



Ghazi Fabrics International Limited
Signature of Quality



Half Yearly Report

December 31, 2016

UN-AUDITED



COMPANY PROFILE

Board of directors

Mrs. Azra Yasmin

Chairperson

Mohammad Arshad Chaudhry
Chief Executive/ Director

Kamran Arshad

Rizwan Arshad

Fareeha Arshad

Wajeeha Haaris

Muhammad Imran Rasheed

Audit Committee

Muhammad Imran Rasheed
Chairman/ member

Rizwan Arshad
Member

Fareeha Arshad
Member

Human Resource & Remuneration Committee

Mrs. Azra Yasmin
Chairperson/ member

Mohammad Arshad Chaudhry
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 REPORT

Dear Shareholders,

We are pleased to present the financial statements for the half year ended at December 31, 2016 duly reviewed by the auditors.

Operating results

During the period under review the Company's gross profit was Rs.31.017 million and the loss after tax of 216.586 million as compared to a loss of Rs. 160.201 million in the corresponding period ended December 31, 2015. Loss per share is Rs. 6.64 (corresponding period:Rs.4.91).

Financial highlights

| | December 2016 | December 2015 |
|-----------------------------|--------------------------|--------------------------|
| | R u p e e s | |
| Sales | 2,366,252,173 | 2,299,197,598 |
| Gross profit | 31,017,475 | 48,876,293 |
| Loss after tax | (216,586,206) | (160,201,373) |
| Gross profit (%) | 1.31 | 2.12 |
| Earning per share –EPS- Rs. | (6.64) | (4.91) |

Indicative from the figures above, total sales of the Company increased by nearly 3% as compared to corresponding period. However the gross profit reduced to 1.31% as compared to 2.12% in corresponding period. This impact is mainly attributable to the textile sector being under pressure due to reduction in exports of textile products and also local market prices could not provide reasonable margins & the predatory power prices.

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. Huge amount are also stuck up on account of tax refunds.

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 shareholder, bankers, suppliers and valued customers who cooperated with us throughout the period.

For and on behalf of the board

Lahore
February 21, 2017

(Mohammad Arshad Chaudhry)
Chief Executive Officer



ڈائریکٹرز رپورٹ

محترم حصص یافتگان

ہم ہمسرت 31 دسمبر 2016 کو ختم ہونے والے ششماہی مالی گوشوارے پیش کرتے ہیں جن کا جائزہ ڈائریز کی طرف سے لیا گیا ہے۔

آپریٹنگ نتائج

زیر جائزہ مدت کے دوران کمپنی کا خام منافع 31,017,017 ملین روپے رہا اور بعد از ٹیکس نقصان 216,586,206 ملین روپے رہا جو کہ پچھلے سال اسی مدت کے دوران 160,201,600 ملین روپے رہا۔ رواں سال نقصان ایک حصص پر 6.64 روپے ہے جو پچھلے سال 4.91 روپے تھا۔

| دسمبر 2015 | دسمبر 2016 | فرہنگی |
|---------------|---------------|-------------------|
| روپے | روپے | |
| 2,299,197,598 | 2,366,252,173 | خام منافع |
| 48,876,293 | 31,017,475 | بعد از ٹیکس نقصان |
| (160,201,373) | (216,586,206) | خام منافع (%) |
| 2.12 | 1.31 | ذاتی حصص آمدنی |
| (4.91) | (6.64) | |

مندرجہ بالا اعداد و شمار سے نشاندہی ہوتی ہے کہ کمپنی کی کل فرہنگی میں پچھلے سال کی اسی مدت کے دوران 3% اضافہ ہوا ہے۔ تاہم خام منافع اسی مدت میں 2.12% کے مقابلے میں 1.31% تک کم رہا۔ یہ اثر زیادہ طور پر ٹیکسٹائل مصنوعات کی برآمدات میں کمی کی وجہ سے ٹیکسٹائل شعبے پر دباؤ سے منسوب ہے جو کہ مقامی مارکیٹ میں بھی قیمتوں کا مناسب منافع فراہم نہیں کر سکا۔

مستقبل کے امکانات

پاکستان کی مجموعی معاشی صورت حال، توانائی کی قیمتوں میں اضافہ، مسلسل اقتصادی اتار چڑھاؤ، بین الاقوامی مارکیٹ میں شدید مقابلے کی وجہ سے دباؤ میں ہے اور گزشتہ چند سالوں میں کاروبار کرنے کی بڑھتی ہوئی قیمتوں نے کاروباری حجم، برآمدات میں اضافہ اور مارکیٹ میں مقابلہ کو متاثر کیا ہے۔ ہماری رقم بھی ٹیکس ریٹینڈ کی مد میں پھنس چکی ہیں۔

