

**CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 2020**



ZAHIDJEE TEXTILE MILLS LIMITED

1 ZAHIDJEE TEXTILE MILLS LIMITED

Condensed Interim Financial Statements- September 30, 2020

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ZAHIDJEE TEXTILE MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS- SEPTEMBER 30, 2020

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

Mr. Muhammad Sharif
Chairman
 Mr. Muhammad Zahid
**Chief Executive
 Directors**
 Mr. Ahmad Zahid
 Miss Mehreen Zahid
 Mr. Sajjad Hussain Shah
 Mr. Faisal Masood Afzal
 Brig (R) Wali Muhammad

Audit Committee

Mr. Faisal Masood Afzal
 (Chairman)
 Mr. Sajjad Hussain Shah
 Miss Mehreen Zahid

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
 BankIslami 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

Brig (R) Wali Muhammad
 (Chairman)
 Miss Mehreen Zahid
 Mr. Muhammad Sharif
 Mr. Muhammad Zahid

Auditors

RSM Avais 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 the company are pleased to present their Report together with the un-audited Financial statements of the Company for the Quarter ended September 30, 2020.

Operating Results

The Summary of key Financial numbers is presented below:

	September 30, 2020	September 30, 2019
	(Rupees in "000")	
Sales	3,882,028	3,713,147
Gross Profit	429,076	656,006
Profit before taxation	303,983	514,478
Provision for taxation	54,372	50,359
Profit for the period	<u>249,612</u>	<u>464,120</u>
Earnings per share		
Basic and diluted	1.30	2.42

As you are aware the whole world is passing through unprecedented challenging times due to Covid -19. This pandemic has further hardened the cut throat competition prevailing in the market. In spite of the severe challenges, the management has been able to increase the net turnover from Rs. 3.713 billion to Rs. 3.882 billion showing an increase by almost 4.5% as compared to previous period by its consistent efforts. However the profit after tax has been declined to 249.6 millions from 464.1 millions of the corresponding period of last year.

The decrease in profit is mainly attributed to the execution of customers' sales contracts which were signed off during the Covid-19 pandemic lockdown period, at rates lower than the current market rates. Despite all these, the management continues its efforts to manage the affairs of the company as its best.

The net profit translated into Earnings per Share (EPS) is Rs. 1.30 as compared to Rs. 2.42 of the corresponding period.

Future Prospects

The decline in produce of cotton crop this year and increase in energy prices, combined with a threat of a second wave of Covid-19 have become a significant challenge for the textile industry in Pakistan. This will result in significant competitive disadvantage as compared to other countries.

Acknowledgement

The Management would like to place on record its appreciation for the support of Board of Directors, regulatory authorities, shareholders, customers, financial institutions, suppliers and dedication & hard work of the Staff and Workers.

For and on behalf of the Board



MUHAMMAD SHARIF

Chairman



MUHAMMAD ZAHID

Chief Executive Officer

Dated: October 29, 2020

Lahore

ڈائریکٹرز رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹرز 30 ستمبر 2020ء کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالی نتائج:

اہم مالیاتی نمبروں کا خلاصہ ذیل میں پیش کیا گیا ہے۔

30 ستمبر، 2020	30 ستمبر، 2019	
-----'000'-----		
3,882,028	3,713,147	فروخت
429,076	656,006	خام منافع
303,983	514,478	قبل از ٹیکس منافع
54,372	50,359	ٹیکس اخراجات
<u>249,612</u>	<u>464,120</u>	بعد از ٹیکس منافع
<u>1.30</u> روپے	<u>2.42</u> روپے	منافع فی حصص

