

**CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
March 31, 2019**



ZAHIDJEE TEXTILE MILLS LIMITED

1 ZAHIDJEE TEXTILE MILLS LIMITED
Condensed Interim Financial Statements - March 31, 2019

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**Company
Information**

Board of Directors

Chairman

Mr. Muhammad Sharif

Chief Executive

Muhammad Zahid

Directors

Mr. Ahmad Zahid

Miss 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
J.S Bank Limited
Meezan Bank Limited
National Bank of Pakistan
The Bank of Punjab
United Bank Limited

HR& Remuneration Committee

Mr. Ahmad Zahid
(Chairman)
Mr. Faisal Masood Afzal
Miss Mahreen Zahid

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Export Office

20, Bilal Road, Civil Lines,
Faisalabad

Mills

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

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Condensed Interim Financial Statements - March 31, 2019

Directors' Report to the Members

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, 2019.

OPERATING FINANCIAL RESULTS

	March 31 2019	March 31 2018
	Un-audited	Un-audited
	(Rupees in 'million')	
Sales	9,716	7,438
Gross Profit	1,058	829
Profit before taxation	610	516
Provision for taxation	73	64
Profit for the period	537	452
Earnings Per Share (Rs.)	2.80	2.36

During the nine months ended March 31, 2019, your company earned a gross profit of Rs. 1,058 million on sales of Rs. 9,716 million compared to gross profit of Rs. 829 million on sales of Rs 7,438 million for the corresponding period of previous financial year. During the period under review, your company recorded a net profit of Rs. 537 million (EPS: Rs. 2.80 per share), compared to net profit of Rs. 452 million (EPS: Rs. 2.36 per share) in the corresponding period.

Net profit not increased with the proportionate of increase in sale due to increase in raw material prices and discount rate by SBP as a result the bottom line remains under expectations.

Future Outlook

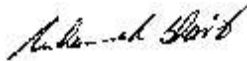
In spite of challenging conditions, Company have shown improvement during the period under review and the management is optimistic about further improvement of results in future. Installation of new machinery in cotton unit is under way to enhance the capacity of back process, that will result in increase in production of yarn bags. After completion of expansion plan, we will go for introduction of further qualities of yarn for value addition.

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, 2019 (54.39% : June 30, 2018). Therefore, consolidated interim financial information has been annexed.

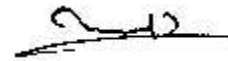
Acknowledgements

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



Muhammad Sharif
Chairman

For and on behalf of the Board



Muhammad Zahid
Chief Executive Officer

Lahore: April 27, 2019

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2019 کو ختم ہونے والی نو ماہی کے لیے کارکردگی کا جائزہ اور غیر آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

31 مارچ، 2018	31 مارچ، 2019	مالیاتی نتائج: روپے ملین میں
7,438	9,716	فروخت
829	1,058	مجموعی منافع
516	610	ٹیکس سے پہلے منافع
64	73	ٹیکسیشن
452	537	ٹیکس کے بعد منافع
2.36	2.80	فی شیئر آمدن

31 مارچ، 2019 کو ختم ہونے والی نو ماہی کے دوران آپ کی کمپنی نے گزشتہ مالیاتی سال کی مدت کے لیے 7,438 ملین کی فروخت پر 829 ملین کا مجموعی منافع کے مقابلے میں 9,716 ملین کی فروخت پر 1,058 ملین کا مجموعی منافع حاصل کیا۔ زیرہ جائزہ مدت کے دوران آپ کی کمپنی نے 537 ملین (2.80 فی شیئر) کا خالص منافع حاصل کیا ہے۔ پچھلے مالی سال کے اسی عرصے میں 452 ملین (2.36) فی شیئر کا خالص منافع کیا تھا۔ خالص منافع میں فروخت کے تناسب سے اضافہ نہیں ہوا لیکن خام مال کی قیمتوں میں اضافہ اور شرح کی سود میں اضافے نے خالص منافع توقعات سے کم ہوا ہے۔

مستقبل کا نقشہ

مشکل حالات کے باوجود آپ کی کمپنی نے زیرجائزہ کے دوران بہتری ظاہر کی ہے اور انتظامیہ مستقبل کے قریب میں نتائج کی مزید بہتری بارے پر امید ہے کپاس والے پونٹ میں نئی مشینری کی تنصیب کا عمل شروع ہے جس سے دھماگہ کی پیداوار میں اضافہ ہوگا جو کہ اس منصوبے کے ختم ہونے کے بعد مختلف اقسام کی یارن متعارف کروائیں گے۔

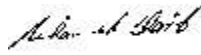
ذیلی کمپنی

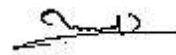
زاہدی نادر پرائیویٹ لمیٹڈ پاکستان میں پرائیویٹ کمپنی کے طور پر کمپنی آرڈیننس 1984 کے تحت قائم ہوئی زاہدی ٹیکسٹائل ملز لمیٹڈ ذیلی کمپنی کے 65.77 شیئرز کی مالک ہے اس لیے کمپنی نے مشترکہ 30 جون 2017 کی مالی رپورٹس ساتھ دی ہے

