

CONSOLIDATED INTERM FINANCIAL INFORMATION
(UNAUDITED)
SEPTEMBER 30, 2018



ZAHIDJEE TEXTILE MILLS LIMITED

1 ZAHIDJEE TEXTILE MILLS LIMITED

Condensed Interim Financial Statements- September 30, 2018

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ZAHIDJEE TEXTILE MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS- SEPTEMBER 30, 2018

**Company
Information****Board of Directors**

Mr. Muhammad Sharif
Chairman
 Muhammad Zahid
**Chief Executive
 Directors**
 Mst. Shaista Balqees
 Mst. Huma Zahid
 Miss Mahreen Zahid
 Brig (R) Wali Muhammad
 Mr. Muhammad Jamshaid

Audit Committee

Brig (R) Wali Muhammad
 (Chairman)
 Mst. Huma Zahid
 Mr. Muhammad Jamshaid

Company Secretary

Mr. Naveed Ashraf

Chief Financial Officer

Mr. Anwar-ul-Haq

Share Registrar

Corptec Associates (Private) Limited
 503-E, Johar Town, Lahore
 Tel: 042-35170335-6 Fax 042-35170338
 E-mail: info@corptec.com.pk

Registered Office

2-H, Gulberg-II, Jail Road, Lahore
 Tel: 042-3577291-5

Bankers of the Company

Allied Bank Limited
 Askari Commercial Bank Limited
 Bank Al-Falah Limited
 Faysal Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan
 Summit Bank Limited
 The Bank of Punjab
 United Bank Limited

HR & Remuneration Committee

Mst. Huma Zahid
 (Chairman)
 Mr. Muhammad Jamshaid
 Miss Mahreen Zahid

Auditors

RSM Avas Hyder Liaquat Nauman
 Chartered Accountants

Export Office

20, Bilal Road, Civil Lines
 Faisalabad
 Tel: 041-2409223-4

Mills

- 28-KM, Sheikhpura Road,
Faisalabad
- 32-KM, Tandlian wala Road,
Faisalabad
- M-3 Industrial City,
Sahianwala, Faisalabad

The Directors of your Company take pleasure in presenting their report alongwith the un-audited condensed interim financial statements of the Company for the first quarter ended September 30, 2018.

Operating Results

However overview of operating results is as under:-

	September 30, 2018	September 30, 2017
Sales	3,093,129,387	2,351,680,978
Gross Profit	344,480,771	242,832,642
Profit before taxation	215,512,800	140,968,563
Provision for taxation	62,886,816	15,273,647
Profit for the period	<u>152,625,984</u>	<u>125,694,916</u>
Earnings per share		
Basic and diluted -Restated	0.80	0.69

Alhamdulillah, the profitability of the Company for the 1st quarter ended September 30, 2018 has shown a significant improvement. During the 1st quarter under review, the Company achieved a pre-tax profit Rs.215.512 Million as compared to Rs.140.968 Million during the corresponding period of last year.

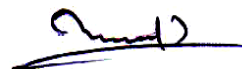
Going Forward

We on our part are endeavoring to become the most efficient and cost effective mills and making all necessary efforts to ensure that our Company remains one of the top Textile mills in Pakistan. Hence in order to keep up with market trend and demand, the management has several plans to increase and diversify the production by adding state-of-the-art machineries. We expect to close the fiscal year with healthier profits.

Acknowledgement

We acknowledge the contribution of each and every employee of the Company. We also like to express our thanks to our customers for the trust shown in our products and the bankers for their continued support to the Company. We are also grateful to our Shareholders for their confidence in our Management.

For and on behalf of
the Board



MUHAMMAD ZAHID
Chief Executive Officer

Dated: October 27, 2018
Lahore

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے (غیر آڈٹ شدہ) مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپریٹنگ کے نتائج:

بہر حال آپریٹنگ کے نتائج درج ذیل ہیں۔

30 ستمبر 2018	30 ستمبر 2017	
روپے	روپے	
3,093,129,387	2,351,680,978	فروخت
344,480,771	242,832,642	خام منافع
215,512,800	140,968,563	قبل از ٹیکس منافع
62,886,816	15,273,647	ٹیکس کیلئے مختص
<u>152,625,984</u>	<u>125,694,916</u>	خالص منافع
Rs. 0.80	Rs. 0.69	منافع فی کس حصہ

الحمد للہ، 30 ستمبر 2018 کی پہلی سہ ماہی کے لیے کمپنی کے منافع میں نمایاں بہتری دکھائی دی ہے۔ دوران سہ ماہی جائزے کے تحت کمپنی نے قبل از منافع مبلغ 215.512 ملین روپے حاصل کیا جس کا موازنہ گزشتہ سال کی مدت کے منافع مبلغ 140.968 ملین روپے سے کیا جاسکتا ہے۔