جیسا کہ آپ جانتے ہیں کوویڈ-19 کی وجہ سے پوری دنیا غیر معمولی چیلنجوں سے گزر رہی ہے اس وبائی مرض نے مارکیٹ میں چلنے والے کٹ تھروٹ مقابلے کو مزید سخت کر دیا ہے۔ ان سخت چیلنجوں کے باوجود، کمپنی کی انتظامیہ کی مستقل کوششوں کی وجہ سے کمپنی نے 3.882 بلین روپے کی فروخت کی جو کہ پچھلی مدت کی فروخت 3.713 بلین روپے سے 4.5 فی صد زیادہ ہے۔ تاہم بعد از ٹیکس منافع گزشتہ سال اسی مدت کے دوران 464.1 بلین روپے سے کم ہو کر 249.6 بلین روپے رہ گیا ہے۔ منافع میں کمی بنیادی طور پر صارفین کے ساتھ فروخت کے معاندوں پر عملدرآمد کی طرف منسوب ہے جو کوویڈ-19 وبائی مرض لاک ڈاؤن کی مدت کے دوران موجودہ مارکیٹ نرخوں سے کم نرخوں پر کیے گئے تھے۔ ان سب کے باوجود انتظامیہ کمپنی کے امور کو ہر ممکن حد تک بہتر طور پر سنبھالنے کے لیے اپنی کوششیں جاری رکھے ہوئے ہے۔

اس عرصے میں فی حصص منافع 1.30 روپے رہا اور گزشتہ سال کی اسی مدت کے دوران فی حصص منافع 2.42 روپے تھا مستقبل کے امکانات:

اس سال روٹی کی فصل کی پیداوار میں کمی، توانائی کی قیمتوں میں اضافہ اور کوویڈ-19 کی دوسری لہر کا خطرہ پاکستان میں ٹیکسٹائل کی صنعت کے لیے ایک اہم چیلنج بن گیا ہے۔ جس کے نتیجے میں دوسرے ممالک کی نسبت خام مال کی قابل قدر مسابقتی قیمتوں کی وجہ سے دشواری کا سامنا رہے گا۔

اعتراف:

انتظامیہ بورڈ آف ڈائریکٹرز، ریگولیشنری حکام، شیئر ہولڈرز، صارفین، مالی اداروں، سپلائی کرنے والوں اور عملے ورکرز کی لگن اور محنت کی حمایت کے لیے اپنی تعریف ریکارڈ کرنا چاہے گی۔

Muhammad Sharif

محمد شریف

چیرمین

Muhammad Zaid

محمد زاہد

چیف ایگزیکٹو آفیسر

تاریخ: اکتوبر 29، 2020

لاہور

	Note	September 30, 2020 Rupees	June 30, 2020 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	6,496,541,643	6,613,186,162
Intangible assets		315,202	330,203
Investment in subsidiary		359,200,000	359,200,000
Long term security deposits		4,476,224	4,476,224
		6,860,533,069	6,977,192,589
CURRENT ASSETS			
Stores, spares and loose tools		158,471,427	155,356,386
Stock in trade		2,290,003,687	2,926,873,525
Trade debts		1,508,772,565	1,729,035,469
Loans, advances and deposit		270,085,685	249,325,964
Prepayments		16,002,324	187,967
Other receivables		114,936,990	84,617,550
Short term investment	4	68,470,838	56,790,569
Tax refunds due from Government		177,558,960	177,558,960
Cash and bank balances		124,031,774	63,840,188
		4,728,334,250	5,443,586,578
CURRENT LIABILITIES			
Trade and other payables		869,154,348	887,327,709
Interest / mark up payable		39,287,374	59,198,537
Short term borrowings		1,914,282,180	2,980,917,815
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		199,988,024	210,628,546
Provision for taxation - income tax		253,702,244	195,763,444
		3,277,618,791	4,335,040,672
		8,311,248,528	8,085,738,495
NON - CURRENT LIABILITIES			
Long term finance		1,116,822,755	1,137,357,078
Deferred liability			
Deferred taxation		473,229,103	481,265,653
		1,590,051,858	1,618,622,731
CONTINGENCIES AND COMMITMENTS			
	5	-	-
Net worth		6,721,196,670	6,467,115,764
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		1,141,663,882	1,157,269,154
Revenue reserves		3,299,063,285	3,029,377,107
		6,721,196,670	6,467,115,764
		6,721,196,670	6,467,115,764

