

CONDENSED INTERM FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021



ZAHIDJEE TEXTILE MILLS LIMITED

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Company Information

Board of Directors

Mr. Muhammad Sharif	Chairman
Mr. Muhammad Zahid	Chief Executive
Mr. Ahmad Zahid	Directors
Mrs. Mehreen Fahad	Directors
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
Miss Mehreen Zahid	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mrs. Mehreen Fahad	Member
Mr. Muhammad Sharif	Member
Mr. Muhammad Zahid	Member

Chief Financial Officer

Mr. Anwar-ul-Haq

Company Secretary

Mr. Nasir Hameed

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
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
JS Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office

2-H, Gulberg-II, Jail Road, Lahore
Tel: 042-35777291-5

Mills

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

Export Office

2-H, Gulberg-II, Jail Road, Lahore
Tel: 042-35777291-5

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 THE MEMBERS

The Board of Directors is pleased to announce the unaudited results of the Company for the nine months ended on March 31, 2021.

Financial Results

The Summary of key Financial numbers is presented below:

	Nine months ended March 31,	
	2021	2020
	Rupees	Rupees
Sales	11,862,079,636	11,157,387,419
Gross profit	1,706,520,420	1,442,288,833
Profit before taxation	1,234,318,275	954,196,291
Provision for taxation	194,996,676	86,900,594
Profit after taxation	1,039,321,599	867,295,697
Earnings per share – Basic and diluted	5.43	4.53

The Company, despite many operational challenges has been able to deliver improvement in profitability through persistent and diligent efforts. During the period under review your Company recorded a turnover of Rs.11.86 billion against Rs.11.15 billion for the Same Period Last Year (SPLY). There is an increase of 6.3% during this period when compared to SPLY, the gross profit margins have increased from 12.93% to 14.38% as percentage of sales from SPLY, mainly due to an opportunity to quote competitive prices and offer better quality product. Consequently, company earned net profit after tax of Rs. 1039.32 million as compared to Rs. 867.29 million during last year's corresponding period.

The net profit translated into Earnings per Share (EPS) of Rs. 5.43 as against Rs. 4.53 of the corresponding period.

Consolidated Financial Statements:

Zahidjee Towers (Pvt) Limited is the subsidiary company of Zahidjee Textile Mills Ltd. Therefore, the Company has annexed consolidated interim financial information in addition to its unconsolidated interim financial information, in accordance with the requirements of International Financial Reporting Standards.

In order to concentrate on the core business of the company, the Board of directors and subsequently, the shareholders of the company in their meeting held on March 31, 2021 approved the sale of Zahidjee Towers (Pvt) Limited.

Future Prospects

Despite the uncertain Covid situation, the management is optimistic about future performance of the Company. The profitability of Company during the current year is expected to remain healthy due to timely procurement of raw material.

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 stakeholders.

For and on behalf of the Board

Dated: April 29, 2021
Lahore



MUHAMMAD SHARIF
Chairman



MUHAMMAD ZAHID
Chief Executive Officer

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی نو ماہی کے لئے ، کمپنی کے غیر ثانی شدہ مالی نتائج پیش کرتے ہوئے انتہائی خوشی محسوس کر رہے ہیں۔

مالی نتائج:

اہم مالیاتی نمبروں کا خلاصہ ذیل میں پیش کیا گیا ہے

تفصیل	31 مارچ 2020	31 مارچ 2021
(روپے)		
فروخت	11,157,387,419	11,862,079,636
مجموعی منافع	1,442,288,833	1,706,520,420
منافع قبل از ٹیکس	954,196,291	1,234,318,275
ٹیکسیشن	86,900,594	194,996,676
منافع بعد از ٹیکس	867,295,697	1,039,321,599
فی شیئر آمدن	4.53	5.43

کمپنی بہت سے آپریشنل چیلنجوں کے باوجودہ مستقل کوششوں کے ذریعے منافع میں بہتری لانے میں کامیاب رہی ہے زیرہ جائزہ مدت کے دوران آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے دوران 11.15 ملین روپے کے مقابلے میں 11.86 ملین روپے کا کاروبار کیا۔ جو 6.3 فیصد کا اضافہ ہے۔ فروخت فیصد کے طور پر مجموعی منافع فیصد سے بڑھ کر فیصد ہو گیا ہے۔

بنیادی طور پر مسابقتی قیمتوں کا حوالہ دینے اور بہتر معیار کی مصنوعات پیش کرنے کے مواقع کی وجہ سے۔ اس کے نتیجے میں ، کمپنی نے 1039.32 ملین روپے ٹیکس کے بعد خالص منافع کہا یا۔ جبکہ گزشتہ سال کی اسی مدت کے دوران 867.29 ملین تھا۔

جس کی وجہ سے فی شیئر آمدنی 5.43 روپے ہو گئی ہے۔ جو کہ گزشتہ سال کی اسی مدت کے دوران 4.53 روپے تھی۔

مجموعی مالی سٹیٹمنٹس:

زابدی ٹاورز (پرائیوٹ) لمیٹڈ زابدی ٹیکسٹائل ملز لمیٹڈ کی ذیلی ادارہ ہے لہذا ، اس کمپنی نے بین الاقوامی مالیاتی رپورٹنگ کے معیارات کے تقاضوں کے مطابق ، الگ انٹیریم فنانشل معلومات کے ساتھ ساتھ مجموعی انٹیریم فنانشل معلومات بھی منسلک کی ہیں۔

