

**CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2020**



ZAHIDJEE TEXTILE MILLS LIMITED

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

Mr. Muhammad Sharif

Chief Executive

Mr. Muhammad Zahid

Directors

Mr. Ahmad Zahid

Ms. Mahreen Zahid

Mr. Sajjad Hussain Shah

Mr. Faisal Masood Afzal

Brig (R) Wali Muhammad

Audit Committee

Brig (R) Wali Muhammad
(Chairman)

Mr. Faisal Masood Afzal

Mr. Sajjad Hussain Shah

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: 042-35777291-5

Bankers of the Company

Allied Bank Limited

Askari Bank Limited

Bank Al-Falah Limited

Bank Islami Pakistan Limited

Faysal Bank Limited

JS Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Samba Bank Limited

The Bank of Punjab

United Bank Limited

HR& Remuneration Committee

Mr. Ahmad Zahid

(Chairman)

Mr. Faisal Masood Afzal.

Ms. Mahreen Zahid

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Export Office

20, Bilal Road, Civil Lines,
Faisalabad

Mills

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

3 ZAHIDJEE TEXTILE MILLS LIMITED**Directors' Report to the Members**

Condensed Interim Financial Statements- March 31, 2020

The Directors of your Company takes pleasure in presenting before you the performance review and the un-audited financial statements for the nine months ended March 31, 2020.

Financial Results

	March 31 2020 Un-audited	March 31 2019 Un-audited
	(Rupees in 'million')	
Sales	11,157	9,769
Gross Profit	1,442	1,111
Profit before taxation	954	610
Provision for taxation	87	73
Profit for the period	867	537
Earnings per share (Rs.)	4.53	2.80

During the nine months ended March 31, 2020, your company earned a gross profit of Rs. 1,442 million on sales of Rs. 11,157 million compared to gross profit of Rs. 1,111 million on sales of Rs. 9,769 million for the corresponding period of previous financial year. During the period under review, your company recorded a net profit of Rs. 867 million (EPS: Rs. 4.53 per share), compared to net profit of Rs. 537 million (EPS: Rs. 2.80 per share) in the corresponding period.

Future Outlook

Due to pandemic of COVID-19 the Company was stopped operations during last week of March and first week of April. Later on it was resumed after getting approval from authorities. If the present situation of COVID-19 persist it will be harder for the Company to maintain the same level of profits.

Subsidiary company

Zahidjee Towers (Private) Limited was incorporated in Pakistan as a private Ltd company under Companies Ordinance 1984. The parent company holds 54.39% shares of subsidiary as at March 31, 2020 (54.39% : June 30, 2019). Therefore, consolidated interim financial information has been annexed.

Acknowledgements

The directors appreciate the hard work and commendable services rendered by staff and workers of the company.

For and on behalf of the Board



Muhammad Sharif
Director



Muhammad Zahid
Chief Executive Officer

Lahore: April 28, 2020

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2020 کو ختم ہونے والی نو ماہی کے لیے کارکردگی کا جائزہ اور غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

آپریٹنگ رزلٹ:

آپریٹنگ رزلٹ کے درج ذیل ہیں۔

31 مارچ	31 مارچ	
2019	2020	
ملین	ملین	
9,769	11,157	فروخت
1,111	1,442	مجموعی منافع
610	954	ٹیکس سے پہلے منافع
73	87	ٹیکسیشن
537	867	ٹیکس کے بعد منافع
2.80	4.53	نی شیئر آمدن

31 مارچ 2020 کو ختم ہونے والی نو ماہی کے دوران آپ کی کمپنی نے 11,157 ملین کی فروخت پر 1,442 ملین مجموعی منافع حاصل کیا جو کہ پچھلے سال کے مقابلے میں 9,769 ملین کی فروخت پر منافع 1,111 ملین تھا۔

زیرہ جائزہ مدت کے دوران آپ کی کمپنی نے 954 ملین کا خالص منافع حاصل کیا ہے پچھلے مالی سال کی اس عرصے میں 537 ملین کا خالص منافع حاصل کیا تھا

مستقبل کا نقشہ

موجودہ کورونا وائرس وباء کی وجہ سے کمپنی نے اپنی پیداواری سرگرمیاں مارچ کے آخری اور اپریل کے پہلے ہفتے میں بند رکھی تھی بعد ازاں پیداواری سرگرمیاں انتظامیہ کی اجازت سے دوبارہ شروع کر دی گئیں اگر موجودہ وبائی مرض کورونا وائرس اس طرح پھیلا تو کمپنی کے لیے منافع کا موجودہ گراف حاصل کرنا مشکل ہو جائے گا۔

ذیلی کمپنی

زاہد جی ٹاور (پریویٹ) لمیٹڈ پاکستان میں پرائیوٹ کمپنی کے طور پر کمپنی آرڈیننس 1984 کے تحت قائم ہوئی 30 مارچ 2020 کو زاہد جی ٹیکسٹائل ملز لمیٹڈ ذیلی کمپنی کے 54.39 فی صد شیئرز کی مالک ہے اس لیے کمپنی نے مشترکہ مالی رپورٹس ساتھ دی ہیں۔

اعترافات

ڈائریکٹرز کمپنی کے عملے اور کارکنان کی سخت محنت اور قابل ستائش خدمات کو سراہتے ہیں۔