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



CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	September 30, 2020 Rupees	September 30, 2019 Rupees
Sales		3,882,027,856	3,713,146,553
Cost of goods sold	6	3,452,952,062	3,057,140,386
Gross profit		<u>429,075,794</u>	<u>656,006,167</u>
Other income		14,598,577	3,891,861
Trading Profit		<u>683,133</u>	-
		<u>444,357,504</u>	<u>659,898,028</u>
Distribution cost		35,552,523	24,377,238
Administrative expenses		26,894,668	31,665,052
Other operating expenses		24,062,592	32,372,062
Finance cost		53,864,564	57,005,554
		<u>140,374,348</u>	<u>145,419,906</u>
Profit before taxation		303,983,156	514,478,122
Provision for taxation		54,371,502	50,358,511
Profit for the period		<u>249,611,654</u>	<u>464,119,611</u>
Earnings per share - Basic and diluted		<u>1.30</u>	<u>2.42</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	September 30, 2020 Rupees	September 30, 2019 Rupees
Profit for the period	249,611,654	464,119,611
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	15,605,272	19,819,187
Related deferred tax	4,469,252	5,599,934
Total comprehensive income for the period	<u><u>269,686,178</u></u>	<u><u>489,538,732</u></u>

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

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CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	CAPITAL RESERVE			REVENUE RESERVES			Total	
	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	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, 2019	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
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	464,119,611	464,119,611	464,119,611
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(25,419,121)	(25,419,121)	-	19,819,187	19,819,187	(5,599,934)
Related deferred tax	-	-	5,599,934	5,599,934	-	5,599,934	5,599,934	11,199,868
	-	-	(19,819,187)	(19,819,187)	-	25,419,121	25,419,121	5,599,934
Adjustment of deferred tax for the period								
Balance as at September 30, 2019	1,914,210,990	366,258,513	1,208,929,134	1,575,187,647	300,000,000	2,594,985,238	2,894,985,238	6,384,383,875
Transaction with owners								
Dividend paid (Rs. 0.85 per share of Rs. 10 each)	-	-	-	-	-	(162,707,933)	(162,707,933)	(162,707,933)
Total comprehensive income for the year								
Profit for the period	-	-	-	-	-	233,298,817	233,298,817	233,298,817
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the year	-	-	(63,800,985)	(63,800,985)	-	49,537,579	49,537,579	(14,263,406)
Related deferred tax	-	-	14,263,406	14,263,406	-	14,263,406	14,263,406	28,526,812
	-	-	(49,537,579)	(49,537,579)	-	63,800,985	63,800,985	14,263,406
Adjustment of deferred tax for the year								
Balance as at June 30, 2020	1,914,210,990	366,258,513	1,157,269,154	1,523,527,667	300,000,000	2,729,377,107	3,029,377,107	6,467,115,764
Profit for the period	-	-	-	-	-	249,611,654	249,611,654	249,611,654
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the year	-	-	(20,074,524)	(20,074,524)	-	15,605,272	15,605,272	(4,469,252)
Related deferred tax	-	-	4,469,252	4,469,252	-	4,469,252	4,469,252	8,938,504
	-	-	(15,605,272)	(15,605,272)	-	20,074,524	20,074,524	4,469,252
Adjustment of deferred tax for the year								
Balance as at September 30, 2020	1,914,210,990	366,258,513	1,141,663,882	1,507,922,395	300,000,000	2,999,063,285	3,299,063,285	6,721,196,670

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	September 30, 2020 Rupees	September 30, 2019 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	303,983,156	514,478,122
Adjustment for:		
Depreciation of property, plant and equipment	134,907,119	141,754,488
Amortisation of intangible assets	15,001	192,936
Profit on deposits	(61,519)	(272,981)
Adjustment in fair value	(11,680,269)	14,422,949
Finance cost	53,864,564	57,005,554
Operating cash flows before working capital changes	481,028,052	727,581,068
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(3,115,041)	2,460,805
Stock in trade	636,869,839	416,340,398
Trade debts	220,262,904	(235,216,098)
Loans, advances and deposit	(2,950,540)	(27,549,142)
Prepayments	(15,814,358)	17,543,373
Other receivables	(30,319,440)	(20,764,334)
Tax refunds due from Government	-	27,896,233
Increase in current liabilities		
Trade and other payables	(18,173,361)	1,356,899
	786,760,004	182,068,134
Cash generated from operating activities	1,267,788,056	909,649,202
Finance cost paid	(73,775,727)	(81,025,266)
Income tax paid	(17,809,182)	(11,097,221)
Net cash (used in) / generated from operating activities	1,176,203,148	817,526,715