ٹیکسٹائل پالیسی کی تباہی، صنعت کے لئے کم ٹیکس کی شرح، ٹیکس قوم کی واپسی، بجلی کی معقول قیمت پر فوری فراہمی جیسے جرات مندانہ اقدامات لینے کی ضرورت ہے جو مقامی صنعت کو حمایت فراہم کرے گا۔

خراج تین

ہم انخلاء میا اور کمپنی کے ملازمین کی اور انکی محنت اور لگن کے لئے شکر گزار ہیں۔ ہم اپنے حصص یافتگان، بینکاروں، سپلائرز اور قابل قدر صارفین کا شکریہ ادا کرتے ہیں جو اس مدت میں انہوں نے ہمارے ساتھ تعاون کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

لاہور

21 فروری 2017ء

چوہدری محمد ارشد

چیف ایگزیکٹو

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **GHAZI FABRICS INTERNATIONAL LIMITED** as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the interim financial information for the six months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for quarters ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2016.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 information as of and for the six months period ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Lahore
February 21, 2017

QADEER & COMPANY
CHARTERED ACCOUNTANTS
NAWAZ KHAN, FCA



**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
BALANCE SHEET AS AT DECEMBER 31, 2016**

| | Note | Unaudited December 31, 2016 Rupees | Audited June 30, 2016 Rupees |
|---|------|---|---------------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | 5.01 | 400,000,000 | 400,000,000 |
| Issued, subscribed and paid-up capital | 5.02 | 326,356,000 | 326,356,000 |
| Directors' loan | | 1,535,727,835 | 1,255,727,835 |
| Accumulated loss | | (970,023,953) | (753,437,747) |
| | | 892,059,882 | 828,646,088 |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 6 | 350,000,032 | 350,000,030 |
| Deferred liabilities | | 89,826,882 | 60,906,493 |
| | | 439,826,914 | 410,906,523 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 374,117,193 | 439,316,968 |
| Markup / interest payables | | 26,750,534 | 10,985,629 |
| Short term bank borrowings | | 1,363,734,505 | 940,648,513 |
| Current portion of long term financing | 6 | 68,653,846 | 143,461,540 |
| Provision for taxation | | 23,886,967 | 35,228,181 |
| | | 1,857,143,046 | 1,569,640,831 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | - | - |
| | | 3,189,029,841 | 2,809,193,442 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Operating fixed assets | 8 | 1,526,726,928 | 1,605,032,489 |
| Capital work in progress | | 73,777,519 | 34,210,062 |
| | | 1,600,504,447 | 1,639,242,551 |
| LONG TERM DEPOSIT | | 13,011,744 | 13,011,744 |
| | | 1,613,516,191 | 1,652,254,295 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 111,592,070 | 93,384,579 |
| Stock in trade | | 1,031,285,105 | 626,433,802 |
| Trade debts | | 171,296,708 | 128,667,713 |
| Loans and advances | | 69,580,660 | 120,113,204 |
| Trade deposits and short term prepayments | | 2,128,261 | 300,000 |
| Other receivables | | 184,969,564 | 183,884,120 |
| Cash and bank balances | | 4,661,283 | 4,155,728 |
| | | 1,575,513,650 | 1,156,939,147 |
| | | 3,189,029,841 | 2,809,193,442 |

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

Chief Executive

Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | Note | Half Year Ended | | Quarter Ended | |
|---|------|-----------------|---------------|---------------|---------------|
| | | December 31, | | December 31, | |
| | | 2016 | 2015 | 2016 | 2015 |
| | | Rupees | | Rupees | |
| SALES - Net | | 2,366,252,173 | 2,299,197,598 | 1,134,002,799 | 1,191,240,744 |
| COST OF SALES | 9 | 2,335,234,698 | 2,250,321,305 | 1,051,653,225 | 1,138,906,493 |
| GROSS PROFIT | | 31,017,475 | 48,876,293 | 82,349,574 | 52,334,251 |
| SELLING AND DISTRIBUTION ADMINISTRATIVE EXPENSES | | 66,502,148 | 52,577,017 | 57,438,958 | 43,701,021 |
| | | 54,366,759 | 60,534,006 | 28,564,142 | 33,639,504 |
| | | 120,868,907 | 113,111,023 | 86,003,100 | 77,340,525 |
| OPERATING LOSS | | (89,851,432) | (64,234,730) | (3,653,526) | (25,006,274) |
| OTHER INCOME | | 4,135,174 | 5,352,008 | 1,904,105 | 3,677,577 |
| | | (85,716,258) | (58,882,722) | (1,749,421) | (21,328,697) |
| FINANCE COST | | 73,224,177 | 61,661,739 | 50,197,865 | 34,952,471 |
| OTHER CHARGES | | 9,921,411 | - | 9,637,107 | - |
| LOSS BEFORE TAXATION | | (168,861,845) | (120,544,461) | (61,584,392) | (56,281,168) |
| PROVISION FOR TAXATION | | 47,724,361 | 39,656,912 | 32,224,011 | 22,907,451 |
| LOSS AFTER TAXATION | | (216,586,206) | (160,201,373) | (93,808,403) | (79,188,619) |
| Earnings per share - Basic | | (6.64) | (4.91) | (2.87) | (2.43) |