محمد شریف
چیئرمین

محمد زاہد
چیف ایگزیکٹو

تاریخ 28 اپریل 2020

لاہور

**ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020**

	Note	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	6,755,833,218	6,083,842,156
Intangible assets		578,327	1,122,691
Investment in subsidiary	4	359,200,000	359,200,000
Long term security deposits		4,476,224	4,476,224
		7,120,087,769	6,448,641,071
CURRENT ASSETS			
Stores, spares and loose tools		160,705,405	154,006,894
Stock in trade		2,377,048,776	2,604,242,302
Trade debts		1,507,443,182	1,231,079,982
Loans, advances and deposits		166,701,377	91,503,251
Prepayments		5,782,156	31,027,305
Other receivables		106,848,349	71,311,336
Short term investment	5	62,202,761	72,984,572
Tax refunds due from Government		235,334,168	357,244,603
Cash and bank balances		70,216,423	83,459,305
		4,692,282,597	4,696,859,550
CURRENT LIABILITIES			
Trade and other payables		516,435,877	404,701,777
Interest / markup payable		68,245,723	82,218,408
Short term borrowings		2,720,440,987	3,215,569,584
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		213,815,138	187,575,041
Provision for taxation - income tax		156,109,035	154,504,721
		3,676,251,381	4,045,774,152
		8,136,118,985	7,099,726,469
NON - CURRENT LIABILITIES			
Long term finance		1,187,524,374	790,419,327
Deferred liability			
Deferred taxation		314,554,151	394,642,812
		1,502,078,525	1,185,062,139
CONTINGENCIES AND COMMITMENTS			
Net worth	6	-	-
		<u>6,634,040,460</u>	<u>5,914,664,330</u>
Represented by			
SHARE CAPITAL AND RESERVES			
Share capital		1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		1,176,664,984	1,228,748,321
Revenue reserves		3,176,905,973	2,405,446,506
		6,634,040,460	5,914,664,330
		<u>6,634,040,460</u>	<u>5,914,664,330</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
Sales	7	3,771,935,264	3,337,189,242	11,157,387,419	9,768,920,952
Cost of goods sold	8	3,323,467,793	2,968,896,610	9,715,098,586	8,657,728,783
Gross profit		448,467,471	368,292,632	1,442,288,833	1,111,192,169
Trading (loss) / profit		-	127,742	(922,926)	82,431
Other income		1,786,313	(1,965,881)	7,923,621	8,992,671
		450,253,784	366,454,493	1,449,289,528	1,120,267,271
		-			
Distribution cost		42,243,378	39,904,452	114,081,610	93,044,930
Administrative expenses		24,553,416	24,573,548	88,872,774	91,129,757
Other operating expenses		25,447,482	10,346,231	61,073,075	36,030,072
Finance cost		76,543,416	120,439,367	231,065,778	290,273,613
		168,787,692	195,263,598	495,093,237	510,478,372
Profit for the period before taxation		281,466,092	171,190,895	954,196,291	609,788,900
Provision for taxation	9	42,074,987	35,103,988	86,900,594	73,269,798
Profit for the period		239,391,105	136,086,907	867,295,697	536,519,102
Earnings per share - Basic and diluted		1.25	0.71	4.53	2.80

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Quarter ended March 31,		Nine months ended March 31,	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Profit for the period	239,391,105	136,086,907	867,295,697	536,519,102
Item that will not be subsequently reclassified to profit or loss				
Incremental depreciation on revalued assets for the period	17,368,781	39,426,218	52,139,882	59,128,567
Related deferred tax	4,907,570	11,294,248	14,732,184	16,965,274
Surplus realised on disposal of property, plant and equipment	-	-	-	26,795
Related deferred tax	-	-	-	10,944
	22,276,351	50,720,466	66,872,066	76,131,580
Total comprehensive income for the period	<u>261,667,456</u>	<u>186,807,373</u>	<u>934,167,763</u>	<u>612,650,681</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine months ended March 31,	2019
	Rupees	Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	954,196,291	609,788,900
Adjustments for :		
Depreciation of property, plant and equipment	380,184,301	404,936,649
Amortization on intangible assets	544,364	654,365
Balances written off	143,813	(84,557)
Balances written back	(634,570)	(9,068,520)
Loss / (Gain) on disposal of operating assets	44,557	2,162,456
Impairment loss on short term investment	10,781,811	3,782,737
Finance cost	231,065,778	290,273,613
Operating cash flows before working capital changes	1,576,326,345	1,302,445,642
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(6,698,511)	(23,508,514)
Stock in trade	227,193,526	(854,500,161)
Trade debts	(276,507,013)	(277,672,633)
Loans, advances and deposits	3,369,735	12,401,105
Prepayments	25,245,149	(6,495,146)
Other receivables	(35,537,013)	17,238,787
Tax refunds due from Government	23,954,875	22,517,384
Increase in current liabilities		
Trade and other payables	112,368,670	66,930,109
	73,389,418	(1,043,089,069)
Cash generated from/ (used in) operating activities	1,649,715,763	259,356,573
Finance cost paid	(245,038,463)	(247,239,538)
Income tax paid	(131,208,514)	(32,755,881)
Net cash generated from/ (used in) operating activities	1,273,468,786	(20,638,846)
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(1,052,480,588)	(238,497,959)
Addition long term security deposits	-	(26,082)
Proceeds from disposal of operating assets	260,669	338,400
Net cash generated from/ (used in) investing activities	(1,052,219,919)	(238,211,723)