	September 30, 2020 Rupees	September 30, 2019 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(18,262,601)	(136,465,345)
Profit on deposits	61,519	272,981
Net cash (used in) investing activities	<u>(18,201,082)</u>	<u>(136,192,364)</u>
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	-	307,566,379
Repayment of long term finance	(31,174,845)	(46,893,760)
(Decrease) / Increase in short term borrowings - net	(1,066,635,635)	(890,166,500)
Net cash generated from financing activities	<u>(1,097,810,480)</u>	<u>(629,493,881)</u>
Net (decrease) / increase in cash and cash equivalents (a+b+c)	60,191,586	51,840,470
Cash and cash equivalents at the beginning of the year	63,840,188	83,459,305
Cash and cash equivalents at the end of the period	<u><u>124,031,774</u></u>	<u><u>135,299,775</u></u>

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 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 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 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, 2020 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, 2020.

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, 2020.

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020	June 30, 2020
	Rupees	Rupees
Operating assets	5,851,443,365	5,987,525,496
Capital work in progress	408,165,025	388,727,413
Non operating lands	16,203,950	16,203,950
Advance against purchase of land	220,729,303	220,729,303
	<u>6,496,541,643</u>	<u>6,613,186,162</u>

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

	Quarter ended September 30, 2020		Year ended June 30, 2020	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
Capital work in progress				
Civil work	18,262,601	-	163,572,832	-
Plant and machinery	-	-	698,277,786	-
	<u>18,262,601</u>	<u>-</u>	<u>861,850,618</u>	<u>-</u>

(Continued)

	September 30, 2020 Rupees	June 30, 2020 Rupees
4. Short term investments		
Financial assets at fair value through profit or loss		
Quoted securities		
Habib Metropolitan Bank Limited		
2,022,854 (2020: 2,022,854) Ordinary shares of Rs.10/- each	56,255,569	72,984,572
JS Bank Limited		
100,000 (2020: 100,000) Ordinary shares of Rs.10/- each	535,000	397,445
	<u>56,790,569</u>	<u>73,382,017</u>
Adjustment in fair value	11,680,269	(16,591,448)
	<u>68,470,838</u>	<u>56,790,569</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, 2020.

Commitments

	September 30, 2020 Rupees	June 30, 2020 Rupees
Under letters of credit for:		
Plant and machinery	-	7,562,277
Raw material and spare parts	379,334,098	378,250,710
Under contracts for purchase of land	38,961,044	38,961,044
Under contracts for civil work	72,438,271	90,700,872
	September 30, 2020 Rupees	September 30, 2019 Rupees
6. Cost of sales		
Cost of goods manufactured (Note 6.1)	3,150,118,650	3,100,482,448
Finished goods		
Opening stock	608,566,212	231,788,716
Closing stock	(305,732,800)	(275,130,778)
	<u>302,833,412</u>	<u>(43,342,062)</u>
	<u>3,452,952,062</u>	<u>3,057,140,386</u>
6.1 Cost of goods manufactured		
Raw material consumed (Note 6.1.1)	2,467,089,098	2,433,638,917
Packing material consumed	4,142,693	1,404,815
Salaries, wages and benefits	183,665,548	177,897,837
Retirement benefits	7,054,274	7,126,774
Stores and spares consumed	103,201,967	82,972,929
Fuel and power	225,054,329	248,607,684
Repairs and maintenance	17,718,993	4,775,391
Insurance	4,202,977	8,529,344
Depreciation	133,824,998	134,365,345
Other	1,975,882	1,738,863
	<u>3,147,930,758</u>	<u>3,101,057,899</u>
Work in process		
Opening stock	129,047,680	108,030,960
Closing stock	(126,859,788)	(108,606,411)
	<u>2,187,892</u>	<u>(575,451)</u>
	<u>3,150,118,650</u>	<u>3,100,482,448</u>