مستقبل کی حکمت عملی:

ہم اپنے طور پر موثر اور کم لاگت والی مل بننے کی کوشش کر رہے ہیں اور اس بات کو یقینی بنانے کی تمام ضروری کوششیں کر رہے ہیں کہ ہماری کمپنی پاکستان میں صف اول کی ٹیکسٹائل ملز میں سے ایک ہو۔ لہذا مارکیٹ کے رجحان اور طلب کو ساتھ رکھتے ہوئے انتظامیہ نے پیداوار کو بڑھانے کے لیے جدید ترین مشینوں کو شامل کر کے کئی منصوبے تیار کیے ہیں۔ ہم امید کرتے ہیں کہ یہ سال کمپنی کے لیے منافع بخش ثابت ہوگا۔

اظہار تشکر:

ہم کمپنی کے ہر ملازم کی شمولیت کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے پیئنگر جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیئر ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں

بورڈ کی جانب سے

محمد زاہد

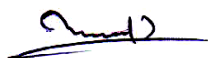
چیف ایگزیکٹو آفیسر

تاریخ: اکتوبر 27، 2018

لاہور

	Note	September 30, 2018 Rupees	June 30, 2018 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	6,129,619,060	6,204,293,855
Intangible assets		1,665,365	1,968,512
Investment in subsidiary		359,200,000	359,200,000
Long term security deposits		4,450,142	4,450,142
		6,494,934,567	6,569,912,509
CURRENT ASSETS			
Stores, spares and loose tools		116,748,696	113,884,208
Stock in trade		3,111,984,902	2,987,053,124
Trade debts		1,041,279,915	971,774,514
Loans, advances and deposit		170,552,723	161,680,474
Prepayments		12,984,537	1,395,389
Other receivables		92,381,879	103,945,845
Short term investment	4	94,062,711	87,690,721
Tax refunds due from Government		364,927,603	358,543,569
Cash and bank balances		42,242,997	24,778,023
		5,047,165,962	4,810,745,867
CURRENT LIABILITIES			
Trade and other payables		811,942,032	781,924,356
Interest / mark up payable		63,576,266	54,769,323
Short term borrowings		3,572,936,589	3,598,814,126
Unclaimed dividend		1,763,009	1,763,009
Current portion of long term finance		228,694,370	195,391,429
Provision for taxation - income tax		80,019,196	97,287,034
		4,758,931,462	4,729,949,277
		6,783,169,067	6,650,709,099
NON - CURRENT LIABILITIES			
Long term finance		868,410,337	927,898,534
Deferred liability			
Deferred taxation		585,464,299	551,785,282
		1,453,874,636	1,479,683,816
CONTINGENCIES AND COMMITMENTS			
	5	-	-
Net worth		5,329,294,431	5,171,025,283
Represented by :			
Share capital		1,914,210,990	1,914,210,990
Capital reserve			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		1,301,723,254	1,321,453,916
Revenue reserves		1,747,101,674	1,569,101,864
		5,329,294,431	5,171,025,283
		5,329,294,431	5,171,025,283

The annexed notes form an integral part of these financial statements.

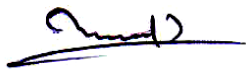

CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	September 30, 2018	September 30, 2017
Sales		3,093,129,387	2,351,680,978
Cost of goods sold	6	<u>2,748,648,616</u>	<u>2,108,848,336</u>
Gross profit		344,480,771	242,832,642
Other income		7,835,639	2,736,661
Trading Profit		<u>201,171</u>	<u>2,530,632</u>
		352,517,581	248,099,935
Distribution cost		22,664,197	29,998,918
Administrative expenses		30,128,675	31,425,321
Other operating expenses		11,384,093	7,419,398
Finance cost		72,827,816	38,287,735
		<u>137,004,781</u>	<u>107,131,372</u>
Profit before taxation		215,512,800	140,968,563
Provision for taxation		<u>62,886,816</u>	<u>15,273,647</u>
Profit for the period		<u>152,625,984</u>	<u>125,694,916</u>
Earnings per share - Basic and diluted		<u>0.80</u>	<u>0.69</u>