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



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

| | <u>Half Year Ended</u> | | <u>Quarter Ended</u> | |
|---|------------------------|----------------------|----------------------|---------------------|
| | <u>December 31,</u> | | <u>December 31,</u> | |
| | <u>2016</u> | <u>2015</u> | <u>2016</u> | <u>2015</u> |
| | <u>Rupees</u> | | <u>Rupees</u> | |
| Loss after taxation | (216,586,206) | (160,201,373) | (93,808,403) | (79,188,619) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive loss for the period | <u>(216,586,206)</u> | <u>(160,201,373)</u> | <u>(93,808,403)</u> | <u>(79,188,619)</u> |

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

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

| | December 31, 2016 Rupees | December 31, 2015 Rupees |
|---|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (168,861,845) | (120,544,461) |
| Adjustment for: | | |
| Depreciation | 73,454,164 | 79,036,533 |
| Loss on disposal of fixed assets | 7,011,967 | (299,357) |
| Staff retirement benefits | 12,249,552 | 11,680,402 |
| Finance cost | 73,224,177 | 61,661,739 |
| | <u>165,939,859</u> | <u>152,079,317</u> |
| Cash flows before working capital changes | (2,921,986) | 31,534,856 |
| (Increase)/decrease in current assets | | |
| Stores, spares and loose tools | (18,207,491) | 9,638,099 |
| Stock in trade | (404,851,303) | (110,684,130) |
| Trade debts | (42,628,995) | (70,134,147) |
| Loans and advances | 30,024,903 | (72,005,579) |
| Trade deposits and prepayments | (1,828,261) | 1,108,539 |
| Other receivable | 11,490,453 | 37,381,462 |
| Increase/(decrease) in current liabilities | | |
| Trade and other payables | (65,199,775) | 109,735,314 |
| | <u>(491,200,468)</u> | <u>(94,960,442)</u> |
| Cash (Outflows) / Inflows from operations | (494,122,454) | (63,425,586) |
| Finance cost paid | (57,459,272) | (66,220,907) |
| Staff retirement benefits Paid | (9,619,657) | (8,554,567) |
| Income Tax paid | (24,843,337) | (30,715,167) |
| | <u>(81,922,266)</u> | <u>(105,490,641)</u> |
| Net cash used in operating activities | (586,044,720) | (168,916,227) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Property, plant and equipment purchased | (4,602,501) | (117,731,907) |
| Proceeds from disposal of property, plant and equipment | 2,441,934 | 305,000 |
| Capital Work in Progress | (39,567,457) | 96,705,550 |
| Long term deposits | - | - |
| | <u>(41,728,024)</u> | <u>(20,721,357)</u> |
| Net cash used in investing activities | (41,728,024) | (20,721,357) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term financing | (74,807,694) | (121,320,664) |
| Loan from directors and others-net | 280,000,000 | 142,000,000 |
| Short term borrowings- net | 423,085,992 | 144,921,421 |
| | <u>628,278,298</u> | <u>165,600,757</u> |
| Net cash generated from financing activities | 628,278,298 | 165,600,757 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 505,555 | (24,036,827) |
| CASH AND CASH EQUIVALENTS | | |
| AT THE BEGINNING OF THE PERIOD | 4,155,728 | 25,006,550 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 4,661,283 | 969,723 |