(Continued)

	September 30, 2020 Rupees	September 30, 2019 Rupees
6.1.1 Raw material consumed		
Opening Stock	2,185,003,908	2,264,422,626
Purchases including purchase expenses	2,139,496,289	1,973,381,006
	<u>4,324,500,197</u>	<u>4,237,803,632</u>
Closing stock	(1,857,411,099)	(1,804,164,715)
	<u>2,467,089,098</u>	<u>2,433,638,917</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, 2020 Rupees	September 30, 2019 Rupees
Chief executive officer	Remuneration	1,200,000	1,200,000
Director	Remuneration	600,000	-

8. Date of authorisation for issue

These financial statements were authorised for issue on October 29, 2020 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, 2020**

	Note	September 30, 2020 Rupees	June 30, 2020 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	7,060,916,069	7,178,010,588
Intangible assets		315,202	330,203
Investment Property		97,030,583	94,917,829
Long term security deposits		4,476,224	4,476,224
		7,162,738,078	7,277,734,844
CURRENT ASSETS			
Stores, spares and loose tools		158,471,427	155,356,386
Stock in trade		2,290,003,687	2,926,873,525
Trade debts		1,508,772,565	1,729,035,469
Loans, advances and deposit		273,967,521	252,004,445
Prepayments		16,002,324	187,967
Other receivables		114,136,990	83,817,550
Short term investment	5	68,470,838	56,790,569
Tax refunds due from Government		181,811,574	181,811,574
Cash and bank balances		126,048,219	68,852,324
		4,737,685,145	5,454,729,809
CURRENT LIABILITIES			
Trade and other payables		870,646,893	888,820,253
Interest / mark up payable		39,287,374	59,198,537
Short term borrowings		1,931,282,180	2,997,917,815
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		199,988,024	210,628,546
Provision for taxation - income tax		254,920,213	196,728,764
		3,297,329,305	4,354,498,536
		8,603,093,918	8,377,966,117
NON - CURRENT LIABILITIES			
Long term finance		1,116,822,755	1,137,357,078
Deferred liability			
Deferred taxation		473,229,103	481,265,653
		1,590,051,857	1,618,622,731
CONTINGENCIES AND COMMITMENTS			
Net worth	6	-	-
		7,013,042,061	6,759,343,386
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		1,141,663,882	1,157,269,154
Revenue reserves		3,293,774,238	3,024,295,953
		6,715,907,623	6,462,034,610
Non-controlling interest		297,134,438	297,308,776
		7,013,042,061	6,759,343,386

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	September 30, 2020 Rupees	September 30, 2019 Rupees
Sales		3,882,027,856	3,713,146,553
Cost of goods sold	7	3,452,952,062	3,057,140,386
Gross profit		429,075,794	656,006,167
Other income		15,806,241	4,982,614
Trading Profit		683,133	-
		445,565,168	660,988,781
Distribution cost		35,552,523	25,326,930
Administrative expenses		28,231,914	31,665,052
Other operating expenses		24,062,592	32,372,062
Finance cost		53,864,564	57,005,554
		141,711,594	146,369,598
Profit before taxation		303,853,574	514,619,183
Provision for taxation		54,624,151	50,586,197
Profit for the period		249,229,423	464,032,986
Attributable to:			
Shareholders of the Parent		249,403,761	464,080,101
Non-controlling interest		(174,338)	(47,115)
		249,229,423	464,032,986
Earnings per share - Basic and diluted		1.30	2.42

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	September 30, 2020 Rupees	September 30, 2019 Rupees
Profit for the period	249,229,423	464,032,986
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	15,605,272	19,819,187
Related deferred tax	4,469,252	5,599,934
Total comprehensive income for the period	<u><u>269,303,947</u></u>	<u><u>489,452,107</u></u>
Attributable to:		
Shareholders of the Parent	269,478,285	489,499,222
Non-controlling interest	<u>(174,338)</u>	<u>(47,115)</u>
	<u><u>269,303,947</u></u>	<u><u>489,452,107</u></u>