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine months ended March 31, 2020	2019
	Rupees	Rupees
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	563,443,961	110,348,062
Long term financing repaid	(140,098,817)	(202,322,055)
Increase in short term borrowings - net	(495,128,597)	468,103,213
Dividend paid	(162,708,296)	(67,555,773)
Net cash generated from/ (used in) financing activities	(234,491,749)	308,573,447
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	(13,242,882)	49,722,878
Cash and cash equivalents at the beginning of the period	83,459,305	24,778,023
Cash and cash equivalents at the end of the period	70,216,423	74,500,901

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES		Sub total	Total	
	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit			
----- R u p e e s -----								
Balance as at July 01, 2018 (Audited)	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
Transaction with owners								
Dividend paid (Rs. 0.35 per share of Rs. 10 each)	-	-	-	-	-	(66,997,385)	(66,997,385)	(66,997,385)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	536,519,102	536,519,102	536,519,102
Other comprehensive income								
Incremental depreciation on revalued assets for the period	-	-	(76,093,841)	(76,093,841)	-	59,128,567	59,128,567	(16,965,274)
Related deferred tax	-	-	16,965,274	16,965,274	-	16,965,274	16,965,274	33,930,548
	-	-	(59,128,567)	(59,128,567)	-	76,093,841	76,093,841	16,965,274
Surplus realised on disposal of property, plant and equipment	-	-	(37,739)	(37,739)	-	26,795	26,795	(10,944)
Related deferred tax	-	-	10,944	10,944	-	10,944	10,944	21,889
	-	-	(26,795)	(26,795)	-	37,739	37,739	10,944
Adjustment of deferred tax for the period	-	-	331,083	331,083	-	-	-	331,083
Balance as at March 31, 2019 (Unaudited)	1,914,210,990	366,258,513	1,262,629,638	1,628,888,151	300,000,000	1,814,755,161	2,114,755,161	5,657,854,302
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	245,139,695	245,139,695	245,139,695
Other comprehensive income								
Incremental depreciation on revalued assets for the period	-	-	(25,582,644)	(25,582,644)	-	20,148,182	20,148,182	(5,434,462)
Related deferred tax	-	-	5,434,462	5,434,462	-	5,434,462	5,434,462	10,868,924
	-	-	(20,148,182)	(20,148,182)	-	25,582,644	25,582,644	5,434,462
Surplus realised on disposal of property, plant and equipment	-	-	(19,969,006)	(19,969,006)	-	15,123,625	15,123,625	(4,845,381)
Related deferred tax	-	-	4,845,381	4,845,381	-	4,845,381	4,845,381	9,690,761
	-	-	(15,123,625)	(15,123,625)	-	19,969,006	19,969,006	4,845,381
Adjustment of deferred tax for the year	-	-	1,390,491	1,390,491	-	-	-	1,390,491
Balance as at June 30, 2019 (Audited)	1,914,210,990	366,258,513	1,228,748,321	1,595,006,834	300,000,000	2,105,446,506	2,405,446,506	5,914,664,330
Transaction with owners								
Dividend paid (Rs. 0.85 per share of Rs. 10 each)	-	-	-	-	-	(162,708,296)	(162,708,296)	(162,708,296)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	867,295,697	867,295,697	867,295,697
Other comprehensive income								
Items that may be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(66,872,066)	(66,872,066)	-	52,139,882	52,139,882	(14,732,184)
Related deferred tax	-	-	14,732,184	14,732,184	-	14,732,184	14,732,184	29,464,368
	-	-	(52,139,882)	(52,139,882)	-	66,872,066	66,872,066	14,732,184
Adjustment of deferred tax for the period			56,545	56,545	-	-	-	56,545
Balance as at March 31, 2020 (Unaudited)	1,914,210,990	366,258,513	1,176,664,984	1,542,923,497	300,000,000	2,876,905,973	3,176,905,973	6,634,040,460

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

1. STATUS AND ACTIVITIES

- 1.1** Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 2-H Jail Road, Gulberg II, Lahore in the province of Punjab. The Company is currently listed on Pakistan 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 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad and M-3 Industrial Estate, 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 were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.3** The condensed interim financial information is presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

2.1.1 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 as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.1.3 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, 2019.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, interpretations and amendments to published approved accounting standards that are effective:

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 16 – Leases

This standard replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The changes laid down by this standard do not have any impact on these condensed interim financial statements of the company.

2.2.2 Standards, amendments to standards and interpretations becoming effective in future periods:

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2020 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2019.

2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at valuation and short term investment measured at fair value.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2019.

2.5 Estimates, judgments and risk management policies

2.5.1 The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2019.

2.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2019.

	Note	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	5,407,190,307	5,670,179,524
Capital work in progress	3.2	1,112,703,932	304,454,328
Non operating lands		16,203,950	16,203,950
Advance against purchase of land		219,247,029	92,300,354
Advances for capital expenditure		488,000	704,000
		<u>6,755,833,218</u>	<u>6,083,842,156</u>
3.1 Operating assets			
Book value at beginning of period / year		5,670,179,524	6,015,352,863
Add: Addition during the period / year	3.1.1	117,500,309	236,115,064
Less: disposal during the period / year		(305,226)	(38,080,231)
Depreciation charge during the period / year		(380,184,301)	(543,208,171)
		<u>5,407,190,306</u>	<u>5,670,179,524</u>
3.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follows			
Free hold land		-	-
Building on freehold land		839,900	2,523,279
Plant and machinery		109,857,907	187,849,557
Electric installations		5,306,361	6,197,873
Factory equipment		147,559	25,248,208
Office equipment		305,747	3,117,398
Electric appliances		225,135	1,382,415
Furniture and fittings		817,700	960,090
Vehicles		-	8,836,244
		<u>117,500,309</u>	<u>236,115,064</u>

	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
3.2 Capital work in progress		
Civil work	506,127,153	206,314,603
Plant and machinery	606,576,779	98,139,725
	<u>1,112,703,932</u>	<u>304,454,328</u>

4. Investment in subsidiary

Zahidjee Towers (Private) Limited

35,920,000 (June 30, 2019: 35,920,000) ordinary shares of Rs. 10/- each fully paid in cash. Ownership interest 54.39% (June 30,2019: 54.39%).

