

### **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**

Majid Rehman, ACA

### **Chief Financial Officer**

Abid Rafi

### **Internal Auditors**

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](http://www.ghazifabrics.com)

### **Mills**

46- K. M. Multan Road, Bhaipheru, Distt. Kasure.



# 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, 2021.

### Economic/Industry Overview

Covid-19 was the biggest challenge for 2020, which disrupted global economies and their supply chains. Pakistan too felt the heat of the deadly virus, starting late February, but surprisingly within a couple of months, the country's textile industry was back on track. The economic recovery that started at the end of the first quarter of the current financial year kept its momentum.

Textile sector is called the backbone of Pakistan's economy as it enjoys around 60% share in total exports. Its contribution to the national gross domestic product (GDP) is 8.5% and it employs around 15 million people, directly and indirectly.

### Operating Financial Results

During the period under review the Company's gross profit was Rs. 329.805 million (corresponding period: Rs. 211.261 million) and the profit after tax of Rs. 57.262 million (corresponding period Loss: Rs. 136.909 million). Earnings per share is Rs. 1.75 (corresponding period loss per share: Rs. 4.20).

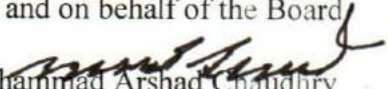
	<i>For The Nine Months Ended March 31,</i>		
	<i>2021</i>	<i>2020</i>	<i>Variance</i>
	<i>R u p e e s</i>		<i>%</i>
Sales	4,570,349,879	3,943,563,246	15.89
Gross profit	329,804,895	211,260,773	56.11
Profit /(Loss) after tax	57,262,210	(136,908,780)	141.83
Gross profit (%)	7.23	5.36	34.70
Earnings /(loss) per share –EPS- Rs.	1.75	(4.20)	141.83

Indicative from the figures above, sales increased by 15.89 % and gross profit increased by 56.11% 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, 2021





# Ghazi Fabrics International Limited

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



## ڈائریکٹرز رپورٹ

محترم حصص یافتگان،

غازی فہر کس انٹرنیشنل لمیٹڈ کے ڈائریکٹران 31 مارچ 2021ء کو ختم ہونے والی نو ماہی کے مالی گوشوارے پیش کرتے ہیں۔

کوویڈ-19 سنہ 2020 کے دوران سب سے بڑا چیلنج رہا، جس کی وجہ سے عالمی معیشتیں اور ان کی سپلائی چینیں نامساعد حالات کا شکار رہی۔ پاکستان نے بھی فروری کے آخر میں اس مہلک وائرس کے اثرات کو محسوس کیا، لیکن حیرت کی بات یہ ہے کہ کچھ ہی مہینوں میں ملک کی ٹیکسٹائل انڈسٹری دوبارہ پٹری پر آگئی۔ رواں مالی سال کی پہلی سہ ماہی کے آخر میں شروع ہونے والی معاشی بحالی نے اپنی رفتار برقرار رکھی۔ ٹیکسٹائل کے شعبے کو پاکستان کی معیشت کی ریڑھ کی ہڈی کہا جاتا ہے کیوں کہ اسے کل برآمدات میں 60% حصہ ملتا ہے۔ قومی مجموعی پیداوار (جی ڈی پی) میں اس کی شراکت 8.5 فیصد ہے اور اس میں بالواسطہ یا بلاواسطہ 15 ملین افراد کام کرتے ہیں۔

آپریٹنگ نتائج:

زیر جائزہ مدت کے دوران کمپنی کا خام منافع 329.805 ملین رہا جو پچھلے سال اسی مدت کے دوران 211.261 ملین رہا اور بعد از ٹیکس منافع 57.262 ملین رہا جو پچھلے سال اسی مدت کے مطابق 136.909 ملین (نقصان) رہا۔ فی شیئر کمائی 1.75 رہی۔ (پچھلے سال نقصان 4.20: 2020) نصف سال ختم ہونے والے 31 دسمبر کے لئے

