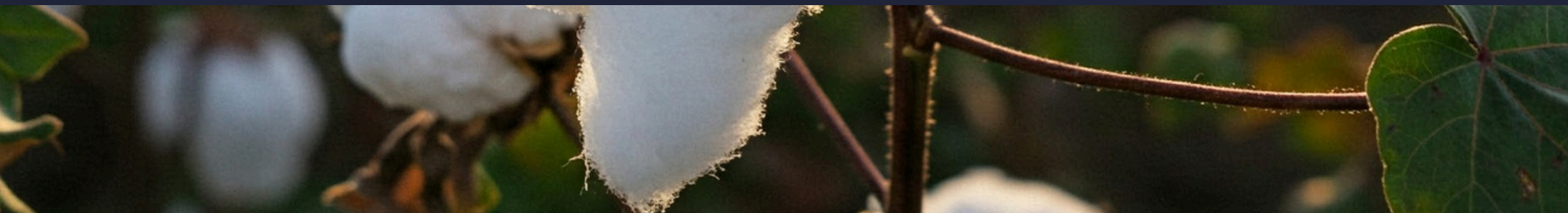




ZAHIDJEE TEXTILE MILLS LIMITED
HALF YEAR REPORT
FOR THE PERIOD ENDED DEC 31,2024



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COMPANY INFORMATION

Board of Directors

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	Independent Director
Mr. Sajjad Hussain Shah	Independent Director
Mr. Faisal Masood Afzal	Independent Director
Mr. Shahbaz Haider Agha	Independent Director

Audit Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Faisal Masood Afzal	Member
Mr. Muhammad Ali	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mr. Muhammad Ali	Member
Mr. Ahmad Zahid	Member
Mr. Muhammad Zahid	Member

Chief Financial Officer

Mr. Shahab U din Khan

Company Secretary

Mr. Naveed Ashraf

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Ltd
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
JS Bank Limited
MCB Bank
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited
Al baraka Bank Pakistan Limited

Registered Office

131-A, Scotch Corner ,Street-P Upper Mall,
Scheme Lahore. Tel: 042-35777291-5

Plant site

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

Share Registrar

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

DIRECTORS' REPORT TO SHAREHOLDERS

The Board of Directors is pleased to present un-audited financial results of the Company duly reviewed by the statutory auditors, for the half year ended December 31, 2024.

Economic Review

Pakistan's economy is indicating positive developments during the first six month period of the fiscal year 2025. Inflation has dropped to single digit, industrial output has increased, and large exporting sectors have witnessed growth, reflecting an optimistic outlook for exports. The current account remained in surplus in December 2024. Policy rate is gradually decreasing while Pakistan Stock Market continues to trend upward. This trajectory is expected to continue in the coming months.

Industry Review

Textile sector is facing the problem of slow demand and volatility in cotton prices exports have started feeling the pinch of global slowdown. Sluggish demand, low domestic cotton availability have led to most of the textile companies either shutting down for short term or reducing their production.

Financial Results

The Summary of key Financial numbers is presented below:

	December 31	
	2024	2023
	(Rupees in '000')	
Sales	20,172,029	18,240,612
Gross profit	19,043,097	865,801
Levies	81,851	16,022
Profit before levies and income tax	726,107	516,036
Provision for taxation	(13,217)	95,914
Profit after taxation	<u>657,473</u>	<u>404,099</u>
Earnings per share – Basic and diluted	<u>3.43</u>	<u>2.11</u>

Despite various challenges, your company has been able to achieve considerable growth in terms of sales. Turnover increased by 10.59 %, securing the top line of Rs. 20.1 billion against Rs. 18.2 billion for the Same Period Last Year, which is due to increase in the production as newly installed spinning unit has started its production, Net profit This year Rs. 657.4 million in the year ending December 31, 2024 and, Net profit was the prior year's 404 Million


The net profit translated into Earnings per Share (EPS) of Rs. 3.43 as against Rs. 2.11 of the corresponding period.

Acknowledgments

The directors appreciate sincere contribution and the hard work by staff and workers of the company. We are grateful for the trust and confidence exhibited in the company by shareholders, bankers and other stake holders.