اعتراف

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

منجانب بورڈ آف ڈائریکٹرز


محمد شریف
ڈائریکٹر


محمد زاہد
چیف ایگزیکٹو

لاہور: 27 اپریل 2019

**ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019**

	Note	Un-audited March 31 2019 Rupees	Audited June 30, 2018 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	6,034,444,222	6,204,293,855
Intangible assets		1,314,147	1,968,512
Investment in subsidiary	4	359,200,000	359,200,000
Long term security deposits		4,476,224	4,450,142
		6,399,434,593	6,569,912,509
CURRENT ASSETS			
Stores, spares and loose tools		137,392,722	113,884,208
Stock in trade		3,841,553,285	2,987,053,124
Trade debts		1,249,531,704	971,774,514
Loans, advances and deposits		149,279,369	161,680,474
Prepayments		7,890,535	1,395,389
Other receivables		86,707,058	103,945,845
Short term investment	5	83,907,984	87,690,721
Tax refunds due from Government		336,026,185	358,543,569
Cash and bank balances		74,500,901	24,778,023
		5,966,789,743	4,810,745,867
CURRENT LIABILITIES			
Trade and other payables		839,785,945	781,924,356
Interest / markup payable		97,803,398	54,769,323
Short term borrowings		4,066,917,339	3,598,814,126
Unclaimed dividend		1,204,621	1,763,009
Current portion of long term finance		213,815,138	195,391,429
Provision for taxation - income tax		109,746,464	97,287,034
		5,329,272,905	4,729,949,277
		7,036,951,431	6,650,709,099
NON - CURRENT LIABILITIES			
Long term finance		817,500,832	927,898,534
Deferred liability		561,596,297	551,785,282
Deferred taxation			
		1,379,097,129	1,479,683,816
CONTINGENCIES AND COMMITMENTS			
Net worth	6	-	-
		5,657,854,302	5,171,025,283
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
Fair value reserve Surplus on revaluation of property, plant and equipment		1,262,629,638	1,321,453,916
Revenue reserves		2,114,755,161	1,569,101,864
		5,657,854,302	5,171,025,283
		5,657,854,302	5,171,025,283

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

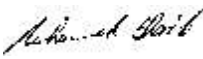

CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Sales	7	3,316,625,620	2,731,701,126	9,715,586,835	7,380,478,412
Cost of goods sold	8	2,968,896,610	2,405,611,059	8,657,728,783	6,609,562,381
Gross profit		347,729,010	326,090,067	1,057,858,052	770,916,031
Trading (loss) / profit		127,742	-	82,431	50,693
Other income		(1,965,881)	20,774,479	8,992,671	29,472,288
		345,890,871	346,864,546	1,066,933,154	800,439,012
Distribution cost		19,340,830	12,870,311	39,710,813	34,935,227
Administrative expenses		24,573,548	20,463,987	91,129,757	77,613,717
Other operating expenses		10,346,231	8,923,074	36,030,072	23,511,143
Finance cost		120,439,367	64,720,174	290,273,613	148,848,348
		174,699,976	106,977,546	457,144,254	284,908,435
Profit for the period before taxation		171,190,895	239,887,000	609,788,900	515,530,577
Provision for taxation	9	35,103,988	79,142,336	73,269,798	63,529,797
Profit for the period		136,086,907	160,744,664	536,519,102	452,000,780
Earnings per share - Basic and diluted		0.71	0.84	2.80	2.36

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


CHIEF EXECUTIVE OFFICER

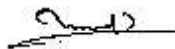

DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	<u>Quarter ended March 31,</u>		<u>Nine months ended March 31,</u>	
	<u>2019</u> Rupees	<u>2018</u> Rupees	<u>2019</u> Rupees	<u>2018</u> Rupees
Profit for the period	136,086,907	160,744,664	536,519,102	452,000,780
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>136,086,907</u>	<u>160,744,664</u>	<u>536,519,102</u>	<u>452,000,780</u>

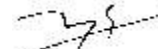
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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine months ended	
	March 31,	
	2019	2018
	Rupees	Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	609,788,900	515,530,577
Adjustments for :		
Depreciation of property, plant and equipment	404,936,649	178,825,392
Amortization on intangible assets	654,365	1,674,660
Balances written off	(84,557)	(3,440,943)
Balances written back	(9,068,520)	(1,100)
Loss / (Gain) on disposal of operating assets	2,162,456	(34,894)
Impairment loss on short term investment	3,782,737	(19,945,340)
Finance cost	290,273,613	148,848,348
Operating cash flows before working capital changes	<u>1,302,445,642</u>	<u>821,456,700</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(23,508,514)	18,468,750
Stock in trade	(854,500,161)	(276,857,500)
Trade debts	(277,672,633)	(241,904,910)
Loans, advances and deposits	12,401,105	(91,122,450)
Prepayments	(6,495,146)	(2,663,349)
Other receivables	17,238,787	(60,068,658)
Tax refunds due from Government	22,517,384	(18,445,571)
Increase in current liabilities		
Trade and other payables	66,930,109	325,452,203
	<u>(1,043,089,069)</u>	<u>(347,141,485)</u>
Cash generated from/ (used in) operating activities	259,356,573	474,315,215
Finance cost paid	(247,239,538)	(144,968,826)
Income tax paid	(32,755,881)	(36,918,606)
Net cash generated from/ (used in) operating activities	<u>(20,638,846)</u>	<u>292,427,783</u>
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(238,497,959)	(683,920,387)
Addition long term security deposits	(26,082)	-
Proceeds from disposal of operating assets	338,400	112,000
Net cash generated from/ (used in) investing activities	<u>(238,211,723)</u>	<u>(683,808,387)</u>