کمپنی نے بنیادی کاروبار پر توجہ مرکوز کرنے کے لئے بورڈ آف ڈائریکٹرز نے اور اس کے بعد کمپنی کے شیئر ہولڈرز نے اپنی 31 مارچ 2021 کو منعقدہ میٹنگ میں زابدی ٹاورز (پرائیوٹ) لمیٹڈ کی فروخت کی منظوری دے دی ہے۔

مستقبل کا نقطہ نظر:

کوویڈ کی غیر یقینی صورتحال کے باوجود انتظامیہ کمپنی کی مستقبل کی کارکردگی کے بارے میں پرامید ہے۔ خام مال کی بروقت خریداری کی وجہ سے رواں سال کے دوران کمپنی کا منافع بہتر رہنے کی توقع ہے۔

اظہار تشکر:

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

بورڈ آف ڈائریکٹرز کی جانب سے

Muhammad Shariq

محمد شریف
(چیئرمین)

Muhammad Shariq

محمد زابد
(چیف ایگزیکٹو آفیسر)
مورخہ: 29 اپریل 2021
مقام: لاہور

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2021

		Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	3	6,514,952,467	6,613,186,162
Intangible assets		26,915	330,203
Investment in subsidiary	4	359,200,000	359,200,000
Long term security deposits		4,476,224	4,476,224
		6,878,655,606	6,977,192,589
CURRENT ASSETS			
Stores, spares and loose tools		227,369,965	155,356,386
Stock in trade		4,921,726,672	2,926,873,525
Trade debts		1,627,682,857	1,729,035,469
Loans, advances and deposits		340,754,907	249,325,964
Prepayments		7,042,262	187,967
Other receivables		110,784,211	84,617,550
Short term investment	5	158,101,019	56,790,569
Tax refunds due from Government		126,913,132	177,558,960
Cash and bank balances		80,812,646	63,840,188
		7,601,187,671	5,443,586,578
CURRENT LIABILITIES			
Trade and other payables		1,108,831,607	887,327,709
Interest / markup payable		78,987,624	59,198,537
Short term borrowings		3,777,323,923	2,980,917,815
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		200,413,447	210,628,546
Provision for taxation - income tax		176,867,980	195,763,444
		5,343,629,202	4,335,040,672
		9,136,214,075	8,085,738,495
NON - CURRENT LIABILITIES			
Long term finance		1,119,182,127	1,137,357,078
Deferred liability			
Deferred taxation		491,228,033	481,265,653
		1,610,410,160	1,618,622,731
CONTINGENCIES AND COMMITMENTS			
	6	-	-
Net worth		7,525,803,915	6,467,115,764
Represented by			
SHARE CAPITAL AND RESERVES			
Share capital		1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment			
Revenue reserves		4,130,078,070	3,029,377,107
		7,525,803,915	6,467,115,764
		7,525,803,915	6,467,115,764

The annexed notes 1 to 13 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, 2021

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2021	2020	2021	2020
		Rupees	Rupees	Rupees	Rupees
Sales	7	4,193,345,720	3,771,935,264	11,862,079,636	11,157,387,419
Cost of goods sold	8	3,400,406,034	3,323,467,793	10,155,559,216	9,715,098,586
Gross profit		792,939,686	448,467,471	1,706,520,420	1,442,288,833
Trading profit / (loss)		3,424,114	-	5,972,678	(922,926)
Other income		9,602,665	1,786,313	62,797,966	7,923,621
		805,966,465	450,253,784	1,775,291,064	1,449,289,528
Distribution cost		31,571,453	42,243,378	102,177,033	114,081,610
Administrative expenses		28,064,050	24,553,416	81,581,302	88,872,774
Other operating expenses		31,963,768	25,447,482	88,145,636	61,073,075
Finance cost		158,252,194	76,543,416	269,068,818	231,065,778
		249,851,466	168,787,692	540,972,789	495,093,237
Profit / (loss) for the period before taxation		556,114,999	281,466,092	1,234,318,275	954,196,291
Provision for taxation	9	103,286,656	42,074,987	194,996,676	86,900,594
Profit / (loss) for the period		452,828,343	239,391,105	1,039,321,599	867,295,697
Earnings per share - Basic and diluted		2.37	1.25	5.43	4.53

The annexed notes 1 to 13 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 COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	<u>Quarter ended March 31,</u>		<u>Nine months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Profit / (loss) for the period	452,828,343	239,391,105	1,039,321,599	867,295,697
Other comprehensive income				
Items that will not be subsequently reclassified to profit or loss :				
Incremental depreciation on revalued assets				
net of deferred tax	19,388,826	17,368,781	48,185,501	52,139,882
Related deferred tax	5,308,931	4,907,570	13,193,863	14,732,184
	24,697,757	22,276,351	61,379,364	66,872,066
Total comprehensive income for the period	477,526,100	261,667,456	1,100,700,963	934,167,763