<u>359,200,000</u>	<u>359,200,000</u>
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4.1 The principal object of Zahidjee Towers (Private) Limited is to provide all kinds of services related to the business of Hotels, Restaurants, Resorts, Motels. Registered office of the subsidiary is situated at 2-H, Jail Road, Gulberg II, Lahore in the province of Punjab.

No provision for impairment has been made against investment in subsidiary as diminution in value is assessed to be temporary.

	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
5. Short term investment		
Financial assets at fair value through profit or loss		
Quoted security		
Habib Metropolitan Bank Limited		
2,022,854 (June 30, 2019: 2,022,854)		
ordinary shares of Rs.10/- each	72,984,572	87,690,721
Adjustment in fair value	(10,781,811)	(14,706,149)
	<u>62,202,761</u>	<u>72,984,572</u>
Market Rate	30.75	36.08

6. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies and commitments since the date of published audited financial statements for the year ended June 30, 2019, except the followings;

	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
Contingencies		
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	98,849,000	86,820,000
Commitments		
Under letters of credit for:		
Plant and machinery	122,934,029	510,988,862
Raw material and spare parts	1,547,734,721	180,017,589
Under contracts for purchase of land	14,173,680	143,583,466

Note	Quarter ended March 31,		Nine months ended March 31,	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
7. Sales				
Export				
Cloth / made ups	835,221,828	636,290,439	2,154,100,897	1,689,039,680
Local				
Yarn	3,181,869,484	2,622,406,375	9,849,728,093	7,831,151,647
Cloth	44,265,325	975,002	116,337,550	13,844,746
Waste and left over	199,302,594	93,661,536	538,879,058	278,028,736
Conversion receipts	18,478,902	5,245,107	29,484,612	18,270,692
	3,443,916,304	2,722,288,020	10,534,429,313	8,141,295,821
Less : Sales tax	(488,257,365)	-	(1,516,391,528)	-
	3,790,880,767	3,358,578,459	11,172,138,682	9,830,335,501
Add: Export rebate / duty drawback	13,910,460	2,687,546	72,070,593	3,007,870
	3,804,791,227	3,361,266,005	11,244,209,275	9,833,343,371
Less: Commission and claims	32,855,963	24,076,763	86,821,856	64,422,419
	<u>3,771,935,264</u>	<u>3,337,189,242</u>	<u>11,157,387,419</u>	<u>9,768,920,952</u>

8. COST OF GOODS SOLD

Cost of goods manufactured	8.1	3,476,622,645	2,989,422,126	9,944,544,319	8,716,302,107
Finished goods					
Opening stock		308,079,596	261,616,159	231,788,716	223,568,351
Closing stock		(461,234,449)	(282,141,675)	(461,234,449)	(282,141,675)
		(153,154,852)	(20,525,516)	(229,445,733)	(58,573,324)
		<u>3,323,467,793</u>	<u>2,968,896,610</u>	<u>9,715,098,586</u>	<u>8,657,728,783</u>

8.1 Cost of goods manufactured

Raw material consumed	7.1.1	2,812,767,646	2,377,024,788	7,747,740,746	6,864,124,182
Packing material consumed		36,971,237	29,851,772	110,449,335	94,855,726
Salaries, wages and benefits		197,960,261	176,509,698	587,330,658	485,261,846
Retirement benefits		7,128,008	6,323,467	20,692,887	18,557,730
Stores and spares consumed		89,726,330	57,569,871	211,263,313	163,446,737
Fuel and power		176,985,109	202,543,386	822,428,228	636,090,520
Repairs and maintenance		6,039,427	27,918,306	49,753,413	68,380,182
Insurance		1,709,822	2,627,061	12,434,624	13,598,951
Depreciation		125,631,458	115,913,624	373,318,626	381,035,130
Other		1,673,187	152,185	7,172,657	5,035,678
		3,456,592,485	2,996,434,158	9,942,584,487	8,730,386,682
Work in process					
Opening stock		126,101,288	91,171,681	108,030,960	84,099,138
Closing stock		(106,071,128)	(98,183,713)	(106,071,128)	(98,183,713)
		20,030,160	(7,012,032)	1,959,832	(14,084,575)
		<u>3,476,622,645</u>	<u>2,989,422,126</u>	<u>9,944,544,319</u>	<u>8,716,302,107</u>

7.1.1 Raw material consumed

Opening stock	2,743,393,989	3,603,099,492	2,264,422,626	2,481,314,014
Purchases including purchase expenses	1,879,116,856	2,235,153,193	7,293,061,319	7,844,038,065
	4,622,510,845	5,838,252,685	9,557,483,945	10,325,352,079
Closing stock	(1,809,743,199)	(3,461,227,897)	(1,809,743,199)	(3,461,227,897)
	<u>2,812,767,646</u>	<u>2,377,024,788</u>	<u>7,747,740,746</u>	<u>6,864,124,182</u>

