(1,426,404,269)	1,116,102,568

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Muhammad Arshad Chaudhry
Chief Executive Officer

Abid Rafi
Chief Financial Officer

Kamran Arshad
Director

**GHAZI FABRICS INTERNATIONAL LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

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.

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2019.

3 ACCOUNTING POLICIES
3.1 IFRS 9 - Financial Instruments

The IFRS 9 introduces new requirements for the recognition, classification and measurement of financial assets and liabilities & impairment of financial assets. IASB has published the complete version of IFRS 9, 'Financial Instruments', which replaces the guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. Classification and measurement of financial assets Under IFRS 9, financial assets can be classified into three categories i.e. financial assets through profit & loss, financial assets measured at amortized cost & financial assets through other comprehensive income. On July 01, 2019, the Company has assessed which measurement apply to the financial assets held by the Company. The initial application of IFRS 9 only effected the classification of certain financial assets that were previously recognised as loans and receivables. The adoption of standards doesn't effect the reported figures of the financial assets and liabilities of the Company.

3.2 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2019.

3.3 There are certain IFRSs, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2019. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in the condensed interim financial statements.

3.4 Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss.

3.5 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2019. The impact of remeasurement of post-employment benefit plans has not been incorporated in the condensed interim financial statements

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements are in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2019.

5 SHARE CAPITAL AND RESERVES
Authorized capital

40,000,000 (June 30, 2019 : 40,000,000) ordinary shares of Rs. 10/- each.

December 31, 2019	June 30, 2019
Rupees	Rupees

400,000,000	400,000,000
--------------------	-------------

Issued, subscribed and paid up capital:

32,635,600 (June 30, 2019 : 32,635,600) ordinary shares of Rs. 10/- each fully paid in cash.

326,356,000	326,356,000
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6 LONG TERM FINANCING - Secured

Opening balance

211,800,028	206,250,028
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Add: Acquired during the period / year

150,000,000	150,000,000
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Less: Repayment during the period / year

(33,300,000)	(144,450,000)
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328,500,028	211,800,028
--------------------	-------------

Less: Current portion

(121,000,000)	(80,550,028)
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207,500,028	131,250,000
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7 CONTINGENCIES AND COMMITMENTS

7.01 There is no material change in the status of the contingencies reported in the annual financial statements for the year ended June 30, 2019.

7.02 Commitments against irrevocable letters of credit outstanding as at December 31, 2019 amounts to Rs. 94.950 Million : (June 30, 2019: Rs. 16.627 Million).

8 PROPERTY, PLANT AND EQUIPMENT

Opening written down value

December 31, 2019	June 30, 2019
Rupees	Rupees

1,401,015,957	1,415,526,051
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Addition during the period / year

Plant and machinery

-	118,935,967
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Vehicles

5,284,490	-
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Equipment

-	165,500
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5,284,490	119,101,467
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Book value of assets disposed off during the period / year

-	-
---	---

Depreciation for the period / year

(63,277,965)	(133,611,562)
---------------------	---------------

1,343,022,482	1,401,015,957
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9 SALES-NET

	Unaudited Half Year Ended		Unaudited Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Sales	2,448,608,528	2,287,146,488	1,449,000,294	1,187,309,939
Rebate	-	866,732	-	866,732
	<u>2,448,608,528</u>	<u>2,288,013,220</u>	<u>1,449,000,294</u>	<u>1,188,176,671</u>

10 COST OF SALES

	Unaudited Half Year Ended		Unaudited Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
Raw material consumed	1,817,019,122	1,569,776,938	938,597,728	871,268,913
Fabric conversion, dyeing and bleaching	910,551	8,221,775	176,813	3,453,725
Salaries, wages and benefits	244,605,986	200,630,043	131,037,614	103,591,716
Fuel and power	310,916,558	245,828,706	162,082,846	112,708,814
Packing material consumed	26,278,369	18,321,024	14,701,523	8,392,938
Sizing material consumed	22,641,630	15,416,691	11,840,080	5,138,752
Store and spares consumed	44,506,599	45,592,918	28,677,799	23,898,828
Insurance	2,497,921	2,561,061	2,423,268	1,280,531
Repair and maintenance	10,101,376	5,799,480	2,186,060	2,355,023
Depreciation	60,114,067	61,359,183	29,660,600	30,545,634
	<u>2,539,592,179</u>	<u>2,173,507,819</u>	<u>1,321,384,331</u>	<u>1,162,634,874</u>
Adjustment of work in process	1,860,134	(8,064,040)	6,117,276	(17,066,659)
Cost of goods manufactured	2,541,452,313	2,165,443,779	1,327,501,607	1,145,568,215
Adjustment of finished goods	(185,815,791)	(13,913,184)	29,686,220	(35,011,999)
	<u>2,355,636,522</u>	<u>2,151,530,595</u>	<u>1,357,187,826</u>	<u>1,110,556,216</u>

11 TRANSACTION WITH RELATED PARTIES

	Half year ended	
	December 31, 2019	December 31, 2018
	Rupees	Rupees
Receipt / (Repayment) of Sponsors' loan - net	43,873,002	150,000,000

12 INFORMATION ABOUT REPORTING SEGMENT

The following table presents revenue and profit information regarding the Company's operating segments for the half year ended December 31, 2019 and December 31, 2018.

	Spinning	Weaving	Inter - segment Transactions	Consolidated
	Amount (Rupees)			
	December 31, 2019			
Sales	1,520,864,004	1,202,601,416	(274,856,892)	2,448,608,528
Cost of Sales:	(1,315,457,419)	(1,315,035,995)	274,856,892	(2,355,636,522)
Gross profit / (Loss)	205,406,585	(112,434,579)	-	92,972,006
Selling and distribution costs	12,280,384	9,710,537	-	21,990,921
Administrative and general expenses	31,911,640	25,233,672	-	57,145,312
Profit /(loss) before taxation & un-allocated expenses	161,214,561	(147,378,788)	-	13,835,773
Un-allocated expenses:				
Other operating expenses				6,482,929
Other operating income				2,170,798
Finance cost				91,384,312
Loss before taxation				(81,860,670)
Taxation				(36,529,638)
Net loss for the period				(118,390,308)

	Amount (Rupees)			
	December 31, 2018			
Sales	1,531,352,741	1,337,577,937	(580,917,458)	2,288,013,220
Cost of Sales:	(1,148,425,195)	(1,584,022,858)	580,917,458	(2,151,530,595)
Gross profit / (Loss)	382,927,546	(246,444,921)	-	136,482,625
Selling and distribution costs	26,939,337	23,530,478	-	50,469,816
Administrative and general expenses	29,948,594	26,158,949	-	56,107,543
Profit /(loss) before taxation & un-allocated expenses	326,039,615	(296,134,348)	-	29,905,266
Un-allocated expenses:				
Other operating expenses				(1,862,558)
Other operating income				20,780,781
Finance cost				(70,628,402)
Loss before taxation				(21,804,912)
Taxation				(19,779,000)
Net loss for the period				(41,583,912)

13 AUTHORIZATION FOR ISSUE

This condensed interim financial statements was approved by the Board of Directors and authorized for issue on February 25, 2020.

14 CORRESPONDING FIGURES

- 14.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2019 and the corresponding figures in the condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended December 31, 2018.

- 14.2 Figures have been rounded off to the nearest rupee.

Muhammad Arshad Chaudhry
Chief Executive Officer

Abid Rafi
Chief Financial Officer

Kamran Arshad
Director