



# Ghazi Fabrics International Limited

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



## **DIRECTORS' REPORT**

The directors of Ghazi Fabrics International Limited ("the Company") are pleased to present the financial statements for the Nine months ended March 31, 2022.

### **Economic/Industry Overview**

The overall economic situation of Pakistan is under severe pressure like overall inflation causing increased prices of energy, continued economic and political volatility and rising cost of doing the business over the last several years. However, it is difficult to predict future but apparent situation looks challenging.

### **Operating Financial Results**

During the period under review the Company's gross profit was Rs. 309.584 million (corresponding period: Rs. 329.805 million) and the Profit after tax of Rs.6.008 million (corresponding period Profit: Rs. 57.262 million). Earning per share is Rs.0.18 (corresponding period Earning per share: Rs.1.75).

	<i>For The Nine Months Ended March 31,</i>		
	<i>2022</i>	<i>2021</i>	<i>Variance</i>
	<i>R u p e e s</i>		<i>%</i>
Sales	6,570,158,850	4,570,349,879	43.76
Gross profit	309,583,665	329,804,895	(6.13)
Profit after tax	6,007,895	57,262,210	(89.51)
Gross profit (%)	4.71	7.23	(34.70)
Earnings per share	0.18	1.75	(89.51)

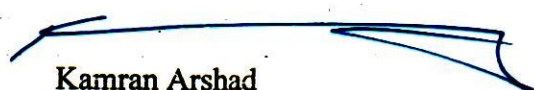
Indicative from the figures above, sales increased by 43.76 % and gross profit decrease by 6.13% as compared to corresponding period. The future prospects of your Company are encouraging on account of the Management's efforts in increasing the Company's performance through implementing best business practices.

### **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

  
Muhammad Arshad Chaudhry  
Chief Executive Officer

  
Kamran Arshad  
Director

Lahore  
April 29, 2022



# Ghazi Fabrics International Limited

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



## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

غازی فیکٹریز کس انٹرنیشنل لمیٹڈ کے ڈائریکٹرز 31 مارچ 2022ء کو ختم ہونے والی نو ماہی کے مالی گوشوارے پیش کرتے ہیں۔

اقتصادی ا صنعتی جائزہ:

پاکستان کی مجموعی اقتصادی صورت حال انتہائی دباؤ میں ہے۔ توانائی کی بڑھتی ہوئی قیمتیں، مسلسل اقتصادی اور سیاسی عدم استحکام اور کاروبار کی بڑھتی لاگت ترقی کی راہ میں رکاوٹ ہے۔ تاہم مستقبل کا اندازہ لگانا مشکل ہے لیکن بظاہر صورتحال چیلنجنگ نظر آتی ہے۔

آپریٹنگ مالیاتی نتائج:

زیر جائزہ مدت کے دوران کمپنی کا خام منافع 309.584 ملین رہا جو پچھلے سال اسی مدت کے دوران 329.805 ملین رہا اور بعد از ٹیکس منافع 6.008 ملین رہا جو پچھلے سال اسی مدت کے مطابق 57.262 ملین منافع رہا۔ فی شیئر کمائی 0.18 روپی۔ (پچھلے سال منافع 1.75: 2021)

نصف سال ختم ہونے والے 31 دسمبر کے لئے

تغیر %	2021	2022	
روپے	روپے	روپے	
43.76	4,570,349,879	6,570,158,850	فروخت
(6.13)	329,804,895	309,583,665	خام منافع
(89.51)	57,262,210	6,007,895	بعد از ٹیکس منافع
(34.70)	7.23	4.71	خام منافع (%)
(89.51)	1.75	0.18	فی شیئر آمدنی

مندرجہ بالا اعداد و شمار کے مطابق مجموعی فروخت پچھلے سال کی اسی مدت کے مقابلے میں %43.76 بڑھ گئی اور خام منافع اسی مدت کے مقابلے میں %6.13 کم ہو گیا۔ آپ کی کمپنی کے مستقبل کے امکانات بہتر کاروباری طریقوں کو عملی جامہ پہنانے کے ذریعے اور کمپنی کی کارکردگی کو بڑھانے میں انتظامیہ کی کوششوں کی وجہ سے حوصلہ افزا 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 شکریہ ادا 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 2022ء