For and on behalf of the Board

Dated: February 28, 2025
Lahore


MUHAMMAD ZAHID
Chief Executive Officer

ڈائریکٹر رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے نصف سال کے لئے کمپنی کے آڈیٹرز کی جانب سے باضابطہ جائزہ شدہ غیر آڈٹ شدہ مالی نتائج پیش کرتے ہوئے خوشی محسوس کر رہے ہیں

اقتصادی جائزہ

پاکستان کی معیشت مالی سال 2025 کے پہلے چھ ماہ کی مدت کے دوران مثبت پیش رفت کی نشاندہی کر رہی ہے۔ افراط زر کی شرح سنگل ڈیجٹ پر آگئی ہے، صنعتی پیداوار میں اضافہ ہوا ہے، اور بڑے برآمدی شعبوں میں ترقی ہوئی ہے، جو برآمدات کے لیے ایک پر امید نقطہ نظر کی عکاسی کرتی ہے۔ دسمبر 2024 میں کرنٹ اکاؤنٹ سرپلس میں رہا۔ پالیسی ریٹ بتدریج کم ہو رہا ہے جبکہ پاکستان سٹاک مارکیٹ میں اوپر کی جانب رجحان جاری ہے۔ توقع ہے کہ آنے والے مہینوں میں یہ سلسلہ جاری رہے گا۔

صنعتی جائزہ

ٹیکسٹائل سیکٹر کو سٹ مائنگ اور کپاس کی قیمتوں میں اتار چڑھاؤ کے مسئلے کا سامنا ہے۔ برآمدات نے عالمی سطح پر سست روی کو محسوس کرنا شروع کر دیا ہے۔ سٹ مائنگ، کم گھریلو کپاس کی دستیابی کی وجہ سے زیادہ تر ٹیکسٹائل کمپنیاں یا تو مختصر مدت کے لیے بند ہو رہی ہیں یا اپنی پیداوار کو کم کر رہی ہیں۔

مالی نتائج:

اہم مالیاتی نمبروں کا خلاصہ ذیل میں پیش کیا گیا ہے

31 دسمبر		تفصیل
2024	2023	
(روپے ہزاروں میں)		
20,172,029	18,240,612	فروخت
19,043,097	865,801	مجموعی منافع
81,851	16,022	لیویز
726,160	516,036	منافع قبل از ٹیکس
(13,217)	95,914	ٹیکسیشن
657,473	404,099	منافع بعد از ٹیکس
3.43	2.11	فی شیئر آمدن

مختلف چینجوں کے باوجود، آپ کی کمپنی فروخت کے لحاظ سے کافی ترقی حاصل کرنے میں کامیاب رہی ہے۔ کاروبار میں 10.59 فیصد اضافہ ہوا، جس نے روپے کی ٹاپ لائن حاصل کی۔ 20.1 ارب روپے کے مقابلے پچھلے سال اسی مدت کے لیے 18.2 بلین جو کہ زبردست نظر مدت کے دوران کپاس کی عالمی شرح میں اضافے کی وجہ سے یارن کی فروخت کی قیمت میں تیزی کی وجہ سے ہے مالیاتی لاگت میں اضافے اور خام مال کی افراط زر کے اثرات کی وجہ سے اس سال خالص منافع روپے 31 دسمبر 2024 کو ختم ہونے والے سال میں 657.4 ملین، خالص منافع پچھلے سال کا 404 ملین تھا۔

جس کی وجہ سے فی شیئر آمدنی 3.43 روپے ہو گئی ہے۔ جو کہ گذشتہ سال کی اسی مدت کے دوران 2.11 روپے تھی۔

اظہار تشکر:

ڈائریکٹر ز مخلصانہ تعاون اور کمپنی کے عملے اور کارکنوں کی محنت کو سراہتے ہیں۔ اور ہم اپنے حصص یافتگان، بینکوں، مالیاتی اداروں اور کمپنی پر اعتماد کے لئے ان کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



محمد زاہد

(چیف ایگزیکٹو آفیسر)

مورخہ: 28 فروری، 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ZAHIDJEE TEXTILE MILLS LIMITED
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS** T: +92 (42) 3587 2731-3
F: +92 (42) 3587 2734lahore@rsm-pakistan.pk
www.rsm-global/pakistan**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Zahidjee Textile Mills Limited ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and selected explanatory notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month ended December 31, 2024.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Inam ul Haque.