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, 2019	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	5,910,929,230	298,437,541
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	464,080,101	464,080,101	464,080,101	(47,115)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(25,419,121)	(25,419,121)	-	19,819,187	19,819,187	(5,599,934)	-
Related deferred tax	-	-	5,599,934	5,599,934	-	5,599,934	5,599,934	11,199,868	-
Adjustment of deferred tax for the period	-	-	(19,819,187)	(19,819,187)	-	25,419,121	25,419,121	5,599,934	-
Balance as at September 30, 2019	1,914,210,990	366,258,513	1,208,929,134	1,575,187,647	300,000,000	2,591,210,628	2,891,210,628	6,380,609,264	298,390,427
Transaction with owners									
Dividend paid (Rs. 0.85 per share of Rs. 10 each)	-	-	-	-	-	(162,707,933)	(162,707,933)	(162,707,933)	-
Total comprehensive income for the year									
Profit / (loss) for the year	-	-	-	-	-	231,992,273	231,992,273	231,992,273	(1,081,650)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss :									
Incremental depreciation on revalued assets for the year	-	-	(63,800,985)	(63,800,985)	-	49,537,579	49,537,579	(14,263,406)	-
Related deferred tax	-	-	14,263,406	14,263,406	-	14,263,406	14,263,406	28,526,812	-
Adjustment of deferred tax for the year	-	-	(49,537,579)	(49,537,579)	-	63,800,985	63,800,985	14,263,406	-
Balance as at June 30, 2020	1,914,210,990	366,258,513	1,157,269,154	1,523,527,667	300,000,000	2,724,295,953	3,024,295,953	6,462,034,610	297,308,776
Total comprehensive income for the year									
Profit / (loss) for the year	-	-	-	-	-	249,403,761	249,403,761	249,403,761	(174,338)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss :									
Incremental depreciation on revalued assets for the year	-	-	(20,074,524)	(20,074,524)	-	15,605,272	15,605,272	(4,469,252)	-
Related deferred tax	-	-	4,469,252	4,469,252	-	4,469,252	4,469,252	8,938,504	-
Adjustment of deferred tax for the year	-	-	(15,605,272)	(15,605,272)	-	20,074,524	20,074,524	4,469,252	-
Balance as at September 30, 2020	1,914,210,990	366,258,513	1,141,663,882	1,507,922,395	300,000,000	2,993,774,238	3,293,774,238	6,715,907,623	297,134,438

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	September 30, 2020 Rupees	September 30, 2019 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	303,853,574	514,619,183
Adjustment for:	-	-
Depreciation of property, plant and equipment	136,244,365	142,704,180
Amortisation of intangible assets	15,001	192,936
Balances written back	-	-
Profit on deposits	(94,773)	(296,088)
Adjustment in fair value	(11,680,269)	14,422,949
Finance cost	53,864,564	57,005,554
Operating cash flows before working capital changes	<u>482,202,462</u>	<u>728,648,714</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(3,115,041)	2,460,805
Stock in trade	636,869,839	416,340,398
Trade debts	220,262,904	(235,216,098)
Loans, advances and deposit	(4,031,468)	(28,052,959)
Prepayments	(15,814,358)	17,543,373
Other receivables	(30,319,440)	(20,764,334)
Tax refunds due from Government	-	27,896,233
Increase in current liabilities		
Trade and other payables	(18,173,361)	1,356,899
Security deposit payable	-	907,500
Cash generated from operating activities	<u>1,267,881,538</u>	<u>911,120,531</u>
Finance cost paid	(73,775,727)	(81,025,266)
Income tax paid	(17,931,609)	(11,257,367)
Net cash (used in) / generated from operating activities	<u>1,176,174,203</u>	<u>818,837,898</u>
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(21,262,601)	(136,465,345)
Profit on deposits	94,773	296,088
Dividend received	-	-
Net cash (used in) investing activities	<u>(21,167,828)</u>	<u>(136,169,257)</u>

	September 30, 2020 Rupees	September 30, 2019 Rupees
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	-	307,566,379
Repayment of long term finance	(31,174,845)	(46,893,760)
Increase in short term borrowings - net	(1,066,635,635)	(890,166,500)
Net cash (used in) / generated from financing activities	<u>(1,097,810,480)</u>	<u>(629,493,881)</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)	57,195,895	53,174,760
Cash and cash equivalents at the beginning of the year	68,852,324	83,907,182
Cash and cash equivalents at the end of the year	<u>126,048,219</u>	<u>137,081,942</u>

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 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 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 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 Group'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, 2020 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, 2020.