The annexed notes 1 to 13 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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	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	
Rupees								
Balance as at July 01, 2019 (Audited)	1,914,210,990	366,258,513	1,228,748,321	1,595,006,834	300,000,000	2,105,446,506	2,405,446,506	5,914,664,330
Transactions with owners								
Dividend paid (Rs. 0.85 per share of Rs. 10 each)	-	-	-	-	-	(162,707,933)	(162,707,933)	(162,707,933)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	867,295,697	867,295,697	867,295,697
Items that will not be subsequently reclassified to profit or loss								
Incremental depreciation on revalued assets for the period	-	-	(66,872,066)	(66,872,066)	-	52,139,882	52,139,882	(14,732,184)
Related deferred tax	-	-	14,732,184	14,732,184	-	14,732,184	14,732,184	29,464,368
	-	-	(52,139,882)	(52,139,882)	-	66,872,066	66,872,066	14,732,184
Adjustment of deferred tax for the period	-	-	56,545	56,545	-	-	-	56,545
Balance as at March 31, 2020 (Unaudited)	1,914,210,990	366,258,513	1,176,664,984	1,542,923,497	300,000,000	2,876,906,337	3,176,906,337	6,634,040,823
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	(169,877,269)	(169,877,269)	(169,877,269)
Items that will not be subsequently reclassified to profit or loss								
Incremental depreciation on revalued assets for the period	-	-	(22,348,041)	(22,348,041)	-	17,216,884	17,216,884	(5,131,157)
Related deferred tax	-	-	5,131,156	5,131,156	-	5,131,156	5,131,156	10,262,312
	-	-	(17,216,885)	(17,216,885)	-	22,348,040	22,348,040	5,131,155
Adjustment of deferred tax for the period	-	-	(2,178,945)	(2,178,945)	-	-	-	(2,178,945)
Balance as at June 30, 2020 (Audited)	1,914,210,990	366,258,513	1,157,269,154	1,523,527,667	300,000,000	2,729,377,107	3,029,377,107	6,467,115,764
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	1,039,321,599	1,039,321,599	1,039,321,599
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss								
Incremental depreciation on revalued assets for the period	-	-	(61,379,364)	(61,379,364)	-	48,185,501	48,185,501	(13,193,863)
Related deferred tax	-	-	13,193,863	13,193,863	-	13,193,863	13,193,863	26,387,726
	-	-	(48,185,501)	(48,185,501)	-	61,379,364	61,379,364	13,193,863
Adjustment of deferred tax for the period	-	-	6,172,689	6,172,689	-	-	-	6,172,689
Balance as at March 31, 2021 (Unaudited)	1,914,210,990	366,258,513	1,115,256,342	1,481,514,855	300,000,000	3,830,078,070	4,130,078,070	7,525,803,915

The annexed notes 1 to 13 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 CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months ended March 31,	
	2021 Rupees	2020 Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period before taxation	1,234,318,275	954,196,291
Adjustments for :		
Depreciation of property, plant and equipment	394,005,668	380,184,301
Amortization on intangible assets	303,288	544,364
Profit on deposits	(2,582,254)	-
Dividend income	(9,102,843)	-
Balances written off	(17,719)	143,813
Balances written back	77,923	(634,570)
Loss on disposal of operating assets	12,831,129	44,557
Fair value adjustment of short term investment	(15,645,289)	10,781,811
Finance cost	269,068,818	231,065,778
Operating cash flows before working capital changes	1,883,256,996	1,576,326,345
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(72,013,579)	(6,698,511)
Stock in trade	(1,994,853,147)	227,193,526
Trade debts	101,370,331	(276,507,013)
Loans, advances and deposits	(91,902,078)	3,369,735
Prepayments	(6,854,296)	25,245,149
Other receivables	(26,166,661)	(35,537,013)
Tax refunds due from Government	(5,688,456)	23,954,875
Increase / (Decrease) in current liabilities		
Trade and other payables	221,425,975	112,368,670
	(1,874,681,910)	73,389,418
Cash generated from operating activities	8,575,086	1,649,715,763
Finance cost paid	(249,279,731)	(245,038,463)
Income tax paid	(183,928,348)	(131,208,514)
Net cash generated from operating activities	(424,632,993)	1,273,468,786
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(250,486,574)	(1,052,480,588)
Proceeds from disposal of operating assets	13,701,320	260,669
Profit on deposits	2,582,254	-
Increase in short term investment	(101,310,450)	-
Dividend received	9,102,843	-
Net cash (used in) investing activities	(326,410,607)	(1,052,219,919)

**Nine months ended
March 31,**

2021	2020
Rupees	Rupees

(c) CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing obtained	111,667,000	563,443,961
Long term financing repaid	(140,057,050)	(140,098,817)
Increase in short term borrowings - net	796,406,108	(495,128,597)
Dividend paid	-	(162,708,296)
Net cash generated from financing activities	768,016,058	(234,491,749)
Net increase in cash and cash equivalents (a+b+c)	16,972,458	(13,242,882)
Cash and cash equivalents at the beginning of the period	63,840,188	83,459,305
Cash and cash equivalents at the end of the period	80,812,646	70,216,423

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

1. STATUS AND ACTIVITIES

- 1.1** Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 2-H Jail Road, Gulberg II, Lahore in the province of Punjab. The Company is currently listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad and M-3 Industrial Estate, Faisalabad, in the province of Punjab.
- 1.2** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.3** These condensed interim financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

- 2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of

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

- 2.1.2** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.
- 2.1.3** These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2020.

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, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2021 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, 2020.

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, 2020.

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, 2020.

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, 2020.