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

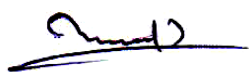


CHIEF FINANCIAL OFFICER

	September 30, 2018 Rupees	September 30, 2017 Rupees
Profit for the period	152,625,984	125,694,916
Other comprehensive income for the period		
Items that will not be subsequently reclassified to profit or loss :		
Incremental depreciation on revalued assets for the period - net of deferred tax	19,730,662	10,503,584
Related deferred tax	5,643,164	2,864,687
Total comprehensive income for the period	<u>177,999,810</u>	<u>139,063,187</u>

The annexed notes form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR

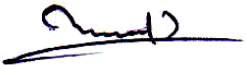


CHIEF FINANCIAL OFFICER

	September 30, 2018 Rupees	June 30, 2018 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	215,512,800	574,963,691
Adjustment for:		
Depreciation of property, plant and equipment	121,708,422	253,071,480
Amortisation of intangible assets	303,147	1,212,586
Profit on deposits	(15,429)	(49,036)
Provision for doubtful debts		22,600,585
Balances written back	35,698	(190,224)
Net loss / (gain) on disposal of operating assets	-	2,177,119
Dividend income	-	(6,068,562)
Adjustment in fair value	(6,371,990)	(20,835,396)
Finance cost	72,827,816	223,893,133
Operating cash flows before working capital changes	404,000,463	1,050,775,376
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,864,488)	24,616,727
Stock in trade	(124,931,778)	(1,173,657,833)
Trade debts	(69,505,401)	(307,027,911)
Loans, advances and deposit	(791,359)	(48,324,577)
Prepayments	(11,589,147)	(504,615)
Other receivables	6,405,688	(80,850,837)
Tax refunds due from Government	(6,384,034)	50,944,644
Increase in current liabilities		
Trade and other payables	29,981,977	137,193,361
	(179,678,541)	(1,397,611,041)
Cash generated from operating activities	224,321,922	(346,835,665)
Finance cost paid	(64,020,873)	(222,635,985)
Income tax paid	(8,080,890)	(59,863,274)
Net cash (used in) / generated from operating activities	152,220,159	(629,334,924)

	September 30, 2018 Rupees	June 30, 2018 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(47,033,627)	(935,659,676)
Proceeds from disposal of operating assets	-	1,646,000
Profit on deposits	15,429	49,036
Dividend received	5,158,278	-
	<u>(41,859,920)</u>	<u>(933,964,640)</u>
Net cash (used in) investing activities		
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	-	756,855,354
Repayment of long term finance	(67,017,728)	(235,620,542)
Increase/ (Decrease) in short term borrowings - net	(25,877,537)	1,009,976,913
	<u>(92,895,265)</u>	<u>1,531,211,725</u>
Net cash generated from financing activities		
Net (decrease) / increase in cash and cash equivalents (a+b+c)	17,464,974	(32,087,839)
Cash and cash equivalents at the beginning of the year	24,778,023	56,865,862
Cash and cash equivalents at the end of the period	<u>42,242,997</u>	<u>24,778,023</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVE			REVENUE RESERVES			Total	
	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropri- ated profit	Sub total		
----- R u p e e s -----								
Balance as at July 01, 2017 re-stated	1,823,058,090	366,258,513	1,372,514,179	1,738,772,692	300,000,000	979,818,325	1,279,818,325	4,841,649,107
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	125,694,916	125,694,916	125,694,916
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(14,705,018)	(14,705,018)	-	10,503,584	10,503,584	(4,201,434)
Related deferred tax	-	-	(4,010,562)	(4,010,562)	-	2,864,687	2,864,687	(1,145,875)
	-	-	(18,715,580)	(18,715,580)	-	13,368,271	13,368,271	(5,347,309)
Balance as at September 30, 2017 re-stated	1,823,058,090	366,258,513	1,353,798,599	1,720,057,112	300,000,000	1,118,881,512	1,418,881,512	4,961,996,714
Transaction with owners:								
Bonus shares issued during the year (One shares for each ten shares held)	91,152,900	-	-	-	-	(91,152,900)	(91,152,900)	-
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	200,232,889	200,232,889	200,232,889
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(38,617,989)	(38,617,989)	-	30,960,333	30,960,333	(7,657,656)
Related deferred tax	-	-	15,869,652	15,869,652	-	8,994,403	8,994,403	24,864,055
Surplus realised on disposal of property, plant and equipment	-	-	(1,185,627)	(1,185,627)	-	859,512	859,512	(326,115)
Related deferred tax	-	-	326,115	326,115	-	326,115	326,115	652,230
	-	-	(23,607,849)	(23,607,849)	-	41,140,363	41,140,363.00	17,532,514
Adjustment of deferred tax for the period	-	-	(8,736,834)	(8,736,834)	-	-	-	(8,736,834)
Balance as at June 30, 2018	1,914,210,990	366,258,513	1,321,453,916	1,687,712,429	300,000,000	1,269,101,864	1,569,101,864	5,171,025,283
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	152,625,984	152,625,984	152,625,984
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(25,373,826)	(25,373,826)	-	19,730,662	19,730,662	(5,643,164)
Related deferred tax	-	-	5,643,164	5,643,164	-	5,643,164	5,643,164	11,286,328
	-	-	(19,730,662)	(19,730,662)	-	25,373,826	25,373,826	5,643,164
Adjustment of deferred tax for the period								
Balance as at September 30, 2018	1,914,210,990	366,258,513	1,301,723,254	1,667,981,767	300,000,000	1,447,101,674	1,747,101,674	5,329,294,431