Quarter ended March 31,		Nine months ended March 31,	
2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees

9. Provision for taxation

Current				
for the period	52,144,439	34,896,880	156,109,035	109,746,464
for prior period	-	-	(3,908,509)	(63,594,983)
Deferred	(10,069,452)	207,108	(65,299,932)	27,118,317
	<u>42,074,987</u>	<u>35,103,988</u>	<u>86,900,594</u>	<u>73,269,798</u>

10. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	Nine months ended March 31,	
		2020 Rupees	2019 Rupees
Key management personnel	Remuneration	28,084,500	25,434,000
	Short term loan (repaid) / obtained	(76,015,141)	110,148,233

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 28, 2020 by the Board of Directors of the Company.

12. GENERAL

12.1 Provisions for taxation and workers' profit participation fund made in this condensed interim financial information are subject to adjustment in annual financial statements.

12.2 There is no unusual item included in this condensed interim financial information which is affecting assets, liabilities, equity, profit, comprehensive income or cash flows of the Company.

12.3 The textile business is all year business however, major raw material purchase i.e. cotton, is made during the period from October to March. This leads to higher figures in respect of stock in trade and short term borrowings being reflected during this period.

12.4 Ocean freight was net off against export sale. Now, it has been grouped in proper head "Distribution Cost" for better presentation.

13. Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONSOLIDATED FINANCIAL INFORMATION MARCH 31, 2020

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Note	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	7,316,870,074	6,649,166,582
Intangible assets		578,327	1,122,691
Investment property	5	97,064,428	99,913,504
Long term security deposits		4,476,224	4,476,224
		7,418,989,053	6,754,679,001
CURRENT ASSETS			
Stores, spares and loose tools		160,705,405	154,006,894
Stock in trade		2,377,048,776	2,604,242,302
Trade debts		1,507,443,182	1,231,079,982
Loans, advances and deposit		169,108,549	94,009,913
Prepayments		5,782,156	31,027,305
Other receivables		106,048,349	70,511,336
Short term investment	6	62,202,761	72,984,572
Tax refunds due from Government		239,582,697	361,739,764
Cash and bank balances		73,997,756	83,907,182
		4,701,919,631	4,703,509,250
CURRENT LIABILITIES			
Trade and other payables		517,486,952	404,845,352
Interest / mark up payable		68,245,723	82,218,408
Short term borrowings		2,737,440,987	3,232,569,584
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		213,815,138	187,575,041
Provision for taxation - income tax		156,942,283	155,346,335
		3,695,135,704	4,063,759,341
		8,425,772,980	7,394,428,910
NON - CURRENT LIABILITIES			
Long term finance		1,187,524,374	790,419,327
Deferred liability			
Deferred taxation		314,554,151	394,642,812
		1,502,078,525	1,185,062,139
CONTINGENCIES AND COMMITMENTS			
Net worth	7	-	-
		6,923,694,455	6,209,366,771
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		1,176,664,984	1,228,748,321
Revenue reserves		3,170,425,023	2,401,711,406
		6,627,559,510	5,910,929,230
Non-controlling interest		296,134,945	298,437,541
		6,923,694,455	6,209,366,771

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
Sales	8	3,771,935,264	3,337,189,242	11,157,387,419	9,768,920,952
Cost of goods sold	9	3,323,467,793	2,968,896,610	9,715,098,586	8,657,728,783
Gross profit		448,467,471	368,292,632	1,442,288,833	1,111,192,169
Trading (loss) / profit		-	127,742	(922,926)	82,431
Other income		2,906,741	(657,429)	11,245,300	12,250,317
		451,374,213	367,762,946	1,452,611,207	1,123,524,917
Distribution cost		42,243,378	39,904,453	114,081,610	93,044,930
Administrative expenses		26,927,298	26,012,023	96,412,834	94,597,833
Other operating expenses		25,447,482	10,346,231	61,073,075	36,030,072
Finance cost		76,543,416	120,439,367	231,065,778	290,273,613
		171,161,574	196,702,074	502,633,297	513,946,448
Profit for the period before taxation		280,212,639	171,060,872	949,977,910	609,578,469
Provision for taxation	10	42,430,872	35,413,076	87,730,659	74,046,267
Profit for the period		237,781,767	135,647,796	862,247,251	535,532,202
Attributable to:					
Shareholders of the Parent		238,515,787	135,848,075	864,549,847	535,982,327
Non-controlling interest		(734,020)	(200,279)	(2,302,596)	(450,125)
		237,781,767	135,647,796	862,247,251	535,532,202
Earnings per share - Basic and diluted					
Attributable to shareholders of the Parent					
(Rupees)		1.25	0.71	4.52	2.80