**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS****Place:** Lahore**Date:****UDIN:** RR202410226JCtww5L28**THE POWER OF BEING UNDERSTOOD**
ASSURANCE | TAX | CONSULTING

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2024

	Note	Un-audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	15,201,023,006	15,641,316,550
Long term security deposits		8,475,784	8,475,784
		15,209,498,790	15,649,792,334
CURRENT ASSETS			
Stores, spares and loose tools		365,015,019	353,192,697
Stock in trade		5,521,660,133	3,986,474,536
Trade debts		3,935,208,853	3,797,606,090
Loans, advances and deposit		500,418,248	470,481,790
Prepayments		132,731,890	250,457,366
Other receivables		43,492,006	36,044,992
Short term investment	4	201,648,698	159,864,144
Tax refunds due from Government		845,582,778	497,580,340
Cash and bank balances	5	4,125,115,860	4,139,123,929
		15,670,873,485	13,690,825,884
CURRENT LIABILITIES			
Trade and other payables		3,390,333,742	2,665,346,383
Interest / mark up payable		238,454,749	246,729,036
Short term borrowings		4,001,273,619	3,009,412,776
Unclaimed dividend		13,070,334	13,070,334
Current portion of long term finance		1,052,683,024	858,822,983
Provision for taxation - income tax		644,310,845	823,305,828
		9,340,126,313	7,616,687,340
		21,540,245,962	21,723,930,878
NON - CURRENT LIABILITIES			
Long term finance		3,731,395,495	4,580,845,170
Deferred liability			
Deferred taxation	6	1,087,910,130	1,130,940,629
		4,819,305,625	5,711,785,799
CONTINGENCIES AND COMMITMENTS			
Net worth	7	-	-
		16,720,940,337	16,012,145,079
Represented by :			
Share capital	8	1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		3,327,709,021	3,491,794,897
Revenue reserves	9	11,112,761,813	10,239,880,679
		16,720,940,337	16,012,145,079
		16,720,940,337	16,012,145,079

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Note	Quarter ended December 31,		Half year ended December 31,	
		2024 Rupees	2023 Rupees (Restated)	2024 Rupees	2023 Rupees (Restated)
Sales	10	10,045,616,277	8,629,547,076	20,172,028,907	18,240,612,123
Cost of sales	11	9,561,899,803	8,429,404,552	19,043,097,073	17,374,811,522
Gross profit		483,716,474	200,142,524	1,128,931,834	865,800,601
Trading profit	12	96,629	187,375	96,629	187,375
Other income	13	150,004,697	351,694,911	439,656,266	563,235,255
		633,817,800	552,024,810	1,568,684,729	1,429,223,231
Distribution cost		33,970,743	62,587,374	120,004,638	109,715,304
Administrative expenses		107,680,540	74,354,660	163,169,085	147,665,641
Other operating expenses		11,249,029	2,741,424	38,216,170	27,159,765
Finance cost		267,185,929	360,254,305	521,187,596	628,646,987
		420,086,241	499,937,763	842,577,489	913,187,697
Profit for the year before levies and income tax		213,731,559	52,087,047	726,107,240	516,035,534
Levies		54,978,762	7,942,910	81,851,197	16,022,172
Profit for the year before taxation		158,752,797	44,144,137	644,256,043	500,013,362
Provision for taxation	14	(201,663,352)	(27,518,323)	(13,217,151)	95,914,078
Profit for the year		360,416,149	71,662,460	657,473,194	404,099,284
Earnings per share - Basic and diluted		1.88	0.37	3.43	2.11