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 Condensed Interim Financial Statements - March 31, 2019

	Nine months ended	
	March 31,	
	2019	2018
	Rupees	Rupees
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	110,348,062	325,000,000
Long term financing repaid	(202,322,055)	(210,836,555)
Increase in short term borrowings - net	468,103,213	267,238,599
Dividend paid	(67,555,773)	-
Net cash generated from/ (used in) financing activities	<u>308,573,447</u>	<u>381,402,044</u>
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	49,722,878	(9,978,560)
Cash and cash equivalents at the beginning of the period	<u>24,778,023</u>	<u>56,865,862</u>
Cash and cash equivalents at the end of the period	<u><u>74,500,901</u></u>	<u><u>46,887,302</u></u>

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

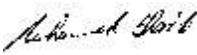

 CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVE			REVENUE RESERVES			Total	
	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub Total	General reserve	unappropriated profit	Sub Total		
R U P E E S								
Balance as at July 01, 2017 (Audited)	1,823,058,090	366,258,513	1,372,514,179	1,738,772,692	300,000,000	979,818,325	1,279,818,325	4,841,649,107
Transaction with owners								
Bonus shares issued during the year (One share for each twenty shares held)	91,152,900	-	-	-	-	(91,152,900)	(91,152,900)	-
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	452,000,780	452,000,780	452,000,780
Other comprehensive income								
Incremental depreciation on revalued assets for the period	-	-	(40,138,145)	(40,138,145)	-	31,536,942	31,536,942	(8,601,203)
Related deferred tax	-	-	8,601,203	8,601,203	-	8,601,203	8,601,203	17,202,406
	-	-	(31,536,942)	(31,536,942)	-	40,138,145	40,138,145	8,601,203
Balance as at March 31, 2018 (Unaudited)	1,914,210,990	366,258,513	1,340,977,237	1,707,235,750	300,000,000	1,380,804,350	1,680,804,350	5,302,251,090
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	(126,072,975)	(126,072,975)	(126,072,975)
Other comprehensive income								
Incremental depreciation on revalued assets for the period	-	-	(13,184,862)	(13,184,862)	-	9,926,975	9,926,975	(3,257,887)
Related deferred tax	-	-	3,257,887	3,257,887	-	3,257,887	3,257,887	6,515,774
	-	-	(9,926,975)	(9,926,975)	-	13,184,862	13,184,862	3,257,887
Surplus realised on disposal of property, plant and equipment	-	-	(1,185,627)	(1,185,627)	-	859,512	859,512	(326,115)
Related deferred tax	-	-	326,115	326,115	-	326,115	326,115	652,230
	-	-	(859,512)	(859,512)	-	1,185,627	1,185,627	326,115
Adjustment of deferred tax for the year								
	-	-	(8,736,834)	(8,736,834)	-	-	-	(8,736,834)
Balance as at June 30, 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								
Items that may be subsequently reclassified to profit or loss:								
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

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENT (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

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 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. 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, 2018.

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, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 9 'Financial Instruments' - This standard replaces guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

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

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts', and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

As a result of application of IFRS 15, freight charges relating to exports that were classified in distribution costs, have now been netted off against Revenue from Exports.

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

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

2.3 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, 2018 except as disclosed in 2.2.1.

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, 2018.

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, 2018.

	Note	Un-audited March 31 2019 Rupees	Audited June 30, 2018 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	5,710,187,901	6,015,352,863
Capital work in progress	3.2	220,219,908	135,894,269
Non operating lands		16,203,950	16,203,950
Advance against purchase of land		85,719,050	35,662,080
Advances for capital expenditure		2,113,413	1,180,693
		6,034,444,222	6,204,293,855
3.1 Operating assets			
Book value at beginning of period / year		6,015,352,863	5,218,559,749
Add: Additions during the period / year	3.1.1	103,182,630	1,053,687,714
Less: Disposal during the period / year		(3,410,943)	(3,823,119)
Depreciation charge during the period / year		(404,936,649)	(253,071,481)
		5,710,187,901	6,015,352,863