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Quarter ended March 31,		Nine months ended March 31,	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Profit for the period	237,781,767	135,647,796	862,247,251	535,532,202
Items that will not be subsequently reclassified to profit or loss				
Incremental depreciation on revalued assets for the period	17,368,781	19,695,556	52,139,882	59,128,567
related deferred tax	4,907,570	5,651,084	14,732,184	16,965,274
Surplus realised on disposal of property, plant and equipment	-	-	-	26,795
Related deferred tax	-	-	-	10,944
	22,276,351	25,346,640	66,872,066	76,131,580
Total comprehensive income for the period	260,058,118	160,994,436	929,119,317	611,663,781
Total comprehensive income for the period	237,781,767	135,647,796	862,247,251	535,532,202
Attributable to:				
Shareholders of the Parent	238,515,787	135,848,075	864,549,847	535,982,327
Non-controlling interest	(734,020)	(200,279)	(2,302,596)	(450,125)
	237,781,767	135,647,796	862,247,251	535,532,202

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER


ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (Un-Audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine months ended March 31,	
	2020	2019
	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	949,977,910	609,578,470
Adjustments for :		
Depreciation of property, plant and equipment	384,471,871	404,936,649
Depreciation on investment property	2,849,076	2,999,403
Amortization on intangible assets	544,364	654,365
(Gain) / loss on disposal of operating assets	44,557	2,162,456
Balances written off	143,813	(84,557)
Balances written back	(634,570)	(9,068,520)
Fair value adjustment of short term investment	10,781,811	3,782,737
Finance cost	231,065,778	290,251,257
Operating cash flows before working capital changes	1,579,244,610	1,305,212,259
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(6,698,511)	(23,508,514)
Stock in trade	227,193,526	(854,500,161)
Trade debts	(276,507,013)	(277,672,633)
Loans and advances	3,369,735	12,401,105
Prepayments	25,245,149	(6,495,146)
Other receivables	(35,537,013)	17,238,787
Tax refunds due from Government - sales tax	23,954,875	22,517,384
Increase in current liabilities		
Trade and other payables	113,276,170	66,930,109
	74,296,918	(1,043,089,069)
Cash generated from/ (used in) operating activities	1,653,541,528	262,123,191
Income tax paid	(131,700,823)	(35,789,418)
Finance cost paid	(245,038,463)	(247,239,538)
Net cash generated from/ (used in) operating activities	1,276,802,242	(20,905,766)

**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (Un-Audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

	Nine months ended March 31,	
	2020	2019
	Rupees	Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(1,052,480,588)	(238,497,959)
Additions in investment property	-	-
Proceeds from disposal of operating assets	260,669	338,400
Addition in long term security deposits	-	(26,082)
	(1,052,219,919)	(238,185,641)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	563,443,961	110,348,062
Long term financing repaid	(140,098,817)	(202,322,055)
Increase in short term borrowings - net	(495,128,597)	468,103,213
Loan from director	-	-
Dividend paid	(162,708,296)	(66,997,385)
	(234,491,749)	309,131,835
Net cash generated from/ (used in) investing activities	(1,052,219,919)	(238,185,641)
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	(9,909,426)	50,040,428
Cash and cash equivalents at the beginning of the period	83,907,182	24,926,168
	73,997,756	74,966,596

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2020**

	CAPITAL RESERVES			REVENUE RESERVES		Sub total	Total	Non controlling interest	
	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve				Unappropriated profit
R u p e e s									
Balance as at July 01, 2018 (Audited)	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
Transaction with owners									
Dividend paid (Rs. 0.35 per share of Rs. 10 each)	-	-	-	-	-	(66,997,385)	(66,997,385)	(66,997,385)	-
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	535,982,327	535,982,327	535,982,327	(450,125)
Other comprehensive income									
Incremental depreciation on revalued assets for the period	-	-	(76,093,841)	(76,093,841)	-	59,128,567	59,128,567	(16,965,274)	-
Related deferred tax	-	-	16,965,274	16,965,274	-	16,965,274	16,965,274	33,930,548	-
	-	-	(59,128,567)	(59,128,567)	-	76,093,841	76,093,841	16,965,274	-
Surplus realised on disposal of property, plant and equipment	-	-	(37,739)	(37,739)	-	26,795	26,795	(10,944)	-
Related deferred tax	-	-	10,944	10,944	-	10,944	10,944	21,889	-
	-	-	(26,795)	(26,795)	-	37,739	37,739	10,944	-
Adjustment of deferred tax for the period	-	-	331,083	331,083	-	-	-	331,083	-
Balance as at March 31, 2019 (Unaudited)	1,914,210,990	366,258,513	1,262,298,555	1,628,888,151	300,000,000	1,811,342,766	2,111,342,766	5,654,110,824	298,708,153
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	244,816,990	244,816,990	244,816,990	(270,612)
Other comprehensive income									
Incremental depreciation on revalued assets for the period	-	-	(25,582,644)	(25,582,644)	-	20,148,182	20,148,182	(5,434,462)	-
Related deferred tax	-	-	5,434,462	5,434,462	-	5,434,462	5,434,462	10,868,924	-
	-	-	(20,148,182)	(20,148,182)	-	25,582,644	25,582,644	5,434,462	-
Surplus realised on disposal of property, plant and equipment	-	-	(19,969,007)	(19,969,007)	-	15,123,625	15,123,625	(4,845,381)	-
Related deferred tax	-	-	4,845,381	4,845,381	-	4,845,381	4,845,381	9,690,762	-
	-	-	(15,123,625)	(15,123,625)	-	19,969,006	19,969,006	4,845,381	-
Adjustment of deferred tax for the year	-	-	1,721,574	1,390,491	-	-	-	1,390,491	-
Balance as at June 30, 2019 (Audited)	1,914,210,990	366,258,513	1,228,748,321	1,595,006,834	300,000,000	2,101,711,406	2,401,711,406	5,910,598,147	298,437,541
Transaction with owners									
Dividend paid (Rs. 0.85 per share of Rs. 10 each)	-	-	-	-	-	(162,708,296)	(162,708,296)	(162,708,296)	-
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	864,549,847	864,549,847	864,549,847	(2,302,596)
Other comprehensive income									
Items that may be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(66,872,066)	(66,872,066)	-	52,139,882	52,139,882	(14,732,184)	-
Related deferred tax	-	-	14,732,184	14,732,184	-	14,732,184	14,732,184	29,464,368	-
	-	-	(52,139,882)	(52,139,882)	-	66,872,066	66,872,066	14,732,184	-
Adjustment of deferred tax for the period	-	-	56,545	56,545	-	-	-	56,545	-
Balance as at March 31, 2020 (Unaudited)	1,914,210,990	366,258,513	1,176,664,984	1,542,923,497	300,000,000	2,870,425,023	3,170,425,023	6,627,228,427	296,134,945