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	<u>Quarter ended December 31,</u>		<u>Half year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	Rupees	Rupees	Rupees	Rupees
Profit for the period	360,416,149	71,662,460	657,473,194	404,099,284
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>360,416,149</u>	<u>71,662,460</u>	<u>657,473,194</u>	<u>404,099,284</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			Total
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total	
Balance as at July 01, 2023 (Audited)	1,914,210,990	366,258,513	3,884,399,416	4,250,657,929	300,000,000	9,297,522,146	9,597,522,146	15,762,391,065
Transactions with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	404,099,284	404,099,284	404,099,284
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	404,099,284	404,099,284	404,099,284
Incremental depreciation on revalued assets for the period - net of deferred tax	-	-	(108,908,292)	(108,908,292)	-	108,908,292	108,908,292	-
Adjustment of deferred tax for the period	-	-	(91,259,533)	(91,259,533)	-	-	-	(91,259,533)
Balance as at December 31, 2023 (Unaudited)	1,914,210,990	366,258,513	3,684,231,591	4,050,490,104	300,000,000	9,619,108,623	9,919,108,623	15,883,809,717
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	230,972,628	230,972,628	230,972,628
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	230,972,628	230,972,628	230,972,628
Incremental depreciation on revalued assets for the period - net of deferred tax	-	-	(86,912,297)	(86,912,297)	-	86,912,297	86,912,297	-
Surplus realised on disposal								
of property, plant and equipment - net of deferred tax	-	-	(2,887,131)	(2,887,131)	-	2,887,131	2,887,131	-
Adjustment of deferred tax for the period	-	-	(102,637,266)	(102,637,266)	-	-	-	(102,637,266)
Balance as at June 30, 2024 (Audited)	1,914,210,990	366,258,513	3,491,794,897	3,858,053,410	300,000,000	9,939,880,679	10,239,880,679	16,012,145,079
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	657,473,194	657,473,194	657,473,194
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	657,473,194	657,473,194	657,473,194
Incremental depreciation on revalued assets for the period - net of deferred tax	-	-	(215,407,940)	(215,407,940)	-	215,407,940	215,407,940	-
Adjustment of deferred tax for the period	-	-	51,322,064	51,322,064	-	-	-	51,322,064
Balance as at December 31, 2024 (Unaudited)	1,914,210,990	366,258,513	3,327,709,021	3,693,967,534	300,000,000	10,812,761,813	11,112,761,813	16,720,940,337

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Un-Audited Dec-31 2024	Un-Audited Dec-31 2023
Note	Rupees	Rupees
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before Levies and income tax	726,107,240	516,035,534
Adjustment for:		
Depreciation of property, plant and equipment	3.1 620,464,058	509,685,653
(Gain) on disposal of operating assets - net	13 (179,675)	(1,603,539)
(Gain) on disposal of short term investments - net	13 -	(11,914,209)
Balances written Off - net	13 (10,618,811)	(8,227,511)
Fair value (Gain) on short term investments	13 (41,784,554)	(49,188,203)
Finance cost	521,187,596	628,646,987
Operating cash flows before working capital changes	1,815,175,854	1,583,434,712
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(11,822,322)	101,228,012
Stock in trade	(1,535,185,597)	(1,523,670,890)
Trade debts	(137,602,763)	(10,198,109)
Loans, advances and deposit	(11,958,366)	(108,405,192)
Prepayments	117,725,476	(12,386,526)
Other receivables	(7,447,015)	(23,019,931)
Tax refunds due from Government- sales tax	(276,557,928)	123,628
Increase in current liabilities		
Trade and other payables	735,606,170	1,198,058,502
	(1,127,242,345)	(378,270,506)
Cash generated from operating activities	687,933,509	1,205,164,206
Finance cost paid	(529,461,883)	(447,638,174)
Income tax paid	(328,760,065)	(402,459,755)
Net cash (used in) / generated from operating activities	(170,288,439)	355,066,277

Un-Audited Dec-31 2024 Rupees	Un-Audited Dec-31 2023 Rupees
--	--

B) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in:

Property, plant and equipment	(182,349,339)	(3,295,390,945)
Proceeds from disposal of operating assets	2,358,500	14,775,000
Proceeds from disposal of short term investment	-	47,175,821

Net cash (used in) investing activities	<u>(179,990,839)</u>	<u>(3,233,440,124)</u>
---	----------------------	------------------------

C) CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained	6,400,900	1,876,294,824
Repayment of long term finance	(661,990,534)	(322,252,282)
Increase in short term borrowings - net	991,860,843	1,924,330,096
Dividend paid	-	(191,421,099)

Net cash generated from financing activities	<u>336,271,209</u>	<u>3,286,951,539</u>
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Net (decrease) / increase in cash and cash equivalents (A+B+C)	(14,008,069)	408,577,692
--	--------------	-------------

Cash and cash equivalents at the beginning of the period	4,139,123,929	3,682,132,733
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Cash and cash equivalents at the end of the period	<u>4,125,115,860</u>	<u>4,090,710,425</u>
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The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

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 131-A, Scotch Corner, Upper Mall Scheme, 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, M-3 Industrial Estate, Faisalabad in the province of Punjab.
- 1.2** The Company's spinning projects comprises 50,400 spindles are under implementation out of which project of 16,800 spindles is implemented in first phase.
- 1.3** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited have been merged with Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. MATERIAL 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, 2024.