**GHAZI FABRICS INTERNATIONAL LIMITED****CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**

AS AT MARCH 31, 2022

	Note	Unaudited March 31, 2022 Rupees	Audited June 30, 2021 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	4.01	400,000,000	400,000,000
Issued, subscribed and paid-up capital	4.02	326,356,000	326,356,000
Directors' loan		2,439,686,878	2,440,186,878
Accumulated loss		(1,314,469,067)	(1,316,340,412)
		1,451,573,811	1,450,202,466
<b>NON CURRENT LIABILITIES</b>			
Long term financing	5	-	61,500,000
Deferred liabilities		118,756,906	108,236,904
		118,756,906	169,736,904
<b>CURRENT LIABILITIES</b>			
Trade and other payables		558,809,782	207,736,599
Unclaimed dividends		6,630,372	4,982,921
Markup / interest payables		11,902,490	7,042,278
Short term bank borrowings		961,056,999	775,971,248
Current portion of long term financing	5	107,000,000	121,250,000
Provision for taxation		81,220,751	87,016,337
		1,726,620,394	1,203,999,383
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		3,296,951,111	2,823,938,753
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Operating fixed assets	7	1,238,816,265	1,233,010,282
Capital work in progress		20,255,216	72,482,380
		1,259,071,481	1,305,492,662
Long term deposit		13,011,694	13,011,694
		1,272,083,175	1,318,504,356
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		128,050,088	130,878,508
Stock in trade		933,383,991	698,179,575
Trade debts		558,773,506	402,553,116
Loans and advances		246,070,043	223,595,158
Refunds from Government agencies		146,649,502	31,695,583
Cash and bank balances		11,940,806	18,532,158
		2,024,867,936	1,505,434,398
		3,296,951,111	2,823,938,753

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, 2022**

	Note	Nine Months Ended		Quarter Ended	
		March 31,		March 31,	
		2022	2021	2022	2021
		Rupees		Rupees	
SALES - Net	8	6,570,158,850	4,570,349,879	2,260,958,572	1,659,237,117
COST OF SALES	9	6,260,575,185	4,240,544,984	2,155,327,522	1,519,467,093
GROSS PROFIT		309,583,665	329,804,895	105,631,050	139,770,024
SELLING AND DISTRIBUTION		62,556,775	50,555,498	26,564,550	19,653,526
ADMINISTRATIVE EXPENSES		97,119,887	91,777,530	34,410,304	31,796,816
OTHER OPERATING EXPENSES		1,371,296	2,944,137	(447,711)	(1,926,891)
		161,047,958	145,277,165	60,527,143	49,523,451
OPERATING PROFIT		148,535,707	184,527,730	45,103,907	90,246,573
OTHER INCOME		9,989,922	8,851,711	4,431,951	3,011,895
		158,525,629	193,379,441	49,535,858	93,258,468
FINANCE COST		65,305,155	69,525,581	21,324,820	16,983,688
PROFIT BEFORE TAXATION		93,220,474	123,853,860	28,211,038	78,201,671
PROVISION FOR TAXATION		87,212,579	66,591,650	27,946,833	24,327,942
PROFIT AFTER TAXATION		6,007,895	57,262,210	264,205	53,873,729
Earnings per share - Basic		0.18	1.75	0.01	1.65

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, 2022**

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>Rupees</u>		<u>Rupees</u>	
Profit after taxation	6,007,895	57,262,210	264,205	53,873,729
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit for the period	<u>6,007,895</u>	<u>57,262,210</u>	<u>264,205</u>	<u>53,873,729</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, 2022**

	March 31, 2022 Rupees	March 31, 2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	93,220,474	123,853,860
Adjustment for:		
Depreciation	87,605,452	88,344,552
(Gain) / Loss on disposal of fixed assets	(660,082)	(416,932)
Staff retirement benefits	25,801,308	24,107,169
Finance cost	65,305,156	69,525,581
	<u>178,051,834</u>	<u>181,560,370</u>
<b>Cash flows before working capital changes</b>	<b>271,272,308</b>	<b>305,414,230</b>
<b>(Increase)/decrease in current assets</b>		
Stores, spares and loose tools	2,828,420	(43,721,045)
Stock in trade	(235,204,416)	203,808,872
Trade debts	(156,220,390)	44,100,636
Loans and advances	(22,474,885)	(312,700,584)
Refunds from Govt. Agencies	(114,953,919)	4,525,483
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	351,073,183	(157,544,893)
	<u>(174,952,007)</u>	<u>(261,531,531)</u>
<b>Cash (Outflows) / Inflows from operations</b>	<b>96,320,301</b>	<b>43,882,699</b>
Finance cost paid	(60,444,943)	(77,638,974)
Staff retirement benefits paid	(15,281,307)	(16,725,278)
Income tax paid	(93,008,165)	(67,616,865)
<b>Net cash used in operating activities</b>	<b>(72,414,114)</b>	<b>(118,098,418)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(93,451,354)	(31,447,240)
Proceeds from disposal of property, plant and equipment	700,000	541,667
Capital Work in Progress	52,227,164	(16,711,744)
Long term deposits	-	-
<b>Net cash used in investing activities</b>	<b>(40,524,190)</b>	<b>(47,617,317)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(75,750,000)	(74,250,000)
Loan from directors and others-net	(500,000)	119,925,041
Dividend Paid	(2,489,099)	-
Short term borrowings- net	185,085,751	116,478,969
<b>Net cash generated from financing activities</b>	<b>106,346,652</b>	<b>162,154,010</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(6,591,652)</b>	<b>(3,561,725)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE PERIOD</b>	<b>18,532,458</b>	<b>8,591,309</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>11,940,806</b>	<b>5,029,584</b>