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

1. GENERAL INFORMATION

- 1.1 Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at 2-H, Gulberg-II, Jail Road, Lahore in the province of Punjab. The Company is currently listed on Karachi and Lahore stock exchanges. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at Satyana, District Faisalabad and spinning units are located at Tehsil Jaranwala, District Faisalabad, in the province of Punjab.
- 1.2 Pursuant to scheme of arrangement approved by the Honorable Lahore High Court Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited have been merged with Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.3 The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. ACCOUNTING POLICIES**2.1 Statement of compliance**

This condensed interim financial report of the Company for the 1st Quarter ended September 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 (the act). In case the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

- 2.2 These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at revaluation and short term investment at fair value. These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2018.
- 2.3 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018 except the following.

Change in accounting estimate

Previously building on free hold land and plant and machinery of the Company were depreciated at the rate of 5% per annum. Now the Company has changed the depreciation rate of these operating fixed assets to 10% per annum as result of annual review of useful lives of assets. This change in accounting estimate has been applied prospectively in accordance with IAS 8 "Accounting policies, change in accounting estimates and errors. Had there been no change in this accounting estimate, the figure recognised in these financial statements would have been different as follows:

	Amount Rupees
Net book value of property, plant and equipment would have been lower by	64,646,799
Deferred income tax liability would have been lower by	11,555,930
Stock in trade would have been higher by	8,323,590
Profit after taxation would have been higher by	61,414,459
Loss per share would have been higher by	0.32

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2018	June 30, 2018
	Rupees	Rupees
Operating assets	5,884,428,904	6,015,352,863
Capital work in progress	192,142,497	135,894,269
Non operating lands	16,203,950	16,203,950
Advance against purchase of land	33,679,806	35,662,080
Advances to contractors	3,163,903	1,180,693
	<u>6,129,619,060</u>	<u>6,204,293,855</u>

Acquisitions and disposals of property, plant and equipment - at cost

	Quarter ended September 30, 2018		Quarter ended September 30, 2017	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
Operating assets				
Electric installations	-	-	4,023,000	-
Capital work in progress				
Civil work	-	-	14,388,385	-
Plant and machinery	47,033,627	-	308,979,934	-
	<u>47,033,627</u>	<u>-</u>	<u>327,391,319</u>	<u>-</u>

	September 30, 2018	June 30, 2018
	Rupees	Rupees
4. Short term investments		
Available for sale at fair value		
Quoted securities		
Habib Metropolitan Bank Limited		
2,022,854 (June 30, 2018: 2,022,854)		
ordinary shares of Rs.10/- each	87,690,721	66,855,325
Adjustment in fair value	6,371,990	20,835,396
	<u>94,062,711</u>	<u>87,690,721</u>

5. CONTINGENCIES AND COMMITMENTS**Contingencies**

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2018.

	September 30, 2018	June 30, 2018
	Rupees	Rupees
Commitments		
Under letters of credit for:		
Plant and machinery	-	11,233,812
Raw material and spare parts	38,783,461	54,595,607
Under contracts for purchase of land	123,683,320	123,683,320