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

Chief Executive

Director



**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

| | Issued, subscribed and paid-up capital | Director's Loan | | | Accumulated losses | Total |
|--|--|----------------------|---|---------|-----------------------|----------------------|
| | | R | U | P E E S | | |
| Balance as at July 01, 2015 | 326,356,000 | 1,177,727,835 | | | (481,505,557) | 1,022,578,278 |
| Transaction with owner loan from directors | - | 142,000,000 | | | - | 142,000,000 |
| Total comprehensive loss for the period | - | - | | | (160,201,373) | (160,201,373) |
| Balance as at December 31, 2015 | 326,356,000 | 1,319,727,835 | | | (641,706,930) | 1,004,376,905 |
| Balance as at July 01, 2016 | 326,356,000 | 1,255,727,835 | | | (753,437,747) | 828,646,088 |
| Transaction with owner loan from directors | - | 280,000,000 | | | - | 280,000,000 |
| Total comprehensive loss for the period | - | - | | | (216,586,206) | (216,586,206) |
| Balance as at December 31, 2016 | 326,356,000 | 1,535,727,835 | | | (970,023,953) | 892,059,882 |

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

Chief Executive

Director

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

I STATUS AND ACTIVITIES

The Company was incorporated in Pakistan on April 30, 1989 as Private Limited and converted into public limited on January 07, 1990. Its shares are quoted at Pakistan Stock Exchanges. The main activities of the Company are textile manufacturing, production of cotton and P.C. yarn and grey cloth that are marketed both in and outside Pakistan. The registered office of the Company is situated at 8-C, E-III, Gulberg III, Lahore.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information is un-audited but subject to limited scope review by auditors and have been prepared in accordance with the requirements of International Accounting Standard No. 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all of the information required for full financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2016.

3 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention modified by adjustment of revaluation of certain assets. In this condensed interim financial information, except for the cash flow statement, all the transactions have been accounted for on accrual basis.

4 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, 2016.

| | December 31, 2016 Rupees | June 30, 2016 Rupees |
|---|--------------------------------|----------------------------|
| 5 SHARE CAPITAL | | |
| 5.01 Authorized capital | | |
| 40,000,000 (June 30, 2016 : 40,000,000) ordinary shares of Rs. 10/- each paid in cash. | 400,000,000 | 400,000,000 |
| 5.02 Issued, subscribed and paid up capital: | | |
| 32,635,600 (June 30, 2016 : 32,635,600) ordinary shares of Rs. 10/- each paid in cash. | 326,356,000 | 326,356,000 |
| 6 LONG TERM FINANCING - Secured | | |
| Opening balance | 493,461,570 | 611,433,281 |
| Add: Acquired during the period | - | 100,000,000 |
| Less: Repayment during the period | (74,807,692) | (217,971,711) |
| | 418,653,878 | 493,461,570 |
| Less: Current portion | (68,653,846) | (143,461,540) |
| | 350,000,032 | 350,000,030 |
| 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, 2016. | | |
| 7.02 Commitments against irrevocable letters of credit outstanding as at December 31, 2016 amounts to Rs. Nil : (June 30, 2016 Rs. 6.5 Million). | | |
| 8 PROPERTY, PLANT AND EQUIPMENT | | |
| Opening written down value | 1,605,032,488 | 1,535,323,787 |
| Addition during the period | | |
| Buildings on freehold land | - | 88,666,321 |
| Plant and machinery | 700,000 | 124,599,842 |
| Vehicles | 2,863,248 | 2,236,057 |
| Tools and equipment | 1,039,253 | 538,436 |
| Electric installations | - | 5,513,147 |
| | 4,602,501 | 221,553,803 |
| Book value of assets disposed off during the period | (9,453,897) | (7,527) |
| Depreciation for the period | (73,454,164) | (151,837,575) |
| | 1,526,726,928 | 1,605,032,488 |