13 ZAHIDJEE TEXTILE MILLS LIMITED
Condensed Interim Financial Statements - March 31, 2019

	Un-audited March 31 2019 Rupees	Audited June 30, 2018 Rupees
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	1,511,021	205,888,979
Plant and machinery	88,532,265	828,666,449
Electric installations	801,139	13,602,304
Factory equipment	-	1,457,739
Office equipment	2,944,398	219,353
Electric appliances	281,873	1,181,080
Furniture and fittings	275,690	406,160
Vehicles	8,836,244	2,265,650
	<u>103,182,630</u>	<u>1,053,687,714</u>
3.2 Capital work in progress		
Civil work	188,614,515	135,014,249
Plant and machinery	31,605,393	880,020
	<u>220,219,908</u>	<u>135,894,269</u>
4. Investment in subsidiary		
Zahidjee Towers (Private) Limited 35,920,000 (June 30, 2018: 35,920,000) ordinary shares of Rs. 10/- each fully paid in cash. Ownership interest 54.39% (June 30, 2018: 54.39%).	<u>359,200,000</u>	<u>359,200,000</u>
4.1 The principal objective 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, Gulberg II, Jail Road, Lahore in the province of Punjab.		
5. Short term investment		
Financial assets at fair value through profit or loss		
Quoted security		
Habib Metropolitan Bank Limited 2,022,854 (June 30, 2018: 2,022,854) ordinary shares of Rs.10/- each	87,690,721	66,855,325
Adjustment in fair value	(3,782,737)	20,835,396
	<u>83,907,984</u>	<u>87,690,721</u>
Market Rate	41.48	43.35
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, 2018, except the followings;		
Contingencies		
Income tax demand not acknowledged due to pending appeals	42,853,422	89,527,190
Sales tax demand not acknowledged due to pending appeals	18,883,675	80,617,996
Commitments		
Under letters of credit for raw material and spare parts	295,832,733	343,950,652

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Condensed Interim Financial Statements - March 31, 2019

Note	Quarter ended March 31,		Nine months ended March 31,	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
7. Sales				
Export				
Cloth / made ups	636,290,439	512,771,845	1,689,039,680	1,536,039,701
Less : Freight	20,563,622	20,310,298	53,334,117	57,773,450
	615,726,817	492,461,547	1,635,705,563	1,478,266,251
Local				
Yarn	2,622,406,375	2,040,128,694	7,831,151,647	5,533,886,381
Cloth	975,002	27,141,547	13,844,746	38,941,058
Waste and left over	93,661,536	107,180,260	278,028,736	283,664,648
Conversion receipts	5,245,107	17,402,464	18,270,692	28,560,844
	2,722,288,020	2,191,852,965	8,141,295,821	5,885,052,931
	3,338,014,837	2,684,314,512	9,777,001,384	7,363,319,182
Add: Export rebate / duty drawback	2,687,546	66,184,828	3,007,870	66,184,828
	3,340,702,383	2,750,499,340	9,780,009,254	7,429,504,010
Less: Commission and claims	24,076,763	18,798,214	64,422,419	49,025,598
	3,316,625,620	2,731,701,126	9,715,586,835	7,380,478,412
8. COST OF GOODS SOLD				
Cost of goods manufactured	8.1 2,989,422,126	2,336,768,703	8,716,302,107	6,526,621,551
Finished goods				
Opening stock	261,616,159	266,874,059	223,568,351	280,972,533
Closing stock	(282,141,675)	(198,031,702)	(282,141,675)	(198,031,702)
	(20,525,516)	68,842,356	(58,573,324)	82,940,830
	2,968,896,610	2,405,611,059	8,657,728,783	6,609,562,381
8.1 Cost of goods manufactured				
Raw material consumed 7.1.1	2,377,024,788	1,841,218,499	6,864,124,182	5,116,300,130
Packing material consumed	29,851,772	36,579,574	94,855,726	88,831,449
Salaries, wages and benefits	176,509,698	130,247,770	485,261,846	380,729,756
Retirement benefits	6,323,467	5,538,283	18,557,730	15,942,658
Stores and spares consumed	57,569,871	43,764,780	163,446,737	132,138,433
Fuel and power	202,543,386	193,682,815	636,090,520	552,704,343
Repairs and maintenance	27,918,306	27,842,635	68,380,182	61,918,580
Insurance	2,627,061	5,184,713	13,598,951	12,439,449
Depreciation	115,913,624	58,181,113	381,035,130	173,426,801
Other	152,185	5,045,502	5,035,678	7,011,668
	2,996,434,158	2,347,285,684	8,730,386,682	6,541,443,267
Work in process				
Opening stock	91,171,681	95,191,573	84,099,138	90,886,838
Closing stock	(98,183,713)	(105,708,554)	(98,183,713)	(105,708,554)
	(7,012,032)	(10,516,981)	(14,084,575)	(14,821,716)
	2,989,422,126	2,336,768,703	8,716,302,107	6,526,621,551
7.1.1 Raw material consumed				
Opening stock	3,603,099,492	2,501,018,337	2,481,314,014	1,441,535,919
Purchases including purchase expenses	2,235,153,193	1,126,712,697	7,844,038,065	5,461,276,746
	5,838,252,685	3,627,731,034	10,325,352,079	6,902,812,665
Closing stock	(3,461,227,897)	(1,786,512,535)	(3,461,227,897)	(1,786,512,535)
	2,377,024,788	1,841,218,499	6,864,124,182	5,116,300,130
9. Provision for taxation				
Current for the period	34,896,880	74,567,112	109,746,464	74,567,111
for prior period			(63,594,983)	(870,502)
Deferred	207,108	4,575,224	27,118,317	(10,166,813)
	35,103,988	79,142,336	73,269,798	63,529,797

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Condensed Interim Financial Statements - March 31, 2019

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,	
		2019 Rupees	2018 Rupees
Key management personnel	Remuneration	25,434,000	23,327,000
	Short term loan obtained / (repaid)	110,148,233	(62,297,009)

11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 27, 2019 by the Board of Directors of the Company.