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

Standards, interpretations and amendments to published approved accounting standards that are effective in current year:

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, 2024 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2025 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2024.

2.3 Basis of preparation

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

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2024.

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, 2024.

- 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, 2024.

2.6 Restatement

The Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" via circular No. 07/2024 dated May 15, 2024. The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these condensed interim financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. This requirement was already applied in the financial statements of the Company for the year ended June 30, 2024. Accordingly the figures of prior period condensed interim financial statement for the period ended December 31, 2023 have been restated. There has been no effect on the condensed interim statement of financial position, condensed interim statement of changes in equity, the condensed interim statement of cash flows and earnings per share as a result of this change.

The impact of the restatement is as under:

For half year ended December 31, 2024			For half year ended December 31, 2023		
Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy

Effect on the statement of profit or loss

Profit before income tax	726,107,240	(81,851,197)	644,256,043	516,035,534	(16,022,172)	500,013,362
Levies	-	81,851,197	81,851,197	-	16,022,172	16,022,172
Provision for taxation	68,634,046	(81,851,197)	(13,217,151)	111,936,250	(16,022,172)	95,914,078

	Note	Un-Audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	12,924,833,372	10,649,159,934
Capital work in progress	3.2	1,961,446,239	4,660,755,484
Non operating lands		16,203,950	16,203,950
Advance against purchase of land		271,847,312	271,847,312
Advances for capital expenditure		26,692,133	43,349,870
		<u>15,201,023,006</u>	<u>15,641,316,550</u>
3.1 Operating assets			
Book value at beginning of period / year		10,649,159,934	11,286,875,280
Additions during the period / year	3.1.1	2,898,316,321	423,438,767
Disposal during the period / year		(2,178,825)	(23,638,882)
Depreciation charge during the period / year		(620,464,058)	(1,037,515,231)
		<u>12,924,833,372</u>	<u>10,649,159,934</u>
3.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follow			
Freehold land		-	21,033,360
Plant and machinery		2,897,322,765	392,824,269
Electric installations		-	660,345
Factory equipment		26,400	-
Office equipment		637,156	2,725,704
Electric appliances		330,000	-
Furniture and fittings		-	246,000
Vehicles		-	5,949,089
		<u>2,898,316,321</u>	<u>423,438,767</u>
3.2 Capital work in progress			
Civil work		1,173,072,335	1,122,245,700
Plant and machinery		788,373,904	3,538,509,784
		<u>1,961,446,239</u>	<u>4,660,755,484</u>
4. Short term investments			
Investment in ordinary shares	4.1	<u>201,648,698</u>	<u>159,864,144</u>

		Un-Audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
4.1	Financial assets at fair value through profit or loss		
	Quoted securities		
	Habib Metropolitan Bank Limited		
	2,022,854 (2024: 2,022,854) Ordinary shares of Rs.10/- each	138,909,384	59,573,050
	JS Bank Limited		
	100,000 (2024: 100,000) Ordinary shares of Rs.10/- each	977,000	467,000
	MCB		
	88,000 (2024: 88,000) Ordinary shares of Rs.10/- each	19,977,760	10,120,000
		<u>159,864,144</u>	<u>70,160,050</u>
	Adjustment in fair value	41,784,554	89,704,094
		<u>201,648,698</u>	<u>159,864,144</u>

4.2 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

	Note	Un-Audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
5. Cash and bank balances			
Cash in hand		13,867,796	19,194,305
Cash at banks			
In current accounts		128,656,602	247,897,788
In PLS accounts		264,986,631	215,433,200
In Deposit accounts	5.1	3,717,604,831	3,656,598,636
		<u>4,125,115,860</u>	<u>4,139,123,929</u>

5.1 It represents the investment in Term deposit receipts carrying profit at the rates ranging from 11.50% to 18.91% per annum.(June 30, 2024 : 15.60% to 19.51% per annum)