تغیر %	2020	2021	
روپے	روپے	روپے	
15.89	3,943,563,246	4,570,349,879	فروخت
56.11	211,260,773	329,804,895	خام منافع
141.83	(136,908,780)	57,262,210	بعد از ٹیکس منافع / (نقصان)
34.70	5.36	7.23	خام منافع (%)
141.83	(4.20)	1.75	فی شیئر آمدنی / (نقصان)

مندرجہ بالا اعداد و شمار کے مطابق مجموعی فروخت پچھلے سال کی اسی مدت کے مقابلے میں 15.89% بڑھ گئی اور خام منافع اسی مدت کے مقابلے میں 56.11% بڑھ 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 2021ء

**GHAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**

**AS AT MARCH 31, 2021**

	Note	Unaudited March 31, 2021 Rupees	Audited June 30, 2020 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		2,447,075,878	2,327,150,837
Accumulated loss		(1,460,575,548)	(1,517,837,758)
		1,312,856,330	1,135,669,079
<b>NON CURRENT LIABILITIES</b>			
Long term financing	5	113,250,000	162,250,000
Deferred liabilities		142,162,504	134,780,613
		255,412,504	297,030,613
<b>CURRENT LIABILITIES</b>			
Trade and other payables		141,018,144	298,563,037
Unclaimed dividends		4,982,921	4,982,921
Markup / interest payables		6,863,647	14,977,040
Short term bank borrowings		1,154,148,735	1,037,669,766
Current portion of long term financing	5	94,500,000	119,750,000
Provision for taxation		66,692,193	67,717,408
		1,468,205,640	1,543,660,172
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		3,036,474,474	2,976,359,864
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Operating fixed assets	7	1,264,538,509	1,321,560,556
Capital work in progress		16,711,744	-
		1,281,250,253	1,321,560,556
Long term deposit		13,011,694	13,011,694
		1,294,261,947	1,334,572,250
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		166,591,911	122,870,866
Stock in trade		786,429,020	990,237,892
Trade debts		283,033,067	327,133,703
Loans and advances		431,454,122	118,753,538
Refunds from Government agencies		69,674,823	74,200,306
Cash and bank balances		5,029,584	8,591,309
		1,742,212,527	1,641,787,614
		3,036,474,474	2,976,359,864

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, 2021**

	Note	Nine Months Ended		Quarter Ended	
		March 31,		March 31,	
		2021	2020	2021	2020
		Rupees		Rupees	
SALES - Net	8	4,570,349,879	3,943,563,246	1,659,237,117	1,494,954,718
COST OF SALES	9	4,240,544,984	3,732,302,473	1,519,467,093	1,376,665,951
GROSS PROFIT		329,804,895	211,260,773	139,770,024	118,288,767
SELLING AND DISTRIBUTION		50,555,498	45,268,274	19,653,526	23,277,353
ADMINISTRATIVE EXPENSES		91,777,530	88,346,565	31,796,816	31,201,253
OTHER OPERATING EXPENSES		2,944,137	2,818,597	(1,926,891)	(3,664,332)
		145,277,165	136,433,436	49,523,451	50,814,274
OPERATING PROFIT / (LOSS)		184,527,730	74,827,337	90,246,573	67,474,493
OTHER INCOME		8,851,711	6,039,392	3,011,895	3,868,594
		193,379,441	80,866,729	93,258,468	71,343,087
FINANCE COST		69,525,581	128,318,463	16,983,688	36,934,151
PROFIT BEFORE TAXATION		123,853,860	(47,451,734)	78,201,671	38,073,268
PROVISION FOR TAXATION		66,591,650	89,457,046	24,327,942	52,927,408
PROFIT AFTER TAXATION		57,262,210	(136,908,780)	53,873,729	(14,854,140)
Earnings per share - Basic		1.75	(4.20)	1.65	(0.46)