	Note	Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	5,605,681,550	5,987,525,496
Capital work in progress	3.2	600,519,816	388,727,413
Non operating land		16,203,950	16,203,950
Advance against purchase of land		292,547,151	220,729,303
		6,514,952,467	6,613,186,162
3.1 Operating assets			
Book value at beginning of period / year		5,987,525,496	5,670,179,524
Additions during the period / year	3.1.1	38,694,171	843,077,724
Disposal during the period / year		(26,532,449)	(7,514,928)
Depreciation charge during the period / year		(394,005,668)	(518,216,824)
		5,605,681,550	5,987,525,496
3.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follows			
Building on freehold land		-	18,098,471
Plant and machinery		27,787,738	809,511,853
Electric installations		1,907,203	7,161,256
Factory equipment		854,815	4,637,193
Office equipment		1,405,253	307,489
Electric appliances		894,062	2,116,871
Furniture and fittings		266,210	1,244,591
Vehicles		5,578,890	-
		38,694,171	843,077,724
3.2 Capital work in progress			
Civil work		510,435,574	352,628,863
Plant and machinery		90,084,242	36,098,550
		600,519,816	388,727,413

4. Zahidjee Towers (Private) Limited

35,920,000 (June 30, 2020: 35,920,000) ordinary shares of Rs. 10/- each
fully paid in cash. Ownership interest 54.39% (June 30, 2020: 54.39%).

359,200,000

359,200,000

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

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

In order to concentrate on the core business of the company, the Board of directors in their meeting held on February 25, 2021 and subsequently, the shareholders of the company in their meeting held on March 31, 2021 approved the sale of Zahidjee Towers (Pvt) Limited.

5. SHORT TERM INVESTMENT

Investment in ordinary shares
Investment in term deposits receipts

Note

5.1

Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
85,101,019	56,790,569
73,000,000	-
158,101,019	56,790,569

5.1 Financial assets at fair value through profit or loss

Quoted security

Habib Metropolitan Bank Limited
2,022,854 (June 30, 2020: 2,022,854)
Ordinary shares of Rs.10/- each

56,255,569

72,984,572

JS Bank Limited
100,000 (June 30, 2020: 100,000)
Ordinary shares of Rs.10/- each

535,000

397,445

The Bank of Punjab
600,000 (June 30, 2020: Nil)
Ordinary shares of Rs.10/- each

5,813,652

Askari Bank Limited
320,000 (June 30, 2020: Nil)
Ordinary shares of Rs.10/- each

6,851,509

-

69,455,730

73,382,017

Adjustment in fair value

15,645,289

(16,591,448)

85,101,019

56,790,569

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

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, 2020, except the followings:

Contingencies

Bank guarantees issued in favour of :

Sui Northern Gas Pipelines Limited for supply of gas.
Faisalabad Electric Supply Company Limited for supply of electricity.

98,955,000

98,955,000

21,342,760

21,342,760

Indemnity bonds issued in favour of collector of customs
/ sales tax, Faisalabad to avail exemption of sales tax
and custom duty on imported raw material / machinery.

305,324,444

402,418,776

Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
---	---------------------------------------

Commercial Banks issued guarantees in favour of the Excise and Taxation Department Government of Sindh against 50% payment of ETO cess on import clearance.	70,000,000	5,000,000
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Commitments

Under letters of credit for:		
Plant and machinery	2,360,783,704	7,562,277
Raw material and spare parts	875,157,336	378,250,710
Under contracts for purchase of land	71,592,000	38,961,044
Under contracts for civil work	-	90,700,872

Quarter ended March 31,		Nine months ended March 31,	
2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees

7. SALES

Export				
Cloth / made ups	409,275,142	835,221,828	1,386,525,487	2,154,100,897
Local				
Yarn	4,193,126,315	3,181,869,484	11,516,509,000	9,849,728,093
Cloth	103,299,989	44,265,325	202,254,574	116,337,550
Waste and left over	130,822,645	199,302,594	488,697,676	538,879,058
Conversion receipts	42,206,303	18,478,902	129,438,738	29,484,612
	4,469,455,252	3,443,916,304	12,336,899,988	10,534,429,313
Less : Sales tax	(653,718,518)	(488,257,365)	(1,796,851,514)	(1,516,391,528)
	4,225,011,876	3,790,880,767	11,926,573,961	11,172,138,682
Add: Export rebate / duty drawback	4,164,596	13,910,460	27,884,611	72,070,593
	4,229,176,472	3,804,791,227	11,954,458,572	11,244,209,275
Less: Commission and claims	35,830,752	32,855,963	92,378,936	86,821,856
	4,193,345,720	3,771,935,264	11,862,079,636	11,157,387,419

8. COST OF GOODS SOLD

Cost of goods manufactured	8.1	3,432,875,906	3,476,622,645	9,810,967,603	9,944,544,319
Finished goods					
Opening stock		231,504,726	308,079,596	608,566,212	231,788,716
Closing stock		(263,974,598)	(461,234,449)	(263,974,598)	(461,234,449)
		(32,469,872)	(153,154,853)	344,591,614	(229,445,733)
		3,400,406,034	3,323,467,792	10,155,559,216	9,715,098,586