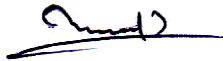
	September 30, 2018 Rupees	September 30, 2017 Rupees	
6. Cost of sales			
Cost of goods manufactured (Note 6.1)	2,797,914,214	2,016,827,898	
Finished goods			
Opening stock	223,568,351	280,972,534	
Closing stock	(272,833,949)	(188,952,096)	
	(49,265,598)	92,020,438	
	<u>2,748,648,616</u>	<u>2,108,848,336</u>	
6.1 Cost of goods manufactured			
Raw material consumed (Note 6.1.1)	2,185,686,693	1,566,883,019	
Packing material consumed	1,253,543	2,889,368	
Salaries, wages and benefits	174,333,443	141,063,451	
Retirement benefits	6,269,962	5,350,815	
Stores and spares consumed	74,949,348	68,368,035	
Fuel and power	232,086,077	177,124,968	
Repairs and maintenance	3,978,001	5,694,887	
Insurance	7,938,145	3,958,049	
Depreciation	120,289,292	47,462,833	
Other	1,448,510	1,301,005	
	<u>2,808,233,013</u>	<u>2,020,096,430</u>	
Work in process			
Opening stock	84,099,138	90,886,838	
Closing stock	(94,417,937)	(94,155,370)	
	(10,318,798)	(3,268,532)	
	<u>2,797,914,214</u>	<u>2,016,827,898</u>	
6.1.1 Raw material consumed			
Opening Stock	2,481,314,014	1,441,535,919	
Purchases including purchase expenses	2,449,105,695	797,760,616	
	<u>4,930,419,709</u>	<u>2,239,296,535</u>	
Closing stock	(2,744,733,016)	(672,413,516)	
	<u>2,185,686,693</u>	<u>1,566,883,019</u>	
7. AGGREGATE TRANSACTIONS WITH RELATED PARTIES			
The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Significant transactions with related parties are as follows:-			
Relationship	Nature of transaction		
		September 30, 2018 Rupees	
		September 30, 2017 Rupees	
Chief executive officer	Remuneration	900,000	300,000
Director	Remuneration	300,000	-
8. Date of authorisation for issue			

These financial statements were authorised for issue on October 27, 2018 by the Board of Directors of the Company.

9. OTHERS

- (a) There is no unusual item included in these interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.
- (b) The provision for taxation is based on these interim financial statements and are subject to adjustments in annual financial statements.
- (c) The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in the financial statements.

10. Figures have been rounded off to nearest Rupee.

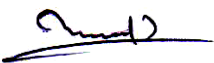
**CHIEF EXECUTIVE OFFICER****DIRECTOR****CHIEF FINANCIAL OFFICER**

Consolidated Financial Statement

September 30, 2018

	Note	September 30, 2018 Rupees	June 30, 2018 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	6,694,943,486	6,769,618,281
Intangible assets		1,665,365	1,968,512
Investment Property		102,922,433	103,922,234
Long term security deposits		4,450,142	4,450,142
		6,803,981,426	6,879,959,169
CURRENT ASSETS			
Stores, spares and loose tools		116,748,696	113,884,208
Stock in trade		3,111,984,902	2,987,053,124
Trade debts		1,041,279,915	971,774,514
Loans, advances and deposit		171,706,612	162,732,486
Prepayments		12,984,537	1,395,389
Other receivables		91,581,879	103,145,845
Short term investment	5	94,062,711	87,690,721
Tax refunds due from Government		369,143,373	362,759,339
Cash and bank balances		42,963,627	24,926,168
		5,052,456,251	4,815,361,794
CURRENT LIABILITIES			
Trade and other payables		812,799,607	782,781,931
Interest / mark up payable		63,576,266	54,769,323
Short term borrowings		3,589,936,589	3,615,814,126
Unclaimed dividend		1,763,009	1,763,009
Current portion of long term finance		228,694,370	195,391,429
Provision for taxation - income tax		80,691,726	97,809,388
		4,777,461,567	4,748,329,206
		7,078,976,110	6,946,991,757
NON - CURRENT LIABILITIES			
Long term finance		868,410,337	927,898,534
Deferred liability			
Deferred taxation		585,464,299	551,785,282
		1,453,874,636	1,479,683,816
CONTINGENCIES AND COMMITMENTS			
Net worth	6	-	-
		5,625,101,474	5,467,307,941
Represented by :			
Share capital		1,914,210,990	1,914,210,990
Capital reserve			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		1,301,723,254	1,321,453,916
Revenue reserves		1,744,009,123	1,566,226,244
		5,326,201,880	5,168,149,663
Non-controlling interest		298,899,594	299,158,278
		5,625,101,474	5,467,307,941

The annexed notes form an integral part of these financial statements.