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (Un-Audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2020****1. GROUP STATUS AND ACTIVITIES**

- 1.1** The Group consists of Zahidjee Textile Mills Limited (the Parent) and Zahidjee Towers (Private) Limited (the Subsidiary).

The Parent is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 2-H, Jail Road, Gulberg II, Lahore in the province of Punjab. The Company is currently listed on Pakistan 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 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad and M-3 Industrial Estate, Faisalabad, in the province of Punjab.

The Subsidiary is incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). 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 2-H, Jail Road, Gulberg II, Lahore in the province of Punjab.

- 1.2** This condensed interim consolidated financial information is presented in Pakistani Rupee, which is the Group's functional and presentation currency.

2. BASIS OF CONSOLIDATION

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 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.

The Comparative figures of condensed profit and loss account, condensed statement of comprehensive income, condensed cash flow statement and condensed statement of changes in equity represent the figures of the parent Company only, as Zahidjee Towers (Private) Limited became a subsidiary on March 21, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Statement of compliance**

- 3.1.1** 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 as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Nine months Provisions of and directives issued under the Companies Act, 2017.

- 3.1.2** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

- 3.1.3** 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, 2019.

3.2 Application of new and revised International Financial Reporting Standards (IFRSs)

3.2.1 Standards, interpretations and amendments to published approved accounting standards that are effective:

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 16 – Leases

This standard replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The changes laid down by this standard do not have any impact on these condensed interim financial statements of the company.

3.2.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant :

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2020 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2019.

3.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at valuation and short term investment measured at fair value.

3.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2019.

3.5 Estimates, judgments and risk management policies

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2019.

Investment property

3.5.1 The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2019.

3.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2019.

	Note	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	5,407,190,307	5,670,179,524
Capital work in progress		1,112,703,932	304,454,328
Non-operating land and building	4.2	577,240,806	581,528,376
Advance against purchase of land		219,247,029	92,300,354
Advances for capital expenditures		488,000	704,000
		<u>7,316,870,074</u>	<u>6,649,166,582</u>
4.1 Operating assets			
Book value at beginning of period / year		5,670,179,524	6,015,352,863
Add: Addition during the period / year	4.1.1	117,500,309	236,115,064
Less: disposal during the period / year		(305,226)	(38,080,232)
Depreciation charge during the period / year		(380,184,301)	(543,208,171)
		<u>5,407,190,306</u>	<u>5,670,179,524</u>
4.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follow			
Free hold land		-	-
Building on freehold land		839,900	2,523,279
Plant and machinery		109,857,907	187,849,557
Electric installations		5,306,361	6,197,873
Factory equipment		147,559	25,248,208
Office equipment		305,747	3,117,398
Electric appliances		225,135	1,382,415
Furniture and fittings		817,700	960,090
Vehicles		-	8,836,244
		<u>117,500,309</u>	<u>236,115,064</u>
4.2 Capital work in progress			
Civil work		506,127,153	206,314,603
Plant and machinery		606,576,779	98,139,725
		<u>1,112,703,932</u>	<u>304,454,328</u>
		Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
5. Investment property			
Land			
Cost		23,938,150	23,938,150
Building			
Opening net book value as at July 01,		75,975,354	79,984,084
Addition during the period		-	-
Depreciation charge		(2,849,076)	(4,008,730)
Closing net book value as at March 31,		<u>73,126,278</u>	<u>75,975,354</u>
Closing balance as at March 31,			
Cost		83,021,173	83,021,173
Accumulated depreciation		(9,894,895)	(7,045,819)
Net book value		<u>73,126,278</u>	<u>75,975,354</u>
		<u>97,064,428</u>	<u>99,913,504</u>

5.1 The fair value of investment property as at March 31, 2020 approximates its cost.

	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
6. Short term investment		
Financial assets at fair value through profit or loss		
Quoted security		
Habib Metropolitan Bank Limited		
2,022,854 (June 30, 2019: 2,022,854)	72,984,572	87,690,721
ordinary shares of Rs.10/- each	(10,781,811)	(14,706,149)
Adjustment in fair value		
	<u>62,202,761</u>	<u>72,984,572</u>
Market Rate	30.75	36.08

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies and commitments since the date of published audited financial statements for the year ended June 30, 2019, except the followings:

	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
Contingencies		
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	98,849,000	86,820,000
Commitments		
Under letters of credit for:		
Plant and machinery	122,934,029	510,988,862
Raw material and spare parts	1,547,734,721	180,017,589
Under contracts for purchase of land	14,173,680	143,583,466