8.1 Cost of goods manufactured

Raw material consumed	8.1.1	2,745,927,785	2,812,767,646	7,670,229,910	7,747,740,746
Packing material consumed		40,989,988	36,971,237	114,608,860	110,449,335
Salaries, wages and benefits		194,592,124	197,960,261	534,998,050	587,330,658
Retirement benefits		6,460,285	7,128,008	19,753,816	20,692,887
Stores and spares consumed		91,032,373	89,726,330	259,924,861	211,263,313
Fuel and power		243,430,032	176,985,109	725,371,509	822,428,228
Repairs and maintenance		3,888,039	6,039,427	102,061,041	49,753,413
Insurance		3,830,244	1,709,822	11,736,933	12,434,624
Depreciation		128,792,970	125,631,458	388,792,464	373,318,626
Other		503,028	1,673,187	13,751,787	7,172,657
		3,459,446,868	3,456,592,485	9,841,229,231	9,942,584,487
Work in process					
Opening stock		132,738,345	126,101,288	129,047,679	108,030,960
Closing stock		(159,309,307)	(106,071,128)	(159,309,307)	(106,071,128)
		(26,570,962)	20,030,160	(30,261,628)	1,959,832
		3,432,875,906	3,476,622,645	9,810,967,603	9,944,544,319

8.1.1 Raw material consumed

Opening stock	3,235,050,728	2,743,393,989	2,189,259,633	2,264,422,626
Purchases including purchase expenses	4,009,319,824	1,879,116,856	9,979,413,044	7,293,061,319
	7,244,370,552	4,622,510,845	12,168,672,677	9,557,483,945
Closing stock	(4,498,442,767)	(1,809,743,199)	(4,498,442,767)	(1,809,743,199)
	2,745,927,785	2,812,767,646	7,670,229,910	7,747,740,746

9. PROVISION FOR TAXATION

Current				
for the period	62,687,240	52,144,439	176,867,980	156,109,035
for prior period	(0)	-	(11,200,236)	(3,908,509)
Deferred	40,599,416	(10,069,452)	29,328,932	(65,299,932)
	103,286,656	42,074,987	194,996,676	86,900,594

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,	
		2021 Rupees	2020 Rupees
Key management personnel	Remuneration	32,220,000	28,084,500
Directors	Short term loan (Repaid) Obtained	250,578,973 83,000,000	(76,015,141) -

11. NON-ADJUSTING EVENTS AFTER REPORTING PERIOD

The Board of Directors in their meeting held on April 29, 2021 have approved an interim cash dividend of Rs. 1 per share in respect of nine months ended March 31, 2021 amounting to Rs. 191.42 million. These unconsolidated condensed interim financial statements do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 29, 2021 by the Board of Directors of the Company.

13. GENERAL


13.1 Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

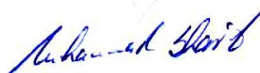
ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2021

		Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
	Note		
NON - CURRENT ASSETS			
Property, plant and equipment	4	7,079,439,393	7,178,010,588
Intangible assets		26,915	330,203
Investment property	5	92,256,091	94,917,829
Long term security deposits		4,476,224	4,476,224
		7,176,198,623	7,277,734,844
CURRENT ASSETS			
Stores, spares and loose tools		227,369,965	155,356,386
Stock in trade		4,921,726,672	2,926,873,525
Trade debts		1,627,682,857	1,729,035,469
Loans, advances and deposit		344,738,870	252,004,445
Prepayments		7,042,262	187,967
Other receivables		110,784,211	83,817,550
Short term investment	6	158,101,019	56,790,569
Tax refunds due from Government		130,965,426	181,811,574
Cash and bank balances		86,193,236	68,852,324
		7,614,604,518	5,454,729,809
CURRENT LIABILITIES			
Trade and other payables		1,110,707,181	888,820,253
Interest / mark up payable		78,987,624	59,198,537
Short term borrowings		3,794,323,923	2,997,917,815
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		200,413,447	210,628,546
Provision for taxation - income tax		177,633,675	196,728,764
		5,363,270,471	4,354,498,536
		9,427,532,670	8,377,966,117
NON - CURRENT LIABILITIES			
Long term finance		1,119,182,127	1,137,357,078
Deferred liability			
Deferred taxation		491,228,033	481,265,653
		1,610,410,160	1,618,622,731
CONTINGENCIES AND COMMITMENTS			
Net worth	7	-	-
		7,817,122,510	6,759,343,386
Represented by :			
Share capital		1,914,210,990	1,914,210,990
Capital reserve			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		1,115,256,342	1,157,269,154
Revenue reserves		4,124,502,496	3,024,295,953
		7,520,228,341	6,462,034,610
Non-controlling interest		296,894,169	297,308,776
		7,817,122,510	6,759,343,386