| 9 COST OF SALES | Unaudited Half Year Ended | | Unaudited Quarter Ended | |
|---|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | December 31, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| | Rupees | Rupees | Rupees | Rupees |
| Raw material consumed | 1,633,954,808 | 1,547,456,585 | 671,588,673 | 671,753,177 |
| Fabric conversion, dyeing and bleaching | 6,464,569 | 17,854,854 | 488,062 | 12,596,857 |
| Salaries, wages and benefits | 199,618,588 | 206,157,582 | 64,481,795 | 128,907,361 |
| Fuel and power | 196,679,390 | 287,412,724 | 61,674,158 | 173,345,480 |
| Packing material consumed | 29,191,703 | 44,059,953 | 17,492,628 | 33,661,550 |
| Sizing material consumed | 15,602,429 | 20,381,571 | (342,413) | 13,710,228 |
| Store and spares consumed | 43,337,653 | 56,384,426 | 31,752,092 | 38,459,657 |
| Insurance | 4,119,855 | 2,929,931 | 2,354,971 | 2,029,780 |
| Depreciation | 69,781,456 | 74,826,209 | 37,374,535 | 42,467,979 |
| Others | 7,093,036 | 11,358,417 | 5,397,514 | 10,024,232 |
| | <u>2,205,843,487</u> | <u>2,268,822,252</u> | <u>892,262,015</u> | <u>1,126,956,301</u> |
| Adjustment of work in process | <u>8,977,824</u> | <u>(27,044,162)</u> | <u>13,977,824</u> | <u>(29,795,054)</u> |
| Cost of goods manufactured | <u>2,214,821,311</u> | <u>2,241,778,089</u> | <u>906,239,839</u> | <u>1,097,161,247</u> |
| Adjustment of finished goods | <u>120,413,387</u> | <u>8,543,216</u> | <u>145,413,387</u> | <u>44,413,898</u> |
| | <u><u>2,335,234,698</u></u> | <u><u>2,250,321,305</u></u> | <u><u>1,051,653,225</u></u> | <u><u>1,141,575,144</u></u> |

| Half year ended | |
|----------------------|----------------------|
| December 31, 2016 | December 31, 2015 |

10 TRANSACTION WITH RELATED PARTIES

| | | |
|--|-------------|-------------|
| Receipt / (Repayment) of Sponsors' loan - net | 280,000,000 | 142,000,000 |
|--|-------------|-------------|

11 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, 2016 and December 31, 2015.

| | Spinning | Weaving | Inter - segment Transactions | Consolidated |
|--|------------------------|----------------------|---------------------------------|-----------------------------|
| Amount (Rupees) | | | | |
| December 31, 2016 | | | | |
| Sales | 1,675,890,827 | 1,116,304,946 | (425,943,600) | 2,366,252,173 |
| Cost of Sales: | <u>(1,816,304,242)</u> | <u>(944,874,055)</u> | <u>425,943,600</u> | <u>(2,335,234,697)</u> |
| Gross profit / (Loss) | <u>(140,413,415)</u> | <u>171,430,891</u> | - | <u>31,017,475</u> |
| Selling and distribution costs | <u>(19,950,645)</u> | <u>(46,551,504)</u> | - | <u>(66,502,148)</u> |
| Administrative and general expenses | <u>(44,580,742)</u> | <u>(9,786,017)</u> | - | <u>(54,366,759)</u> |
| Profit /(loss) before taxation & un-allocated expenses | <u>(204,944,802)</u> | <u>115,093,370</u> | - | <u>(89,851,432)</u> |
| Un-allocated expenses: | | | | |
| Other operating expenses | | | | (9,921,411) |
| Other operating income | | | | 4,135,174 |
| Finance cost | | | | <u>(73,224,177)</u> |
| Loss before taxation | | | | <u>(168,861,845)</u> |
| Taxation | | | | <u>(47,724,361)</u> |
| Net loss for the period | | | | <u>(216,586,206)</u> |

| | Amount (Rupees) | | | |
|--|------------------------|------------------------|--------------------|-----------------------------|
| | December 31, 2015 | | | |
| Sales | 1,738,536,383 | 1,210,452,664 | (649,791,450) | 3,598,780,497 |
| Cost of Sales: | <u>(1,014,725,339)</u> | <u>(1,885,387,416)</u> | <u>649,791,450</u> | <u>(3,549,904,205)</u> |
| Gross profit / (Loss) | <u>723,811,044</u> | <u>(674,934,752)</u> | - | <u>48,876,292</u> |
| Selling and distribution costs | <u>(12,740,311)</u> | <u>(37,978,784)</u> | - | <u>(50,719,095)</u> |
| Administrative and general expenses | <u>(15,818,789)</u> | <u>(2,376,907)</u> | - | <u>(18,195,696)</u> |
| Profit /(loss) before taxation & un-allocated expenses | <u>695,251,944</u> | <u>(715,290,443)</u> | - | <u>(20,038,499)</u> |
| Un-allocated expenses: | | | | |
| Other operating expenses | | | | (44,196,233) |
| Other operating income | | | | 5,352,008 |
| Finance cost | | | | <u>(61,661,739)</u> |
| Loss before taxation | | | | <u>(120,544,461)</u> |
| Taxation | | | | <u>(39,656,912)</u> |
| Net loss for the period | | | | <u>(160,201,373)</u> |

12 AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 21, 2017.

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

Director

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