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  
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	<b>Issued, subscribed and paid-up capital</b>	<b>Director's Loan</b>	<b>Accumulated losses</b>	<b>Total</b>
	<i>R U P E E S</i>			
<b>Balance as at July 01, 2020</b>	326,356,000	2,327,150,837	(1,517,837,758)	1,135,669,079
Transaction with owner loan from directors	-	119,925,041	-	119,925,041
Total comprehensive loss for the period	-	-	57,262,210	57,262,210
<b>Balance as at March 31, 2021</b>	<b>326,356,000</b>	<b>2,447,075,878</b>	<b>(1,460,575,548)</b>	<b>1,312,856,330</b>
<b>Balance as at July 01, 2021</b>	326,356,000	2,440,186,878	(1,316,340,412)	1,450,202,466
Transaction with owner loan from directors	-	(500,000)	-	(500,000)
Dividend for the year ended June 30,2021	-	-	(4,136,550)	(4,136,550)
Total comprehensive loss for the period	-	-	6,007,895	6,007,895
<b>Balance as at March 31, 2022</b>	<b>326,356,000</b>	<b>2,439,686,878</b>	<b>(1,314,469,067)</b>	<b>1,451,573,811</b>

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

  
Chief Executive

  
Chief Financial Officer

  
Director

**GHAZI FABRICS INTERNATIONAL LIMITED****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2022****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, 2021.

	<b>March 31, 2022</b>	<b>June 30, 2021</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>4 SHARE CAPITAL</b>		
4.01 <b>Authorized capital</b>		
40,000,000 (June 30, 2021 : 40,000,000) ordinary shares of Rs. 10/- each paid in cash.	<u>400,000,000</u>	<u>400,000,000</u>
4.02 <b>Issued, subscribed and paid up capital:</b>		
32,635,600 (June 30, 2021 : 32,635,600) ordinary shares of Rs. 10/- each paid in cash.	<u>326,356,000</u>	<u>326,356,000</u>
<b>5 LONG TERM FINANCING - Secured</b>		
Opening balance	<b>182,750,000</b>	<b>282,000,000</b>
Add: Acquired during the period	-	-
Less: Repayment during the period	<u>(75,750,000)</u>	<u>(99,250,000)</u>
	<b>107,000,000</b>	<b>182,750,000</b>
Less: Current portion	<u>(107,000,000)</u>	<u>(121,250,000)</u>
	<u>-</u>	<u>61,500,000</u>
<b>6 CONTINGENCIES AND COMMITMENTS</b>		
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, 2021.		
6.02 Commitments against irrevocable letters of credit outstanding as at March 31, 2022 amounts to Rs.304.082 million : (June 30, 2021 Rs. 489.176. million).		



7 OPERATING FIXED ASSETS	March 31, 2022 Rupees	June 30, 2021 Rupees
Opening written down value	1,233,010,281	1,321,560,556
Addition during the period		
Land - freehold	6,862,800	-
Building on freehold land	-	-
Plant and machinery	69,908,563	-
Grid Station and Generators	16,438,081	-
Furniture and fittings	-	-
Vehicles	241,910	34,442,480
Equipment	-	-
Electric installation	-	-
	<b>93,451,354</b>	<b>34,442,480</b>
Book value of assets disposed off during the period	(39,918)	(767,852)
Depreciation for the period	<b>(87,605,451)</b>	<b>(122,224,903)</b>
	<b>1,238,816,265</b>	<b>1,233,010,281</b>