	Quarter ended March 31,		Nine months ended March 31,	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
8. Sales				
Export				
Cloth / made ups	835,221,828	636,290,439	2,154,100,897	1,689,039,680
Local				
Yarn	3,181,869,484	2,622,406,375	9,849,728,093	7,831,151,647
Cloth	44,265,325	975,002	116,337,550	13,844,746
Waste and left over	199,302,594	93,661,536	538,879,058	278,028,736
Conversion receipts	18,478,902	5,245,107	29,484,612	18,270,692
	3,443,916,304	2,722,288,020	10,534,429,313	8,141,295,821
Less : Sales tax	(488,257,365)	-	(1,516,391,528)	-
	3,790,880,767	3,358,578,459	11,172,138,682	9,830,335,501
Add: Export rebate / duty drawback	13,910,460.00	2,687,546	72,070,593	3,007,870
	3,804,791,227	3,361,266,005	11,244,209,275	9,833,343,371
Less: Commission and claims	32,855,963	24,076,763	86,821,856	64,422,419
	<u>3,771,935,264</u>	<u>3,337,189,242</u>	<u>11,157,387,419</u>	<u>9,768,920,952</u>
9. COST OF GOODS SOLD				
Cost of goods manufactured	3,476,622,645	2,989,422,126	9,944,544,319	8,716,302,107
Finished goods				
Opening stock	308,079,596	261,616,159	231,788,716	223,568,351
Closing stock	(461,234,449)	(282,141,675)	(461,234,449)	(282,141,675)
	(153,154,852)	(20,525,516)	(229,445,733)	(58,573,324)
	<u>3,323,467,793</u>	<u>2,968,896,610</u>	<u>9,715,098,586</u>	<u>8,657,728,783</u>

	Quarter ended March 31,		Nine months ended March 31,	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
9.1 Cost of goods manufactured				
Raw material consumed	2,812,767,646	2,377,024,788	7,747,740,746	6,864,124,182
Packing material consumed	36,971,237	29,851,772	110,449,335	94,855,726
Salaries, wages and benefits	197,960,261	176,509,698	587,330,658	485,261,846
Retirement benefits	7,128,008	6,323,467	20,692,887	18,557,730
Stores and spares consumed	89,726,330	57,569,871	211,263,313	163,446,737
Fuel and power	176,985,109	202,543,386	822,428,228	636,090,520
Repairs and maintenance	6,039,427	27,918,306	49,753,413	68,380,182
Insurance	1,709,822	2,627,061	12,434,624	13,598,951
Depreciation	125,631,458	115,913,624	373,318,626	381,035,130
Other	1,673,187	152,185	7,172,657	5,035,678
	<u>3,456,592,485</u>	<u>2,996,434,158</u>	<u>9,942,584,487</u>	<u>8,730,386,682</u>
Work in process				
Opening stock	126,101,288	91,171,681	108,030,960	84,099,138
Closing stock	(106,071,128)	(98,183,713)	(106,071,128)	(98,183,713)
	<u>20,030,160</u>	<u>(7,012,032)</u>	<u>1,959,832</u>	<u>(14,084,575)</u>
	<u><u>3,476,622,645</u></u>	<u><u>2,989,422,126</u></u>	<u><u>9,944,544,319</u></u>	<u><u>8,716,302,107</u></u>

9.1.1 Raw material consumed

Opening stock	2,743,393,989	3,603,099,492	2,264,422,626	2,481,314,014
Purchases including purchase expenses	<u>1,879,116,856</u>	<u>2,235,153,193</u>	<u>7,293,061,319</u>	<u>7,844,038,065</u>
	<u>4,622,510,845</u>	<u>5,838,252,685</u>	<u>9,557,483,945</u>	<u>10,325,352,079</u>
Closing stock	(1,809,743,199)	(3,461,227,897)	(1,809,743,199)	(3,461,227,897)
	<u><u>2,812,767,646</u></u>	<u><u>2,377,024,788</u></u>	<u><u>7,747,740,746</u></u>	<u><u>6,864,124,182</u></u>

10. Provision for taxation

Current				
for the period	52,500,325	35,205,969	156,942,283	110,522,934
for prior period	-	-	(3,911,692)	(63,594,983)
Deferred	(10,069,452)	207,108	(65,299,932)	27,118,317
	<u>42,430,872</u>	<u>35,413,076</u>	<u>87,730,659</u>	<u>74,046,267</u>

11. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	Nine months ended March 31,	
		2020 Rupees	2019 Rupees
Key management personnel	Remuneration	28,084,500	25,434,000
	Short term loan obtained / (repaid)	(76,015,141)	110,148,233

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on April 28, 2020 by the Board of Directors of the Parent.

13. GENERAL

13.1 Provision for workers' profit participation fund made in this condensed interim consolidated financial information is subject to adjustment in the annual consolidated financial statements.

13.2 There is no unusual item included in this condensed interim consolidated financial information which is affecting equity, liabilities, assets, profit, comprehensive income or cash flows of the Group.

13.3 The textile business is all year business however, major raw material purchase i.e. cotton, is made during the period from October to March. This leads to higher figures in respect of stock in trade and short term borrowings being reflected during this period.

13.4 Ocean freight was net off against export sale. Now, it has been grouped in proper head "Distribution Cost" for better presentation.

14. Figures have been rounded off to the nearest of Rupees.

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