(Continued)

- 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, 2020.

4. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020 Rupees	June 30, 2020 Rupees
Operating assets	5,855,493,365	5,992,025,496
Capital work in progress	408,165,025	388,727,413
Non operating lands	576,528,376	576,528,376
Advance against purchase of land	220,729,303	220,729,303
	<u>7,060,916,069</u>	<u>7,178,010,588</u>

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

	Quarter ended September 30, 2020		Year ended June 30, 2020	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
Capital work in progress				
Civil work	21,262,601	-	698,277,786	-
Plant and machinery	-	-	163,572,832	-
	<u>21,262,601</u>	<u>-</u>	<u>861,850,618</u>	<u>-</u>

5. Short term investments

	September 30, 2020 Rupees	June 30, 2020 Rupees
Available for sale at fair value		
Quoted securities		
Habib Metropolitan Bank Limited		
2,022,854 (June 30, 2020: 2,022,854)		
ordinary shares of Rs.10/- each	56,255,569	72,984,572
JS Bank Limited		
1,00,000 (2020: 100,000)		
Ordinary shares of Rs.10/- each	<u>535,000</u>	<u>397,445</u>
	56,790,569	73,382,017
Adjustment in fair value	11,680,269	(16,591,448)
	<u>68,470,838</u>	<u>56,790,569</u>

6. CONTINGENCIES AND COMMITMENTS

(Continued)

Contingencies

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2020.

	September 30, 2020 Rupees	June 30, 2020 Rupees
Commitments		
Under letters of credit for:		
Plant and machinery	-	7,562,277
Raw material and spare parts	379,334,098	378,250,710
Under contracts for purchase of land	38,961,044	38,961,044
Under contracts for civil work	72,438,271	90,700,872
	September 30, 2020 Rupees	September 30, 2019 Rupees

7. Cost of sales

Cost of goods manufactured (Note 7.1)	3,150,118,650	3,100,482,448
Finished goods		
Opening stock	608,566,212	231,788,716
Closing stock	(305,732,800)	(275,130,778)
	302,833,412	(43,342,062)
	<u>3,452,952,062</u>	<u>3,057,140,386</u>

7.1 Cost of goods manufactured

Raw material consumed (Note 7.1.1)	2,467,089,098	2,433,638,917
Packing material consumed	4,142,693	1,404,815
Salaries, wages and benefits	183,665,548	177,897,837
Retirement benefits	7,054,274	7,126,774
Stores and spares consumed	103,201,967	82,972,929
Fuel and power	225,054,329	248,607,684
Repairs and maintenance	17,718,993	4,775,391
Insurance	4,202,977	8,529,344
Depreciation	133,824,998	134,365,345
Other	1,975,882	1,738,863
	<u>3,147,930,758</u>	<u>3,101,057,899</u>
Work in process		
Opening stock	129,047,680	108,030,960
Closing stock	(126,859,788)	(108,606,411)
	2,187,892	(575,451)
	<u>3,150,118,650</u>	<u>3,100,482,448</u>

7.1.1 Raw material consumed

Opening Stock	2,185,003,908	2,264,422,626
Purchases including purchase expenses	2,139,496,289	1,973,381,006
	4,324,500,197	4,237,803,632
Closing stock	(1,857,411,099)	(1,804,164,715)
	<u>2,467,089,098</u>	<u>2,433,638,917</u>

**8. AGGREGATE TRANSACTIONS
WITH RELATED PARTIES**

(Continued)

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, 2020 Rupees	September 30, 2019 Rupees
Chief executive officer	Remuneration	1,200,000	1,200,000
Director	Remuneration	600,000	-

9. Date of authorisation for issue

These financial statements were authorised for issue on October 29, 2020 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