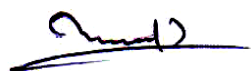

CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	September 30, 2018	September 30, 2017
Sales		3,093,129,387	2,351,680,978
Cost of goods sold	7	2,748,648,616	2,108,848,336
Gross profit		<u>344,480,771</u>	<u>242,832,642</u>
Other income		8,518,311	2,736,661
Trading Profit		<u>201,171</u>	<u>2,530,632</u>
		<u>353,200,253</u>	<u>248,099,935</u>
Distribution cost		23,672,308	29,998,918
Administrative expenses		30,128,675	31,425,321
Other operating expenses		11,384,093	7,419,398
Finance cost		72,827,816	38,287,735
		<u>138,012,892</u>	<u>107,131,372</u>
Profit before taxation		<u>215,187,361</u>	<u>140,968,563</u>
Provision for taxation		<u>63,036,992</u>	<u>15,273,647</u>
Profit for the period		<u><u>152,150,369</u></u>	<u><u>125,694,915</u></u>
Attributable to:			
Shareholders of the Parent		152,409,053	125,694,915
Non-controlling interest		(258,684)	-
		<u><u>152,150,369</u></u>	<u><u>125,694,915</u></u>
Earnings per share - Basic and diluted		<u><u>0.80</u></u>	<u><u>0.63</u></u>

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER

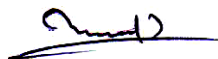


DIRECTOR



CHIEF FINANCIAL OFFICER

	September 30, 2018 Rupees	September 30, 2017 Rupees
Profit for the period	152,150,369	125,694,915
Other comprehensive income for the period		
Items that will not be subsequently reclassified to profit or loss :		
Incremental depreciation on revalued assets for the period - net of deferred tax	19,730,662	10,503,584
Related deferred tax	5,643,164	2,864,687
Total comprehensive income for the period	<u><u>177,524,195</u></u>	<u><u>139,063,186</u></u>
Attributable to:		
Shareholders of the Parent	177,782,879	139,063,186
Non-controlling interest	<u>(258,684)</u>	<u>-</u>
	<u><u>177,524,195</u></u>	<u><u>139,063,186</u></u>



CHIEF EXECUTIVE OFFICER



DIRECTOR

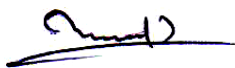


CHIEF FINANCIAL OFFICER

	September 30, 2018 Rupees	June 30, 2018 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	215,187,361	572,361,801
Adjustment for:	-	
Depreciation of property, plant and equipment	122,708,223	253,071,480
Depreciation of investment property	-	3,037,089
Amortisation of intangible assets	303,147	1,212,586
Provision for doubtful debts	-	22,600,585
Balances written back	35,698	(190,224)
Net loss / (gain) on disposal of operating assets	-	2,177,119
Profit on deposits	(21,632)	(70,667)
Dividend income		(6,068,562)
Adjustment in fair value	(6,371,990)	(20,835,396)
Finance cost	72,827,816	223,967,769
Operating cash flows before working capital changes	<u>404,668,622</u>	<u>1,051,263,580</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,864,488)	24,616,727
Stock in trade	(124,931,778)	(1,173,657,833)
Trade debts	(69,505,401)	(307,027,911)
Loans and advances	(791,359)	(48,538,404)
Prepayments	(11,589,147)	(504,615)
Other receivables	6,405,688	(80,850,837)
Tax refunds due from Government	(6,384,034)	50,944,644
	-	
Increase in current liabilities	-	
	-	
Trade and other payables	29,981,977	137,990,936
	<u>(179,678,541)</u>	<u>(1,397,027,293)</u>
Cash generated from operating activities	<u>224,990,081</u>	<u>(345,763,713)</u>
Finance cost paid	(64,020,873)	(222,710,621)
Income tax paid	(8,182,767)	(60,701,459)
Net cash (used in) / generated from operating activities	<u>152,786,441</u>	<u>(629,175,793)</u>
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(47,033,627)	(935,659,676)
Investment Property	-	(106,959,323)
Proceeds from disposal of operating assets	-	1,646,000
Profit on deposits	21,632	70,667
Dividend received	5,158,278	-
Net cash (used in) investing activities	<u>(41,853,717)</u>	<u>(1,040,902,332)</u>

	September 30, 2018 Rupees	June 30, 2018 Rupees
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued during the year		105,873,000
Long term finance obtained	-	756,855,354
Repayment of long term finance	(67,017,728)	(235,620,542)
Increase in short term borrowings - net	(25,877,537)	1,009,976,913
Loan from director		1,000,000
Net cash (used in) / generated from financing activities	<u>(92,895,265)</u>	<u>1,638,084,725</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)	18,037,459	(31,993,400)
Cash and cash equivalents at the beginning of the year	24,926,168	56,919,568
Cash and cash equivalents at the end of the year	<u><u>42,963,627</u></u>	<u><u>24,926,168</u></u>