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

Annexure-2

	Note	Quarter ended March 31,		Nine months ended March 31,	
		2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Sales	8	4,193,345,720	3,771,935,264	11,862,079,636	11,157,387,419
Cost of goods sold	9	3,400,406,034	3,323,467,793	10,155,559,216	9,715,098,586
Gross profit		792,939,686	448,467,471	1,706,520,420	1,442,288,833
Trading (loss) / profit		3,424,114		5,972,678	(922,926)
Other income		10,789,277	2,906,741	66,385,262	11,245,300
		807,153,077	451,374,212	1,778,878,360	1,452,611,207
Distribution cost		31,571,453	42,243,378	102,177,033	114,081,610
Administrative expenses		29,335,120	26,927,298	85,364,862	96,412,834
Other operating expenses		31,963,769	25,447,482	88,145,636	61,073,075
Finance cost		158,252,194	76,543,416	269,068,818	231,065,778
		251,122,536	171,161,574	544,756,349	502,633,297
Profit for the period before taxation		556,030,541	280,212,638	1,234,122,011	949,977,910
Provision for taxation	10	103,533,254	42,430,872	195,709,439	87,730,659
Profit for the period		452,497,287	237,781,767	1,038,412,572	862,247,251
Attributable to:					
Shareholders of the Parent		452,648,281	238,515,787	1,038,827,179	864,549,847
Non-controlling interest		(150,994)	(734,020)	(414,607)	(2,302,596)
		452,497,287	237,781,767	1,038,412,572	862,247,251
Earnings per share - Basic and diluted					
Attributable to shareholders of the Parent					
(Rupees)		2.36	1.24	5.42	4.50

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	<u>Quarter ended March 31,</u>		<u>Nine months ended March 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Profit for the period	452,497,287	239,391,105	1,038,412,572	862,247,251
Items that will not be subsequently reclassified to profit or loss				
Incremental depreciation on revalued assets for the period	19,388,826	17,368,781	48,185,501	52,139,882
related deferred tax	5,308,931	4,907,570	13,193,863	14,732,184
	24,697,757	22,276,351	61,379,364	66,872,066
Total comprehensive income for the period	<u>477,195,044</u>	<u>261,667,456</u>	<u>1,099,791,936</u>	<u>929,119,317</u>
Attributable to:				
Shareholders of the Parent	477,346,038	262,401,476	1,100,206,543	931,421,913
Non-controlling interest	(150,994)	(734,020)	(414,607)	(2,302,596)
	<u>477,195,044</u>	<u>261,667,456</u>	<u>1,099,791,936</u>	<u>929,119,317</u>

The annexed notes 1 to 14 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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Issued Subscribed and Paid-up Capital	CAPITAL RESERVES			REVENUE RESERVES			Total	Non controlling interest
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total		
Rupees									
Balance as at July 01, 2019 (Audited)	1,914,210,990	366,258,513	1,228,748,321	1,595,006,834	300,000,000	2,101,711,406	2,401,711,406	5,910,929,230	298,437,541
Transactions with owners									
Dividend paid (Rs. 0.85 per share of Rs. 10 each)	-	-	-	-	-	(162,707,933)	(162,707,933)	(162,707,933)	-
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	864,549,847	864,549,847	864,549,847	(2,302,596)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss									
Incremental depreciation on revalued assets for the period	-	-	(66,872,066)	(66,872,066)	-	52,139,882	52,139,882	(14,732,184)	-
Related deferred tax	-	-	14,732,184	14,732,184	-	14,732,184	14,732,184	29,464,368	-
	-	-	(52,139,882)	(52,139,882)	-	66,872,066	66,872,066	14,732,184	-
Adjustment of deferred tax for the period	-	-	56,545	56,545	-	-	-	56,545	-
Balance as at March 31, 2020 (Unaudited)	1,914,210,990	366,258,513	1,176,664,984	1,542,923,497	300,000,000	2,870,425,386	3,170,425,386	6,627,559,873	296,134,945
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	(168,477,473)	(168,477,473)	(168,477,473)	1,173,831
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss									
Incremental depreciation on revalued assets for the period	-	-	(22,348,040)	(22,348,040)	-	17,216,884	17,216,884	(5,131,156)	-
	-	-	5,131,156	5,131,156	-	5,131,156	5,131,156	10,262,312	-
	-	-	(17,216,884)	(17,216,884)	-	22,348,040	22,348,040	5,131,156	-
Adjustment of deferred tax for the period	-	-	(2,178,946)	(2,178,946)	-	-	-	(2,178,946)	-
Balance as at June 30, 2020 (Audited)	1,914,210,990	366,258,513	1,157,269,154	1,523,527,667	300,000,000	2,724,295,953	3,024,295,953	6,462,034,610	297,308,776
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	1,038,827,179	1,038,827,179	1,038,827,179	(414,607)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss									
Incremental depreciation on revalued assets for the period	-	-	(61,379,364)	(61,379,364)	-	48,185,501	48,185,501	(13,193,863)	-
Related deferred tax	-	-	13,193,863	13,193,863	-	13,193,863	13,193,863	26,387,726	-
	-	-	(48,185,501)	(48,185,501)	-	61,379,364	61,379,364	13,193,863	-
Adjustment of deferred tax for the period	-	-	6,172,689	6,172,689	-	-	-	6,172,689	-
Balance as at March 31, 2021 (Unaudited)	1,914,210,990	366,258,513	1,115,256,342	1,481,514,855	300,000,000	3,824,502,496	4,124,502,496	7,520,228,341	296,894,169