		Un-Audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
6. DEFERRED TAXATION			
Opening balance		1,130,940,629	1,301,530,462
Deferred tax related to			
Incremental depreciation on revalued assets		(87,983,525)	(125,196,770)
Surplus realised on disposal of revalued assets		-	(1,845,870)
(Reversal) / Provision of deferred tax on surplus		(51,322,064)	193,896,799
Provision / (Reversal) during the period / year		96,275,090	(237,443,992)
		<u>1,087,910,130</u>	<u>1,130,940,629</u>

6.1 It represents the following:

Deferred tax liability:			
Difference between accounting and tax bases of assets		1,361,605,450	1,555,836,235
Deferred tax asset:			
Carry forward tax credits and losses		(273,695,320)	(424,895,606)
		<u>1,087,910,130</u>	<u>1,130,940,629</u>

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2024 except the following:

	Un-Audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
Contingencies		
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	233,628,000	215,127,000
Excise and taxation department against imposition of infrastructure cess	397,800,800	401,626,000
Commitments		
Under letters of credit for:		
Plant and machinery	27,952,075	203,688,184
Raw material and spare parts	3,013,312,689	3,138,039,980
Under contracts for purchase of land	300,463,688	300,463,688
Under contracts for civil work	21,636,156	4,321,000

8. SHARE CAPITAL

8.1 Authorised capital

Un-Audited December 31, 2024	Audited June 30, 2024		Un-Audited December 31, 2024	Audited June 30, 2024
Number of shares				
<u>220,000,000</u>	<u>220,000,000</u>		<u>2,200,000,000</u>	<u>2,200,000,000</u>

8.2 Issued, subscribed and paid up capital

Un-Audited December 31, 2024	Audited June 30, 2024		Un-Audited December 31, 2024	Audited June 30, 2024
Number of shares			#	
89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	789,169,150	789,169,150
<u>191,421,099</u>	<u>191,421,099</u>		<u>1,914,210,990</u>	<u>1,914,210,990</u>

9. Revenue reserves

	Un-Audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
General reserves	300,000,000	300,000,000
Unappropriated profit	10,812,761,813	9,939,880,679
	<u>11,112,761.813</u>	<u>10,239,880.679</u>

	Quarter ended December 31,		Half year ended December 31,	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
10. Sales				
Export				
Cloth / made ups	860,506,459	753,627,234	1,725,692,962	1,621,845,060
Local				
Yarn	10,356,321,312	8,762,386,355	20,511,441,366	18,429,971,117
Cloth	10,057,451	8,230,374	21,217,150	13,915,624
Waste and left over	703,464,441	779,011,986	1,429,331,230	1,385,775,089
Conversion receipts	45,082,518	5,839,255	135,342,721	10,120,580
	11,114,925,722	9,555,467,970	22,097,332,467	19,839,782,410
Less : Sales tax	(1,710,010,236)	(1,557,599,392)	(3,382,203,693)	(3,002,017,672)
	10,265,421,945	8,751,495,812	20,440,821,736	18,459,609,798
Add: Export rebate / duty drawback	1,217,705	7,274,512	2,274,843	8,488,069
	10,266,639,650	8,758,770,324	20,443,096,579	18,468,097,867
Less: Commission and claims	221,023,373	129,223,248	271,067,672	227,485,744
	<u>10,045,616,277</u>	<u>8,629,547,076</u>	<u>20,172,028,907</u>	<u>18,240,612,123</u>

11. Cost of sales

Cost of goods manufactured (Note 11.1)	10,068,120,344	8,726,599,516	19,376,111,876	17,434,501,357
Finished goods				
Opening stock	598,962,319	580,953,296	772,168,056	818,458,425
Closing stock	(1,105,182,860)	(878,148,260)	(1,105,182,859)	(878,148,260)
	(506,220,541)	(297,194,964)	(333,014,803)	(59,689,835)
	<u>9,561,899,803</u>	<u>8,429,404,552</u>	<u>19,043,097,073</u>	<u>17,374,811,522</u>