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVE			REVENUE RESERVES			Total	Non-Controlling interest
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total		
		R u p e e s							
Balance as at July 01, 2017 re-stated	1,823,058,090	366,258,513	1,372,514,179	1,738,772,692	300,000,000	978,641,981	1,278,641,981	4,840,472,763	194,710,246
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	125,694,915	125,694,915	125,694,915	
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(14,705,018)	(14,705,018)	-	10,503,584	10,503,584	(4,201,434)	-
Related deferred tax	-	-	(4,010,562)	(4,010,562)	-	2,864,687	2,864,687	(1,145,875)	-
	-	-	(18,715,580)	(18,715,580)	-	13,368,271	13,368,271	(5,347,309)	-
Balance as at September 30, 2017 re-stated	1,823,058,090	366,258,513	1,353,798,599	1,720,057,112	300,000,000	1,117,705,167	1,417,705,167	4,960,820,369	194,710,246
Transaction with owners:									
Bonus shares issued during the year (One shares for each ten shares held)	91,152,900	-	-	-	-	(91,152,900)	(91,152,900)	-	-
Issuance of shares by the Subsidiary	-	-	-	-	-	-	-	-	105,873,000
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	198,533,614	198,533,614	198,533,614	(1,424,968)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(38,617,989)	(38,617,989)	-	30,960,333	30,960,333	(7,657,656)	-
Related deferred tax	-	-	15,869,652	15,869,652	-	8,994,403	8,994,403	24,864,055	-
Surplus realised on disposal of property, plant and equipment	-	-	(1,185,627)	(1,185,627)	-	859,512	859,512	(326,115)	-
Related deferred tax	-	-	326,115	326,115	-	326,115	326,115	652,230	-
	-	-	(23,607,849)	(23,607,849)	-	41,140,363	41,140,362.87	17,532,514	-
Adjustment of deferred tax for the period	-	-	(8,736,834)	(8,736,834)	-	-	-	(8,736,834)	-
Balance as at June 30, 2018	1,914,210,990	366,258,513	1,321,453,916	1,687,712,429	300,000,000	1,266,226,244	1,566,226,244	5,168,149,663	299,158,278
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	152,409,053	152,409,053	152,409,053	(258,684)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(25,373,826)	(25,373,826)	-	19,730,662	19,730,662	(5,643,164)	-
Related deferred tax	-	-	5,643,164	5,643,164	-	5,643,164	5,643,164	11,286,328	-
	-	-	(19,730,662)	(19,730,662)	-	25,373,826	25,373,826	5,643,164	-
Adjustment of deferred tax for the period									
Balance as at September 30, 2018	1,914,210,990	366,258,513	1,301,723,254	1,667,981,767	300,000,000	1,444,009,123	1,744,009,123	5,326,201,880	298,899,594

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

1. GENERAL INFORMATION

- 1.1** The Group consists of Zahidjee Textile Mills Limited (the Parent) and Zahidjee Towers (Private) Limited (the Subsidiary).
- 1.2** The Parent is incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at 2-H, Gulberg-II, Jail Road, Lahore in the province of Punjab. The Company is currently listed on Pakistan Stock Exchange (Formerly known as Karachi stock exchange Limited). The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at Satyana, District Faisalabad and spinning units are located at Tehsil Jaranwala, District Faisalabad, in the province of Punjab.

The Subsidiary is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984. The principal objective of subsidiary is to provide all kinds of services related to the business of Hotels, Restaurants, Resorts, Motels. Registered office of the subsidiary is situated at 20 Bilal Road, Civil Lines, Faisalabad in the province of Punjab.

- 1.3** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited have been merged with Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 2.** The financial statements of the Parent and Subsidiary are combined on a line by line basis. The financial statements of the Subsidiary are consolidated from the date on which more than 50% voting rights are transferred to or power to control the Subsidiary is established and are excluded from consolidation from the date of disposal or reduction of control.

All intra-Group balances, transactions and resulting unrealised profits, if any, are eliminated.

Non-controlling interest is that part of the net results of the operations and net assets of the Subsidiary attributable to interest which are not owned by the Parent.

3 ACCOUNTING POLICIES

3.1 Statement of compliance

This condensed interim financial report of the Company for the 1st Quarter ended September 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 (the act). In case the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

- 3.2** These condensed interim financial statements have been prepared under the “historical cost convention” except certain property, plant and equipment carried at revaluation and short term investment at fair value. These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2018.
- 3.3** The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018 except the following.