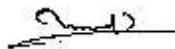
12. GENERALS

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.

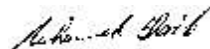
12.2 There is no unusual item included in this condensed interim financial information which is affecting assets, liabilities, equity, profit, comprehensive income or cash flows of the Company.

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.

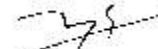
13. Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED
FINANCIAL
INFORMATION
March 31, 2019**

**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019**

	Note	Un-audited March 31 2019 Rupees	Audited June 30, 2018 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	6,599,648	6,769,618,281
Intangible assets		1,314,147	1,968,512
Investment property	5	100,922,831	103,922,234
Long term security deposits		4,476,224	4,450,142
		6,706,481,850	6,879,959,169
CURRENT ASSETS			
Stores, spares and loose tools		137,392,722	113,884,208
Stock in trade		3,841,553,285	2,987,053,124
Trade debts		1,249,855,234	971,774,514
Loans, advances and deposit		152,479,274	162,732,486
Prepayments		7,890,535	1,395,389
Other receivables		85,907,058	103,145,845
Short term investment	6	83,907,984	87,690,721
Tax refunds due from Government		340,241,955	362,759,339
Cash and bank balances		74,966,596	24,926,168
		5,974,194,643	4,815,361,794
CURRENT LIABILITIES			
Trade and other payables		842,179,224	782,781,931
Interest / mark up payable		97,803,398	54,769,323
Short term borrowings		4,083,917,339	3,615,814,126
Unclaimed dividend		-	1,763,009
Current portion of long term finance		213,815,138	195,391,429
Provision for taxation - income tax		111,045,288	97,809,388
		5,348,760,387	4,748,329,206
		7,331,916,106	6,946,991,757
NON - CURRENT LIABILITIES			
Long term finance		817,500,832	927,898,534
Deferred liability		561,596,297	551,785,282
Deferred taxation	7	1,379,097,129	1,479,683,816
		-	-
CONTINGENCIES AND COMMITMENTS			
Net worth	8	5,952,818,977	5,467,307,941
Represented by :			
Share capital	9	1,914,210,990	1,914,210,990
Capital reserve		366,258,513	366,258,513
Merger reserve			
Surplus on revaluation of property, plant and equipment		1,262,298,565	1,321,453,916
Revenue reserves		2,111,342,766	1,566,226,244
		5,654,110,824	5,168,149,663
Non-controlling interest		298,708,153	299,158,278
		5,952,818,977	5,467,307,941

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 CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Sales	8	3,316,625,620	2,731,701,126	9,715,586,835	7,380,478,412
Cost of goods sold	9	2,968,896,610	2,405,611,059	8,657,728,783	6,609,562,381
Gross profit		347,729,010	326,090,067	1,057,858,052	770,916,031
Trading (loss) / profit		127,742	-	82,431	50,693
Other income		(657,429)	22,245,069	12,250,317	30,945,463
		347,199,324	348,335,136	1,070,190,800	801,912,187
Distribution cost		19,340,831	12,870,311	39,710,813	34,935,227
Administrative expenses		26,012,023	22,482,400	94,597,833	81,399,335
Other operating expenses		10,346,231	8,923,074	36,030,072	23,511,143
Finance cost		120,439,367	64,730,063	290,273,613	148,858,237
		176,138,452	109,005,848	460,612,331	288,703,942
Profit for the period before taxation		171,060,872	239,329,288	609,578,469	513,208,245
Provision for taxation	10	35,413,076	79,354,100	74,046,267	63,882,738
Profit for the period		135,647,796	159,975,188	535,532,202	449,325,507
Attributable to:					
Shareholders of the Parent		135,848,075	160,094,483	535,982,327	450,268,006
Non-controlling interest		(200,279)	(119,295)	(450,125)	(942,499)
		135,647,796	159,975,188	535,532,202	449,325,507
Earnings per share - Basic and diluted Attributable to shareholders of the Parent (Rupees)		0.71	0.84	2.80	2.36

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
 CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
 (Un-audited)
 FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	Quarter ended March 31,		Nine months ended March 31,	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
Profit for the period	135,647,796	159,975,188	535,532,202	449,325,507
Items that will not be subsequently reclassified to profit or loss				
Incremental depreciation on revalued assets for the period	-	10,552,127	-	31,536,942
related deferred tax	-	2,877,926	-	8,601,203
	-	13,430,053	-	40,138,145
Total comprehensive income for the period	<u>135,647,796</u>	<u>173,405,241</u>	<u>535,532,202</u>	<u>489,463,652</u>
Attributable to:				
Shareholders of the Parent	135,848,075	173,524,536	535,982,327	490,406,151
Non-controlling interest	(200,279)	(119,295)	(450,125)	(942,499)
	<u>135,647,796</u>	<u>173,405,241</u>	<u>535,532,202</u>	<u>489,463,652</u>