	Unaudited Nine Months Ended		Unaudited Quarter Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees	Rupees	Rupees	Rupees
8 SALES-NET				
Sales	6,570,158,850	4,570,349,879	2,260,958,572	1,659,237,117
Rebate	-	-	-	-
	<b>6,570,158,850</b>	<b>4,570,349,879</b>	<b>2,260,958,572</b>	<b>1,659,237,117</b>

	Unaudited Nine Months Ended		Unaudited Quarter Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	Rupees	Rupees	Rupees	Rupees
9 COST OF SALES				
Raw material consumed	5,262,682,917	2,975,039,337	1,839,162,742	1,067,852,193
Fabric conversion, dyeing and bleaching	1,102,868	-	1,009,658	(266,560)
Salaries, wages and benefits	405,829,027	363,635,006	132,899,145	121,264,077
Fuel and power	560,598,910	492,683,756	207,285,461	167,196,214
Packing material consumed	68,338,629	46,115,837	32,563,742	15,729,175
Sizing material consumed	43,355,871	35,853,052	20,956,137	12,082,133
Store and spares consumed	163,353,802	102,092,565	75,749,309	41,791,205
Insurance	4,708,757	4,878,490	2,461,581	2,197,451
Repair and maintenance	7,355,844	9,021,825	1,593,802	3,811,066
Depreciation	83,225,178	83,927,324	28,880,132	26,873,263
	<b>6,600,551,803</b>	<b>4,113,247,192</b>	<b>2,342,561,708</b>	<b>1,458,530,217</b>
Adjustment of work in process	<b>(38,425,204)</b>	<b>(9,858,179)</b>	<b>(17,335,395)</b>	<b>25,205,214</b>
Cost of goods manufactured	<b>6,562,126,599</b>	<b>4,103,389,013</b>	<b>2,325,226,313</b>	<b>1,483,735,431</b>
Adjustment of finished goods	<b>(301,551,414)</b>	<b>137,155,971</b>	<b>(169,898,791)</b>	<b>35,731,662</b>
	<b>6,260,575,185</b>	<b>4,240,544,984</b>	<b>2,155,327,522</b>	<b>1,519,467,093</b>

	Unaudited Nine Months Ended	
	March 31, 2022	March 31, 2021
	Rupees	Rupees
10 TRANSACTION WITH RELATED PARTIES		
Receipt / (Repayment) of Sponsors' loan - net	<b>(500,000)</b>	<b>93,873,002</b>

## 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, 2022 and March 31, 2021.

	Spinning	Weaving	Inter - segment Transactions	Consolidated
<b>Amount (Rupees)</b>				
<b>March 31, 2022</b>				
Sales	3,586,032,512	3,230,551,971	(246,425,633)	6,570,158,850
Cost of Sales:	<u>(3,494,587,631)</u>	<u>(3,012,413,187)</u>	<u>246,425,633</u>	<u>(6,260,575,185)</u>
Gross profit	91,444,881	218,138,784	-	309,583,665
Selling and distribution costs	(32,909,535)	(29,647,240)	-	(62,556,775)
Administrative and general expenses	<u>(51,092,314)</u>	<u>(46,027,573)</u>	<u>-</u>	<u>(97,119,887)</u>
Profit before taxation & un-allocated expenses	7,443,032	142,463,971	-	149,907,003
Un-allocated expenses:				
Other operating expenses				(1,371,296)
Other operating income				9,989,922
Finance cost				<u>(65,305,155)</u>
Profit before taxation				93,220,474
Taxation				<u>(87,212,579)</u>
<b>Net Profit for the period</b>				<b>6,007,895</b>

	<b>Amount (Rupees)</b>			
	<b>March 31, 2021</b>			
Sales	2,659,652,389	2,230,838,320	(320,140,830)	4,570,349,879
Cost of Sales:	<u>(2,626,325,683)</u>	<u>(1,934,360,130)</u>	<u>320,140,830</u>	<u>(4,240,544,983)</u>
Gross profit	33,326,706	296,478,190	-	329,804,896
Selling and distribution costs	(27,494,184)	(23,061,314)	-	(50,555,498)
Administrative and general expenses	<u>(49,912,441)</u>	<u>(41,865,089)</u>	<u>-</u>	<u>(91,777,530)</u>
Profit before taxation & un-allocated expenses	(44,079,918)	231,551,786	-	187,471,868
Un-allocated expenses:				
Other operating expenses				(2,944,137)
Other operating income				8,851,711
Finance cost				<u>(69,525,581)</u>
Profit before taxation				123,853,861
Taxation				<u>(66,591,650)</u>
<b>Net Profit for the period</b>				<b>57,262,210</b>

## 12 AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 29, 2022.

## 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