Change in accounting estimate

Previously building on free hold land and plant and machinery of the Company were depreciated at the rate of 5% per annum. Now the Company has changed the depreciation rate of these operating fixed assets to 10% per annum as result of annual review of useful lives of assets. This change in accounting estimate has been applied prospectively in accordance with IAS 8 "Accounting polices, change in accounting estimates and errors. Had there been no change in this accounting estimate, the figure recognised in these financial statements would have been different as follows:

	Amount Rupees
Net book value of property, plant and equipment would have been higher by	64,646,799
Deferred income tax liability would have been higher by	11,555,930
Stock in trade would have been lower by	8,323,590
Profit after taxation would have been higher by	61,414,459
Profit per share would have been higher by	0.32

4. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2018 Rupees	June 30, 2018 Rupees
Operating assets	5,884,428,904	6,015,352,863
Capital work in progress	192,142,497	135,894,269
Non operating lands	581,528,376	581,528,376
Advance against purchase of land	33,679,806	35,662,080
Advances for capital expenditures	3,163,903	1,180,693
	<u>6,694,943,486</u>	<u>6,769,618,281</u>

Acquisitions and disposals of property, plant and equipment - at cost

	Quarter ended September 30, 2018		Quarter ended September 30, 2017	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
Operating assets				
Electric installations	-	-	4,023,000	-
Capital work in progress				
Civil work	-	-	14,388,385	-
Plant and machinery	47,033,627	-	308,979,934	-
	<u>47,033,627</u>	<u>-</u>	<u>327,391,319</u>	<u>-</u>
			September 30, 2018	June 30, 2018
5. Short term investments			Rupees	Rupees
Available for sale at fair value				
Quoted securities				
Habib Metropolitan Bank Limited				
2,022,854 (June 30, 2018: 2,022,854)				
ordinary shares of Rs.10/- each			87,690,721	66,855,325
Adjustment in fair value			6,371,990	20,835,396
			<u>94,062,711</u>	<u>87,690,721</u>

6. CONTINGENCIES AND COMMITMENTS**Contingencies**

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2018.

	September 30, 2018 Rupees	June 30, 2018 Rupees
Commitments		
Under letters of credit for:		
Plant and machinery	-	11,233,812
Raw material and spare parts	38,783,461	54,595,607
Under contracts for purchase of land	123,683,320	123,683,320

	September 30, 2018 Rupees	September 30, 2017 Rupees
7. Cost of sales		
Cost of goods manufactured (Note 7.1)	2,797,914,214	2,016,827,898
Finished goods		
Opening stock	223,568,351	280,972,534
Closing stock	(272,833,949)	(188,952,096)
	(49,265,598)	92,020,438
	<u>2,748,648,616</u>	<u>2,108,848,336</u>
7.1 Cost of goods manufactured		
Raw material consumed (Note 7.1.1)	2,185,686,693	1,566,883,019
Packing material consumed	1,253,543	2,889,368
Salaries, wages and benefits	174,333,443	141,063,451
Retirement benefits	6,269,962	5,350,815
Stores and spares consumed	74,949,348	68,368,035
Fuel and power	232,086,077	177,124,968
Repairs and maintenance	3,978,001	5,694,887
Insurance	7,938,145	3,958,049
Depreciation	120,289,292	47,462,833
Other	1,448,510	1,301,005
	<u>2,808,233,013</u>	<u>2,020,096,430</u>
Work in process		
Opening stock	84,099,138	90,886,838
Closing stock	(94,417,937)	(94,155,370)
	(10,318,798)	(3,268,532)
	<u>2,797,914,214</u>	<u>2,016,827,898</u>
7.1.1 Raw material consumed		
Opening Stock	2,481,314,014	1,441,535,919
Purchases including purchase expenses	2,449,105,695	797,760,616
	4,930,419,709	2,239,296,535
Closing stock	(2,744,733,016)	(672,413,516)
	<u>2,185,686,693</u>	<u>1,566,883,019</u>

8. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Significant transactions with related parties are as follows:-

Relationsh	Nature of transaction	September 30, 2018 Rupees	September 30, 2017 Rupees
Chief executive officer	Remuneration	900,000	300,000
Director	Remuneration	300,000	-

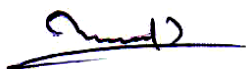
9. Date of authorisation for issue

These financial statements were authorised for issue on October 27, 2018 by the Board of Directors of the Company.

10. OTHERS

- (a) There is no unusual item included in these interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.
- (b) The provision for taxation is based on these interim financial statements and are subject to adjustments in annual financial statements.
- (c) The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in the financial statements.

11. Figures have been rounded off to nearest Rupee.

**CHIEF EXECUTIVE OFFICER****DIRECTOR****CHIEF FINANCIAL OFFICER**

ZAHIDJEE TEXTILE MILLS LIMITED

Zahidjee House, 2-H, Gulberg II, Jail Road, Lahore - Pakistan

URL: www.zahidjee.com.pk