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, 2021**

	Nine Months Ended		Quarter Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
	Rupees		Rupees	
Profit / (Loss) after taxation	57,262,210	(136,908,780)	53,873,729	(14,854,140)
Other comprehensive income for the period	-	-	-	-
Total comprehensive profit / (loss) for the period	<u>57,262,210</u>	<u>(136,908,780)</u>	<u>53,873,729</u>	<u>(14,854,140)</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, 2021**

	March 31, 2021 Rupees	March 31, 2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before taxation	123,853,860	(47,451,734)
Adjustment for:		
Depreciation	88,344,552	99,561,106
(Gain) / Loss on disposal of fixed assets	(416,932)	1,577
Staff retirement benefits	24,107,169	20,978,033
Finance cost	69,525,581	128,318,463
	<b>181,560,370</b>	<b>248,859,179</b>
<b>Cash flows before working capital changes</b>	<b>305,414,230</b>	<b>201,407,445</b>
(Increase)/decrease in current assets		
Stores, spares and loose tools	(43,721,045)	8,180,703
Stock in trade	203,808,872	(107,030,144)
Trade debts	44,100,636	(57,889,434)
Loans and advances	(312,700,584)	34,912,051
Refunds from Govt. Agencies	4,525,483	107,189,985
Increase/(decrease) in current liabilities		
Trade and other payables	(157,544,893)	159,172,618
	<b>(261,531,531)</b>	<b>144,535,779</b>
<b>Cash (Outflows) / Inflows from operations</b>	<b>43,882,699</b>	<b>345,943,224</b>
Finance cost paid	(77,638,974)	(130,193,259)
Staff retirement benefits paid	(16,725,278)	(13,031,312)
Income tax paid	(67,616,865)	(17,082,847)
<b>Net cash used in operating activities</b>	<b>(118,098,418)</b>	<b>185,635,806</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	(31,447,240)	(5,450,680)
Proceeds from disposal of property, plant and equipment	541,667	213,890
Capital Work in Progress	(16,711,744)	-
Long term deposits	-	-
<b>Net cash used in investing activities</b>	<b>(47,617,317)</b>	<b>(5,236,790)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(74,250,000)	96,926,984
Loan from directors and others-net	119,925,041	93,873,002
Unclaimed dividend	-	-
Short term borrowings- net	116,478,969	(369,981,929)
<b>Net cash generated from financing activities</b>	<b>162,154,010</b>	<b>(179,181,943)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,561,725)</b>	<b>1,217,073</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE PERIOD</b>	<b>8,591,309</b>	<b>6,783,725</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5,029,584</b>	<b>8,000,798</b>

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

  
Chief Executive

  
Chief Financial Officer

  
Director

**GAZI FABRICS INTERNATIONAL LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

	Issued, subscribed and paid-up capital	Director's Loan	Accumulated losses	Total
		R U P E E S		
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)
<b>Balance as at March 31, 2020</b>	<b>326,356,000</b>	<b>2,266,150,837</b>	<b>(1,444,922,741)</b>	<b>1,147,584,096</b>
Balance as at July 01, 2020	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>

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

  
Chief Executive

  
Chief Financial Officer

  
Director



**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.

**4 SHARE CAPITAL**

**4.01 Authorized capital**

40,000,000 (June 30, 2020 : 40,000,000) ordinary shares of Rs. 10/- each paid in cash.

March 31, 2021	June 30, 2020
Rupees	Rupees

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

**4.02 Issued, subscribed and paid up capital:**

32,635,600 (June 30, 2020 : 32,635,600) ordinary shares of Rs. 10/- each paid in cash.