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

	Nine months ended March 31,	
	2021 Rupees	2020 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	1,234,122,011	949,977,910
Adjustments for :		
Depreciation of property, plant and equipment	394,343,168	384,471,871
Depreciation on investment property	2,661,738	2,849,076
Amortization on intangible assets	303,288	544,364
loss on disposal of operating assets	12,831,129	44,557
Balances written off	(17,719)	143,813
Balances written back	77,923	(634,570)
Fair value adjustment of short term investment	(15,645,289)	10,781,811
Finance cost	269,068,818	231,065,778
Dividend income	(9,102,843)	
Profit on deposits	(2,646,320)	
Operating cash flows before working capital changes	1,885,995,903	1,579,244,610
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(72,013,579)	(6,698,511)
Stock in trade	(1,994,853,147)	227,193,526
Trade debts	101,370,331	(276,507,013)
Loans and advances	(93,440,251)	3,369,735
Prepayments	(6,854,296)	25,245,149
Other receivables	(26,166,661)	(35,537,013)
Tax refunds due from Government - sales tax	(5,688,456)	23,954,875
	(2,097,646,058)	(38,979,252)
Increase / (decrease) in current liabilities		
Trade and other payables	221,009,005	113,276,170
	(1,876,637,053)	74,296,918
Cash generated from / (used in) operating activities	9,358,850	1,653,541,528
Income tax paid	(184,407,725)	(131,700,823)
Finance cost paid	(249,279,730)	(245,038,463)
Net cash generated from / (used in) operating activities	(424,328,605)	1,276,802,242

	Nine months ended March 31,	
	2021 Rupees	2020 Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(250,486,574)	(1,052,480,588)
Additions in capital work in progress	-	-
Proceeds from disposal of operating assets	13,701,320	260,669
Profit on deposits	2,646,320	-
Addition in short term investments	(101,310,450)	-
Dividend received	9,102,843	-
Net cash (used in) investing activities	<u>(326,346,541)</u>	<u>(1,052,219,919)</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	111,667,000	563,443,961
Long term financing repaid	(140,057,050)	(140,098,817)
Increase in short term borrowings - net	796,406,108	(495,128,597)
Dividend paid	-	(162,708,296)
Net cash generated from financing activities	<u>768,016,058</u>	<u>(234,491,749)</u>
Net increase in cash and cash equivalents (a+b+c)	17,340,912	(9,909,426)
Cash and cash equivalents at the beginning of the period	68,852,324	83,907,182
Cash and cash equivalents at the end of the period	<u>86,193,236</u>	<u>73,997,756</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2021

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.

Disposal of investment in share of Zahidjee Towers (Private) Limited

In order to concentrate on the core business, the Board of directors of the Parent in their meeting held on February 25, 2021 and subsequently, the shareholders of the Parent in their meeting held on March 31, 2021 approved the sale of Zahidjee Towers (Pvt) Limited.

- 1.2** These condensed interim consolidated financial statements are 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.

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 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, 2020.

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 Company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2021 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, 2020.

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, 2020.

3.5 Estimates, judgments and risk management policies

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

3.5.2 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.

3.5.3 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, 2020.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
Operating assets	4.1	5,609,844,050	5,992,025,496
Non-operating land and building		576,528,376	576,528,376
Capital work in progress	4.2	600,519,816	388,727,413
Advance against purchase of land		292,547,151	220,729,303
		7,079,439,393	7,178,010,588
4.1 Operating assets			
Book value at beginning of period / year		5,992,025,496	5,670,179,524
Additions during the period / year	4.1.1	38,694,171	848,077,724
Disposal during the period / year		(26,532,449)	(7,514,928)

Depreciation charge during the period / year

(394,343,168)	(518,716,824)
5,609,844,050	5,992,025,496

4.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follow

Building on freehold land	-	23,098,471
Plant and machinery	27,787,738	809,511,853
Electric installations	1,907,203	7,161,256
Factory equipment	854,815	4,637,193
Office equipment	1,405,253	307,489
Electric appliances	894,062	2,116,871
Furniture and fittings	266,210	1,244,591
Vehicles	5,578,890	
	38,694,171	848,077,724

4.2 Capital work in progress

Civil work	510,435,574	352,628,863
Plant and machinery	90,084,242	36,098,550
	600,519,816	388,727,413

5. INVESTMENT PROPERTY

Land

Cost	23,938,150	23,938,150
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Building

For the period ended March 31,

Opening net book value as at July 01,	70,979,679	75,975,354
Depreciation charge	(2,661,738)	(4,995,675)
Closing net book value as at March 31,	68,317,941	70,979,679

Closing balance as at March 31,

Cost	76,887,793	76,887,793
Accumulated depreciation	(8,569,852)	(5,908,114)
Net book value	68,317,941	70,979,679
Total	92,256,091	94,917,829
Annual rate of depreciation (%)	5%	5%

- 5.1** The fair value of investment property is Rs.108,560,000/-. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

	Un-audited	Audited
	March 31,	June 30,
	2021	2020
	Rupees	Rupees

6. SHORT TERM INVESTMENT

Investment in ordinary shares	6.1	85,101,019	56,790,569
Investment in term deposits receipts		73,000,000	-
		158,101,019	56,790,569

6.1 Financial assets at fair value through profit or loss

Quoted security

Habib Metropolitan Bank Limited			
2,022,854 (June 20 ,2020: 2,022,854)			
Ordinary shares of Rs.10/- each		56,255,569	72,984,572
JS Bank Limited			
100,000 (June 30 ,2020: 100,000)			
Ordinary shares of Rs.10/- each		535,000	397,445
Askari Bank Limited			
320,000 (June 30 ,2020: Nil)			
Ordinary shares of Rs.10/- each		6,851,509	-

	63,642,078	73,382,017
Adjustment in fair value	15,645,289	(16,591,448)
	79,287,367	56,790,569