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


 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	Nine months ended	
	March 31,	
	2019	2018
	Rupees	Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	609,578,470	513,208,245
Adjustments for :		
Depreciation of property, plant and equipment	404,936,649	178,825,392
Depreciation on investment property	2,999,403	2,018,413
Amortization on intangible assets	654,365	1,674,660
(Gain) / loss on disposal of operating assets	2,162,456	(34,894)
Balances written off	(84,557)	(3,440,943)
Balances written back	(9,068,520)	(1,100)
Fair value adjustment of short term investment	3,782,737	(19,945,340)
Finance cost	290,251,257	148,848,348
Operating cash flows before working capital changes	1,305,212,259	821,152,781
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(23,508,514)	18,468,750
Stock in trade	(854,500,161)	(276,857,500)
Trade debts	(277,672,633)	(241,904,910)
Loans and advances	12,401,105	(91,122,450)
Prepayments	(6,495,146)	(2,663,349)
Other receivables	17,238,787	(60,068,658)
Tax refunds due from Government - sales tax	22,517,384	(18,445,571)
Increase in current liabilities		
Trade and other payables	66,930,109	325,457,252
	(1,043,089,069)	(347,136,436)
Cash generated from / (used in) operating activities	262,123,191	474,016,345
Income tax paid	(35,789,418)	(37,614,961)
Finance cost paid	(247,239,538)	(144,968,826)
	(283,028,956)	(182,583,787)
Net cash generated from/ (used in) operating activities	(20,905,766)	291,432,558

21 ZAHIDJEE TEXTILE MILLS LIMITED
 Condensed Interim Financial Statements - March 31, 2019

	Nine months ended	
	March 31,	
	2019	2018
	Rupees	Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(238,497,959)	(683,920,387)
Additions in investment property	-	(104,674,650)
Proceeds from disposal of operating assets	338,400	112,000
Addition in long term security deposits	(26,082)	-
Net cash generated from/ (used in) investing activities	(238,185,641)	(788,483,037)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	110,348,062	325,750,000
Long term financing repaid	(202,322,055)	(210,836,555)
Increase in short term borrowings - net	468,103,213	267,238,599
Loan from director	-	106,873,000
Dividend paid	(66,997,385)	-
Net cash generated from/ (used in) financing activities	309,131,835	489,025,044
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	50,040,428	(8,025,435)
Cash and cash equivalents at the beginning of the period	24,926,168	56,919,568
Cash and cash equivalents at the end of the period	74,966,596	48,894,133

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


 CHIEF EXECUTIVE OFFICER

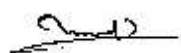

 DIRECTOR


 CHIEF FINANCIAL OFFICER

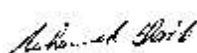
**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVE		REVENUE RESERVES			Total	Non- Controlling interest	
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub Total	General reserve	unappropriated profit			Sub Total
R U P E E S									
Balance as at July 01, 2017 (Audited)	1,823,058,090	366,258,513	1,372,514,179	1,738,772,692	300,000,000	978,641,981	1,278,641,981	4,840,472,763	194,710,246
Transaction with owners									
Bonus shares issued during the year (One share for each twenty shares held)	91,152,900	-	-	-	-	(91,152,900)	(91,152,900)	-	-
Issuance of shares by the subsidiary	-	-	-	-	-	-	-	-	105,873,000
Total comprehensive income for the period	-	-	-	-	-	450,268,005	450,268,005	450,268,005	(942,499)
Profit for the period	-	-	-	-	-	450,268,005	450,268,005	450,268,005	(942,499)
Other comprehensive income									
Incremental depreciation on revalued assets for the period	-	-	(40,138,145)	(40,138,145)	-	31,536,942	31,536,942	(8,601,204)	-
Related deferred tax	-	-	8,601,203	8,601,203	-	8,601,203	8,601,203	17,202,406	-
	-	-	(31,536,943)	(31,536,943)	-	40,138,145	40,138,145	8,601,202	-
Balance as at March 31, 2018 (Unaudited)	1,914,210,990	366,258,513	1,340,977,237	1,707,235,750	300,000,000	1,377,895,231	1,677,895,231	5,299,341,970	299,640,747
Total comprehensive income for the period	-	-	-	-	-	(126,039,476)	(126,039,476)	(126,039,476)	(482,469)
Profit for the period	-	-	-	-	-	(126,039,476)	(126,039,476)	(126,039,476)	(482,469)
Other comprehensive income									
Incremental depreciation on revalued assets for the period	-	-	(13,184,862)	(13,184,862)	-	9,926,975	9,926,975	(3,257,887)	-
Related deferred tax	-	-	3,257,887	3,257,887	-	3,257,887	3,257,887	6,515,774	-
	-	-	(9,926,975)	(9,926,975)	-	13,184,862	13,184,862	3,257,888	-
Surplus realised on disposal of property, plant and equipment	-	-	(1,185,627)	(1,185,627)	-	859,512	859,512	(326,115)	-
Related deferred tax	-	-	326,115	326,115	-	326,115	326,115	652,230	-
	-	-	(859,512)	(859,512)	-	1,185,627	1,185,627	326,115	-
Adjustment of deferred tax for the year	-	-	(8,736,834)	(8,736,834)	-	-	-	(8,736,834)	-
Balance as at June 30, 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	-	-	-	-	-	535,982,327	535,982,327	535,982,327	(450,125)
Profit for the period	-	-	-	-	-	535,982,327	535,982,327	535,982,327	(450,125)
Other comprehensive income									
Items that may be subsequently reclassified to profit or loss:									
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	-	-	-	-	-
Balance as at March 31, 2019 (Unaudited)	1,914,210,990	366,258,513	1,262,298,555	1,628,557,068	300,000,000	1,811,342,766	2,111,342,766	5,654,110,824	298,708,153

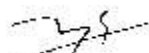
The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2019**

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 20 Bilal Road, Civil Lines, Faisalabad 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 does not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Group for the year ended June 30, 2018.

3.2 Changes in accounting standards, interpretations and amendments to published approved accounting standards

- 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 Group's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or have any significant effect on the Group's financial reporting, except as mentioned below:

IFRS 9 'Financial Instruments' - This standard replaces guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

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

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition. The changes laid down by this standard do not have any significant impact on these unconsolidated condensed interim financial statements of the Group.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

As a result of application of IFRS 15, freight charges relating to exports that were classified in distribution costs, have now been netted off against Revenue from Exports.

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

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Group's financial statements and hence have not been detailed here except as disclosed in 3.2.1

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.
- Short term investments 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 consolidated financial statements are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2018.

Investment property

Investment property which is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on investment property is charged to income on reducing balance method at the rate of 5% per annum. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalised while no depreciation is charged for the month in which the property is disposed off.

Repairs and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of investment property if any, are recognised in current income.

Rental Income

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

3.5 Estimates, judgments and risk management policies

3.5.1 The preparation of consolidated 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 consolidated financial statements are the same as those disclosed in the published audited consolidated financial statements for the year ended June 30, 2018.

3.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited consolidated financial statements for the year ended June 30, 2018.

	Note	Un-audited March 31 2019 Rupees	Audited June 30, 2018 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	5,710,187,901	6,015,352,863
Non-operating land and building		581,528,376	581,528,376
Capital work in progress	4.2	220,219,908	135,894,269
Advance against purchase of land		85,719,050	35,662,080
Advances for capital expenditures		<u>2,143,443</u>	<u>1,480,693</u>
		<u>6,599,768,648</u>	<u>6,769,618,281</u>
4.1 Operating assets			
Book value at beginning of period / year		6,015,352,863	5,218,559,749
Add: Addition during the period / year	4.1.1	103,182,630	1,053,687,714
Less: disposal during the period / year		(3,410,943)	(3,823,119)
Depreciation charge during the period / year		<u>(404,936,649)</u>	<u>(253,071,481)</u>
		<u>5,710,187,901</u>	<u>6,015,352,863</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		1,511,021	205,888,979
Plant and machinery		88,532,265	828,666,449
Electric installations		801,139	13,602,304
Factory equipment		-	1,457,739
Office equipment		2,944,398	219,353
Electric appliances		281,873	1,181,080
Furniture and fittings		275,690	406,160
Vehicles		8,836,244	2,265,650
		<u>103,182,630</u>	<u>1,053,687,714</u>

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Condensed Interim Financial Statements - March 31, 2019

	Un-audited March 31 2019 Rupees	Audited June 30, 2018 Rupees		
4.2 Capital work in progress				
Civil work	188,614,515	135,014,249		
Plant and machinery	<u>31,605,393</u>	<u>880,020</u>		
	<u>220,219,908</u>	<u>135,894,269</u>		
5. Investment property				
Land				
Cost	23,938,150	23,938,150		
Building				
Opening net book value as at July 01,	79,984,084	-		
Addition during the period	-	83,021,173		
Depreciation charge	<u>(2,999,403)</u>	<u>(3,037,089)</u>		
Closing net book value as at March 31,	<u>76,984,681</u>	<u>79,984,084</u>		
Closing balance as at December 31,				
Cost	83,021,173	83,021,173		
Accumulated depreciation	<u>(6,036,492)</u>	<u>(3,037,089)</u>		
Net book value	<u>76,984,681</u>	<u>79,984,084</u>		
Total	<u>100,922,831</u>	<u>103,922,234</u>		
5.1 The fair value of investment property as at December 31, 2018 approximates its cost				
6. Short term investment				
Financial assets at fair value through profit or loss				
Quoted security				
Habib Metropolitan Bank Limited				
2,022,854 (June 30, 2018: 2,022,854)				
ordinary shares of Rs.10/- each	87,690,721	66,855,325		
Adjustment in fair value	<u>(3,782,737)</u>	<u>20,835,396</u>		
	<u>83,907,984</u>	<u>87,690,721</u>		
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, 2018, except the followings;				
Contingencies				
Income tax demand not acknowledged due to pending appeals	42,853,422	89,527,190		
Sales tax demand not acknowledged due to pending appeals	18,883,675	80,617,996		
Commitments				
Under letters of credit for raw material and spare parts	295,832,733	343,950,652		
	Quarter ended March 31,	Nine months ended March 31,		
Note	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees
8. Sales				
Export				
Cloth / made ups	<u>636,290,439</u>	512,771,845	<u>1,689,039,680</u>	1,536,039,701
Less : Freight	<u>20,563,622</u>	20,310,298	<u>53,334,117</u>	57,773,450
	<u>615,726,817</u>	492,461,547	<u>1,635,705,563</u>	1,478,266,251
Local				
Yarn	<u>2,622,406,375</u>	2,040,128,694	<u>7,831,151,647</u>	5,533,886,381
Cloth	<u>975,002</u>	27,141,547	<u>13,844,746</u>	38,941,058
Waste and left over	<u>93,661,536</u>	107,180,260	<u>278,028,736</u>	283,664,648
Conversion receipts	<u>5,245,107</u>	17,402,464	<u>18,270,692</u>	28,560,844
	<u>2,722,288,020</u>	2,191,852,965	<u>8,141,295,821</u>	5,885,052,931
	<u>3,338,014,837</u>	2,684,314,512	<u>9,777,001,384</u>	7,363,319,182
Add: Export rebate / duty drawback	<u>2,687,546.00</u>	66,184,828	<u>3,007,870</u>	66,184,828
	<u>3,340,702,383</u>	2,750,499,340	<u>9,780,009,254</u>	7,429,504,010
Less: Commission and claims	<u>24,076,763</u>	18,798,214	<u>64,422,419</u>	49,025,598
	<u>3,316,625,620</u>	<u>2,731,701,126</u>	<u>9,715,586,835</u>	<u>7,380,478,412</u>

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Condensed Interim Financial Statements - March 31, 2019

	Quarter ended March 31,		Nine months ended March 31,	
	2019 Rupees	2018 Rupees	2019 Rupees	2018 Rupees
9. COST OF GOODS SOLD				
Cost of goods manufactured	2,791,350,504	2,336,768,703	8,716,302,107	6,526,621,551
Finished goods				
Opening stock	261,616,159	266,874,059	223,568,351	280,972,533
Closing stock	(282,141,675)	(198,031,702)	(282,141,675)	(198,031,702)
	(20,525,516)	68,842,356	(58,573,324)	82,940,830
	2,770,824,988	2,405,611,059	8,657,728,783	6,609,562,381
9.1 Cost of goods manufactured				
Raw material consumed	2,178,953,166	1,841,218,499	6,864,124,182	5,116,300,130
Packing material consumed	29,851,772	36,579,574	94,855,726	88,831,449
Salaries, wages and benefits	176,509,698	130,247,770	485,261,846	380,729,756
Retirement benefits	6,323,467	5,538,283	18,557,730	15,942,658
Stores and spares consumed	57,569,871	43,764,780	163,446,737	132,138,433
Fuel and power	202,543,386	193,682,815	636,090,520	552,704,343
Repairs and maintenance	27,918,306	27,842,635	68,380,182	61,918,580
Insurance	2,627,061	5,184,713	13,598,951	12,439,449
Depreciation	115,913,624	58,181,113	381,035,130	173,426,801
Other	152,185	5,045,502	5,035,678	7,011,668
	2,798,362,536	2,347,285,684	8,730,386,682	6,541,443,267
Work in process				
Opening stock	91,171,681	95,191,573	84,099,138	90,886,838
Closing stock	(98,183,713)	(105,708,554)	(98,183,713)	(105,708,554)
	(7,012,032)	(10,516,981)	(14,084,575)	(14,821,716)
	2,791,350,504	2,336,768,703	8,716,302,107	6,526,621,551
9.1.1 Raw material consumed				
Opening stock	3,603,099,492	2,501,018,337	2,481,314,014	1,441,535,919
Purchases including purchase expenses	2,037,081,571	1,126,712,697	7,844,038,065	5,461,276,746
	5,640,181,063	3,627,731,034	10,325,352,079	6,902,812,665
Closing stock	(3,461,227,897)	(1,786,512,535)	(3,461,227,897)	(1,786,512,535)
	2,178,953,166	1,841,218,499	6,864,124,182	5,116,300,130
10. Provision for taxation				
Current for the period	35,205,969	74,778,876	110,522,934	74,920,053
for prior period	-	-	(63,594,983)	(870,502)
Deferred	207,108	4,575,224	27,118,317	(10,166,813)
	35,413,076	79,354,100	74,046,267	63,882,738

11. 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,	
		2019 Rupees	2018 Rupees
Key management personnel	Remuneration	25,434,000	39,224,250
	Short term loan obtained / (repaid)	110,148,233	(62,297,009)

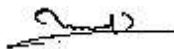
12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim consolidated financial information was authorised for issue on April 27, 2019 by the Board of Directors of the Parent.

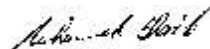
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Condensed Interim Financial Statements - March 31, 2019

13. GENERALS

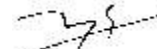
- 13.1 Provision for workers' profit participation fund made in these condensed interim consolidated financial statements is subject to adjustment in the annual consolidated financial statements.
- 13.2 There is no unusual item included in these condensed interim consolidated financial statements which 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 four months from October to January. This leads to higher figures in respect of stock in trade and short term borrowings being reflected during this period.
- 13.4 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED

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