326,356,000	326,356,000
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**5 LONG TERM FINANCING - Secured**

Opening balance	282,000,000	211,800,028
Add: Acquired during the period	-	150,000,000
Less: Repayment during the period	(74,250,000)	(79,800,028)
	207,750,000	282,000,000
Less: Current portion	(94,500,000)	(119,750,000)
	113,250,000	162,250,000

**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, 2020.
- 6.02 Commitments against irrevocable letters of credit outstanding as at March 31, 2021 amounts to Rs. 224.59 million : (June 30, 2020 Rs. 48.869. million).

## 7 OPERATING FIXED ASSETS

	March 31, 2021 Rupees	June 30, 2020 Rupees
Opening written down value	1,321,560,556	1,401,015,957
Addition during the period		
Land - freehold	-	-
Building on freehold land	-	-
Plant and machinery	-	42,650,176
Furniture and fittings	-	-
Vehicles	31,447,240	5,236,790
Equipment	-	-
Electric installation	-	-
	31,447,240	47,886,966
Book value of assets disposed off during the period	(124,735)	(215,467)
Depreciation for the period	(88,344,552)	(127,126,900)
	<u>1,264,538,509</u>	<u>1,321,560,556</u>

	Unaudited Nine Months Ended		Unaudited Quarter Ended	
	March 31, 2021 Rupees	March 31, 2020 Rupees	March 31, 2021 Rupees	March 31, 2020 Rupees
8 SALES-NET				
Sales	4,570,349,879	3,942,142,004	1,659,237,117	1,493,533,476
Rebate	-	1,421,242	-	1,421,242
	<u>4,570,349,879</u>	<u>3,943,563,246</u>	<u>1,659,237,117</u>	<u>1,494,954,718</u>

## 9 COST OF SALES

	2,975,039,337	2,810,001,908	1,067,852,193	992,982,786
Raw material consumed				
Fabric conversion, dyeing and bleaching	-	961,151	(266,560)	50,600
Salaries, wages and benefits	363,635,006	371,842,193	121,264,077	127,236,207
Fuel and power	492,683,756	465,563,855	167,196,214	154,647,297
Packing material consumed	46,115,837	40,981,499	15,729,175	14,703,130
Sizing material consumed	35,853,052	35,848,422	12,082,133	13,206,792
Store and spares consumed	102,092,565	72,938,054	41,791,205	28,431,455
Insurance	4,878,490	4,322,816	2,197,451	1,824,895
Repair and maintenance	9,021,825	15,625,957	3,811,066	5,524,581
Depreciation	83,927,324	94,820,101	26,873,263	34,706,034
	<u>4,113,247,192</u>	<u>3,912,905,956</u>	<u>1,458,530,217</u>	<u>1,373,313,777</u>
Adjustment of work in process	(9,858,179)	(57,609,751)	25,205,214	(59,469,885)
Cost of goods manufactured	4,103,389,013	3,855,296,205	1,483,735,431	1,313,843,892
Adjustment of finished goods	137,155,971	(122,993,732)	35,731,662	62,822,059
	<u>4,240,544,984</u>	<u>3,732,302,473</u>	<u>1,519,467,093</u>	<u>1,376,665,951</u>

## 10 TRANSACTION WITH RELATED PARTIES

	Nine Months Ended	
	March 31, 2021 Rupees	March 31, 2020 Rupees
Receipt / (Repayment) of Sponsors' loan - net	<u>119,925,041</u>	<u>93,873,002</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, 2021 and March 31, 2020.

	Spinning	Weaving	Inter - segment Transactions	Consolidated
Amount (Rupees)				
March 31, 2021				
Sales	2,659,652,389	2,230,838,320	(320,140,830)	4,570,349,879
Cost of Sales:	(2,626,325,683)	(1,934,360,130)	320,140,830	(4,240,544,983)
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	(49,912,441)	(41,865,089)	-	(91,777,530)
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				(69,525,581)
Loss before taxation				123,853,861
Taxation				(66,591,650)
Net loss for the period				57,262,211

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 / (Loss)	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 / (loss) 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)

## 12 AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 29, 2021.

## 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