11.1 Cost of goods manufactured

Raw material consumed (Note 11.1.1)	7,886,985,691	7,541,582,621	14,907,307,119	13,901,688,038
Packing material consumed	136,091,308	115,834,738	159,717,728	148,744,907
Salaries, wages and benefits	374,432,441	383,764,362	719,164,979	652,651,906
Retirement benefits	2,679,145	10,728,507	12,892,224	13,959,012
Stores and spares consumed	121,413,918	70,166,283	355,111,441	352,327,638
Fuel and power	1,315,840,368	333,104,052	2,493,100,613	1,801,021,756
Repairs and maintenance	26,015,655	9,017,648	44,044,510	43,530,662
Insurance	15,866,864	6,327,585	19,622,649	12,092,015
Depreciation	353,932,071	251,924,950	613,310,879	500,712,256
Other	3,379,039	1,820,973	6,900,019	3,907,143
	10,236,636,500	8,724,271,719	19,331,172,160	17,430,635,333
Work in process				
Opening stock	113,338,797	282,106,510	326,794,669	283,644,737
Closing stock	(281,854,953)	(279,778,713)	(281,854,953)	(279,778,713)
	(168,516,156)	2,327,797	44,939,716	3,866,024
	<u>10,068,120,344</u>	<u>8,726,599,516</u>	<u>19,376,111,876</u>	<u>17,434,501,357</u>

	Quarter ended December 31,		Half year ended December 31,	
	2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
11.1.1 Raw material consumed				
Opening Stock	2,149,769,630	3,828,753,645	1,277,122,997	2,878,817,974
Purchases including purchase expenses	8,308,350,705	8,466,636,629	16,201,318,766	15,776,677,717
	<u>10,458,120,335</u>	<u>12,295,390,274</u>	<u>17,478,441,763</u>	<u>18,655,495,691</u>
Closing stock	(2,571,134,644)	(4,753,807,653)	(2,571,134,644)	(4,753,807,653)
	<u><u>7,886,985,691</u></u>	<u><u>7,541,582,621</u></u>	<u><u>14,907,307,119</u></u>	<u><u>13,901,688,038</u></u>

12. TRADING PROFIT

Sale of polyester / cotton	19,325,785	37,475,086	19,325,785	37,475,086
Cost of sales	(19,229,156)	(37,287,711)	(19,229,156)	(37,287,711)
	<u>96,629</u>	<u>187,375</u>	<u>96,629</u>	<u>187,375</u>

13. Other income

Income from financial assets:				
Profit on deposits	99,255,815	258,819,597	387,073,226	436,292,647
Gain on sale of short term investment	-	11,914,209	-	11,914,209
Adjustment in fair value of short term investment- net	41,784,554	49,188,203	41,784,554	49,188,203
Income from Non financial assets:				
Gain on disposal of operating assets-net	503,996	1,711,031	179,675	1,603,539
Other	8,460,332	30,061,871	10,618,811	64,236,657
	<u>150,004,697</u>	<u>351,694,911</u>	<u>439,656,266</u>	<u>563,235,255</u>

	Quarter ended December 31,		Half year ended December 31,	
	2024 Rupees	2023 Rupees (Restated)	2024 Rupees	2023 Rupees (Restated)

14. PROVISION FOR TAXATION

Current for the period	(174,981,132)	152,904,701	40,152,658	193,747,154
for prior period	(61,661,374)	-	(61,661,374)	-
Deferred	34,979,154	(180,423,024)	8,291,565	(97,833,076)
	<u>(201,663,352)</u>	<u>(27,518,323)</u>	<u>(13,217,151)</u>	<u>95,914,078</u>

15. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of directors, associated undertakings and key management personnel. These transactions include remuneration to 33 (2023 : 33) executives amounting to Rs. 49,808,000/- (2023 : Rs. 41,600,000/-). Other significant transactions with related parties are as follows:-

Name of the related party	Relationship	Nature of transaction	Un-Audited December 31, 2024 Rupees	Un-Audited December 31, 2023 Rupees
Ahmad Zahid	Director	Remuneration	1,700,000	6,000,000
		Remuneration	1,700,000	4,800,000
Muhammad Zahid	Director	Short term loan obtained	94,925,000	-
		Short term loan repaid	169,400,000	-
Haji Sharif	Related Party	Short term loan repaid	100,000,000	-
Muhammad Qasim	Related Party	Short term loan repaid	78,000,000	-

16. Date of authorisation for issue

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Company.

17. General

- There is no unusual item included in these interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.
- Provisions for taxation, workers' profit participation fund and staff retirement gratuity made in these condensed interim financial statements are subject to adjustment in annual financial statements.
- The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in the financial statements.

18. Figures have been rounded off to nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED

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