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

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, 2020, except the followings;

	Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
Contingencies		
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	98,955,000	98,955,000
Faisalabad Electric Supply Company Limited for supply of electricity.	21,342,760	21,342,760
Indemnity bonds issued in favour of collector of customs / sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.	305,324,444	402,418,776
Commercial Banks issued guarantees in favour of the Excise and Taxation Department Government of Sindh against 50% payment of ETO cess on import clearance.	70,000,000	5,000,000
Commitments		
Under letters of credit for raw material and spare parts		
Under letters of credit for:		
Plant and machinery	2,360,783,704	7,562,277
Raw material and spare parts	875,157,336	378,250,710
Under contracts for purchase of land	71,592,000	38,961,044
Under contracts for civil work	-	90,700,872

Quarter ended March 31,		Nine months ended March 31,	
2021	2020	2021	2020
Rupees	Rupees	Rupees	Rupees

8. SALES

Export				
Cloth / made ups	409,275,142	835,221,828	1,386,525,487	2,154,100,897
Local				
Yarn	4,193,126,315	3,181,869,484	11,516,509,000	9,849,728,093
Cloth	103,299,989	44,265,325	202,254,574	116,337,550
Waste and left over	130,822,645	199,302,594	488,697,676	538,879,058
Conversion receipts	42,206,303	18,478,902	129,438,738	29,484,612
	4,469,455,252	3,443,916,305	12,336,899,988	10,534,429,313
Less : Sales tax	(653,718,518)	(488,257,365)	(1,796,851,514)	(1,516,391,528)
	4,225,011,876	3,790,880,768	11,926,573,961	11,172,138,682
Add: Export rebate / duty drawback	4,164,596	13,910,460	27,884,611	72,070,593
	4,229,176,472	3,804,791,228	11,954,458,572	11,244,209,275
Less: Commission and claims	35,830,752	32,855,963	92,378,936	86,821,856
	4,193,345,720	3,771,935,265	11,862,079,636	11,157,387,419

9. COST OF GOODS SOLD

Cost of goods

manufactured	3,432,875,906	3,476,622,645	9,810,967,603	9,944,544,319
Finished goods				
Opening stock	231,504,726	308,079,596	608,566,212	231,788,716
Closing stock	(263,974,598)	(461,234,449)	(263,974,598)	(461,234,449)
	(32,469,872)	(153,154,853)	344,591,614	(229,445,733)
	3,400,406,033	3,323,467,793	10,155,559,216	9,715,098,586

9.1 Cost of goods manufactured

Raw material consumed 9.1.1	2,745,927,785	2,812,767,646	7,670,229,910	7,747,740,746
Packing material consumed	40,989,988	36,971,237	114,608,860	110,449,335
Salaries, wages and benefits	194,592,124	197,960,261	534,998,050	587,330,658
Retirement benefits	6,460,285	7,128,008	19,753,816	20,692,887
Stores and spares consumed	91,032,373	89,726,330	259,924,861	211,263,313
Fuel and power	243,430,032	176,985,109	725,371,509	822,428,228
Repairs and maintenance	3,888,039	6,039,427	102,061,041	49,753,413
Insurance	3,830,244	1,709,822	11,736,933	12,434,624
Depreciation	128,792,970	125,631,458	388,792,464	373,318,626
Other	503,028	1,673,187	13,751,787	7,172,657
	3,459,446,868	3,456,592,485	9,841,229,231	9,942,584,487

Work in process				
Opening stock	132,738,345	126,101,288	129,047,679	108,030,960
Closing stock	(159,309,307)	(106,071,128)	(159,309,307)	(106,071,128)
	(26,570,962)	20,030,160	(30,261,628)	1,959,832
	3,432,875,906	3,476,622,645	9,810,967,603	9,944,544,319

9.1.1 Raw material consumed

Opening stock	3,235,050,728	2,743,393,989	2,189,259,633	2,264,422,626
Purchases including purchase expenses	4,009,319,824	1,879,116,856	9,979,413,044	7,293,061,319
	7,244,370,552	4,622,510,845	12,168,672,677	9,557,483,945
Closing stock	(4,498,442,767)	(1,809,743,199)	(4,498,442,767)	(1,809,743,199)
	2,745,927,785	2,812,767,646	7,670,229,910	7,747,740,746

10. PROVISION FOR TAXATION

Current				
for the period	62,933,838	52,500,325	177,633,675	156,942,283
for prior period			(11,253,168)	(3,911,693)
Deferred	40,599,416	(10,069,452)	29,328,932	(65,299,932)
	103,533,254	42,430,873	195,709,439	87,730,658

11. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	Nine months ended March 31,	
		2021 Rupees	2020 Rupees
Key management personnel	Remuneration	32,220,000	28,084,500
Directors	Short term loan repaid	250,578,973	(76,015,141)
	Short term loan obtained	83,000,000	-

12. NON-ADJUSTING EVENTS AFTER REPORTING PERIOD

The Board of Directors in their meeting held on April 29, 2021 have approved an interim cash dividend of Rs. 1 per share in respect of nine months ended March 31, 2021 amounting to Rs. 191.42 million. These consolidated condensed interim

financial statements do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

13. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue on April 29, 2021 by the Board of Directors of the Parent.

14. GENERAL

14.1 Figures have been rounded off to the nearest of Rupees



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER