

Zephyr Textiles Limited

Accounts For The Half Year Ended
December 31, 2018

BOOK POST

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ZEPHYR
TEXTILES LIMITED

Zephyr Textiles Limited
3 Floor, IEP Building, 97-B/D-1, Gulberg III,
Lahore, Pakistan.

T +92 42 3578 2905
F +92 42 3575 3202
E info@zephyr.com.pk

Contents

Company Information	02
Directors' Report	03
Auditors' Report to the Members	04
Statement of Financial Position	05
Statement of Comprehensive Income	06
Statement of Cash Flow	07
Statement of Changes in Equity	08
Notes to the Financial Information	09
Directors' Report in Urdu	15

Company Information

BOARD OF DIRECTORS:	Mr. Mussaid Hanif	CEO
	Mr. Burhan Muhamamd Khan	
	Mr. Rana Kamal Ud din	
	Ms. Tahniat Mussaid	Chairperson
	Ms. Sabah Burhan	
	Ms. Sarah Mussaid	
	Ms. Nuzhat Kamran	
AUDIT COMMITTEE:	Ms. Nuzhat Kamran	Chairperson/Member
	Mr. Rana Kamal Ud din	Member
	Ms. Tahniat Mussaid	Member
CHIEF FINANCIAL OFFICER:	Mr. Naveed Aleem	
COMPANY SECRETARY:	Mr. Abdul Jabbar	
AUDITORS:	Azhar Zafar & Company	Chartered Accountants
LEGAL ADVISOR:	Cornelius Lane & Mufti	
	Advocate and Solicitors	
	Nawa-e-Waqt House, 4 Shahrah-e-Fatima Jinnah,	
	Lahore - 54000, Paksitan	
BANKERS TO THE COMPANY:	Habib Bank Limited	National Bank of Pakistan
	Allied Bank Limited	MCB Bank Limited
	Askari Bank Limited	The Bank Of Punjab
	United Bank Limited	Faysal Bank Limited
	Habib Metropolitan Bank Limited	Meezan Bank Limited
	Bank Al Habib Limited	Silk Bank Limited
MILLS:	1 km, Balloki Bhai Pheru Road Bhai Pheru. Phone : 0494 - 512007-9, 513103-5 Fax : 0494 - 512011	(Weaving unit & Power plants)
	63 km, Gulshan Adda, Humber Khurd, District Kasur.	(Towel Unit)
REGISTERED & HEAD OFFICE:	3 rd Floor, IEP Building 97 B/D-I, Gilberg III, Lahore E-mail: info@zephyr.com.pk Website: www.zephyr.com.pk Phone : 042 35782905 - 15 Fax : 042 35753202	

Note: Zephyr's Company Information & Financial Statments are also available at the above website

Directors' Report to the members

The Directors of Zephyr Textiles Limited are pleased to present the Reviewed interim financial statements for the half year ended December 31, 2018. These interim financial statements are presented in accordance with the requirements of the Companies Act, 2017.

Operating Financial Results

During the first half year ended December 31, 2018, the Company earned a gross profit of PKR 200.667 million on sales of PKR 2,293.491 million compared to gross profit of PKR 138.799 million on sales of PKR 1,655.670 million for the corresponding period of previous financial year. During the period under review, the Company recorded a net Profit of PKR 38.020 million compared to net loss of PKR 27.139 million in the corresponding period.

Financial Highlights	Half year ended 31, December		Increase / (Decrease) %	Quarter ended 31, December		Increase / (Decrease) %
	2018	2017		2018	2017	
Sales - net	2,293,491,424	1,655,670,142	38.52	1,199,606,759	835,013,790	43.66
Gross Profit	200,667,215	138,798,775	44.57	114,975,132	65,012,050	76.85
Profit/(Loss) before tax	59,014,716	(13,164,651)	548.28	40,136,175	10,720,401	274.39
Profit/(Loss) after tax	38,019,533	(27,139,240)	240.09	29,167,110	3,813,022	664.94
Gross Profit (%)	8.75%	8.38%	4.37	9.58%	7.79%	23.10
Profit/(Loss) after tax (%)	1.66%	(1.64)%	201.13	0.91%	0.83%	432.45
Earnings/(Loss) per share (Rs.)	0.64	(0.46)	240.09	0.49	0.06	664.94

Sales revenue increased substantially by 38.52% due to increase in export sales in the period under review as compared to corresponding period last year. Gross margin could not be increased as required due to high raw material prices and uncompetitive fuel prices in the first quarter of the period under review. The second quarter of the period under review showed impressive results. Gross margin increased in the quarter, from October to December, to 9.58% from 7.78% in the corresponding quarter last year. The Government announced and implemented most awaited benefit to the export sectors by reducing the RLNG price at USD 6.5 per MMBTU. This measure, taken by the Government, highly benefited the export sector in second quarter to make them competitive in international market and hope this benefit will continue. There is continuous rising trend in lending cost which became a new challenge for the textile industry in coming period.

Future Outlook

Textile sector in Pakistan exhibited comparatively better results in the first six months of the current financial year as compared to corresponding period last year. Textile exports increased marginally in this period and mainly value added business of the industry contributed to this growth of exports. One of the reasons of the export increase is also appreciation of US Dollar against Pak Rupee. The good thing is Government is trying to resolve the export industry problems by taking some good initiatives like DLT and mechanism for issuance of blocked sales tax refunds. These measures can only be beneficial if materialized in time.

Acknowledgement

The management would like to place on record its appreciation for the support of Board of Directors, regulatory authorities, shareholders, customers, financial institutions and hard work of the staff and workers.

For and on behalf of the Board of Directors



BURHAN MUHAMMAD KHAN

Director



MUSSAID HANIF

Chief Executive

Lahore

February 21, 2019

Auditors' Report to the Members On Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of ZEPHYR TEXTILES LIMITED ("the Company") as at December 31, 2018 and the related condensed interim statement of comprehensive income, condensed interim statement of cash flow, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2018.

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 condensed 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

CHARTERED ACCOUNTANTS

Engagement Partner: Zafar Iqbal

Date: February 21, 2019

Lahore

Condensed interim statement of financial position

As at December 31, 2018 (Un-audited)

	Note	Un-audited December 31, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
EQUITY AND LIABILITIES			
Equity			
Share capital	6	594,287,290	594,287,290
Unappropriated profit		614,693,645	595,210,555
Revaluation reserve		340,063,126	351,241,048
		1,549,044,061	1,540,738,893
Liabilities			
Long term financing - secured	7	373,994,297	416,224,442
Employee benefits	8	90,292,724	86,519,195
Deferred tax liabilities		151,263,067	156,053,605
Non current liabilities		615,550,088	658,797,242
Trade and other payables	9	628,831,481	684,460,935
Short-term borrowings - secured		1,245,940,231	1,158,696,746
Unclaimed dividend		22,068,104	425,102
Current portion of long term borrowings		162,901,357	164,905,244
Current liabilities		2,059,741,173	2,008,488,027
Contingencies and commitments	10	-	-
Total liabilities		4,224,335,322	4,208,024,162
Assets			
Property plant & equipment	11	1,915,906,809	1,981,435,617
Capital work in progress		42,449,799	-
Long term advances and deposits		22,498,601	22,498,601
Non-current assets		1,980,855,209	2,003,934,218
Stores, spares and loose tools		123,874,864	103,588,222
Stock in trade		1,124,757,112	1,069,576,465
Trade debts		534,340,624	658,604,786
Loans and advances	12	42,232,572	35,965,460
Trade deposits, prepayments & other receivables	13	351,193,806	306,630,334
Short term investments	14	733,260	734,124
Cash and bank balances		66,347,875	28,990,553
Current assets		2,243,480,113	2,204,089,944
Total assets		4,224,335,322	4,208,024,162

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

Condensed interim statement of comprehensive income

For the half year ended December 31, 2018 (Un-audited)

	Note	Un-audited For half year ended December 31, 2018 2017 (Rupees)		Un-audited For quarter ended December 31, 2018 2017 (Rupees)	
Sales - net		2,293,491,424	1,655,670,142	1,199,606,759	835,013,790
Cost of sales	15	2,092,824,209	1,516,871,367	1,084,631,627	770,001,740
Gross profit		200,667,215	138,798,775	114,975,132	65,012,050
Other income		30,033,173	18,446,621	13,947,908	10,401,125
Distribution cost		60,570,931	39,808,035	30,465,552	18,684,796
Administrative expenses		38,156,580	34,324,834	18,536,115	17,286,104
Other expenses		4,778,665	2,167,861	3,376,575	1,820,606
		103,506,176	76,300,730	52,378,242	37,791,506
Finance costs		68,179,496	94,109,317	36,408,623	26,901,268
Profit/(Loss) for the period before taxation		59,014,716	(13,164,651)	40,136,175	10,720,401
Income tax expense		20,995,183	13,974,589	10,969,065	6,907,379
Profit/(Loss) for the period after taxation		38,019,533	(27,139,240)	29,167,110	3,813,022
Other comprehensive income:					
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		38,019,533	(27,139,240)	29,167,110	3,813,022
Earning per share - basic & diluted		0.64	(0.46)	0.49	0.06

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

Condensed interim statement of cash flow

For the half year ended December 31, 2018 (Un-audited)

	Note	2018	Un-audited For half year ended December 31, 2017 (Rupees)
Net cash from operating activities	16	53,763,567	94,551,336
Cash flow from investing activities			
Long term advances and deposits		-	(3,011,400)
Insurance claim received		750,000	-
Capital Gains/(Loss), Income/(Loss) from Investments and Dividends		(864)	(341,789)
Acquisition of property, plant and equipment		(60,164,834)	(49,750,179)
Net cash flow from investing activities		(59,415,698)	(53,103,368)
Cash flow from financing activities			
Availed/repayment of short term borrowings		87,243,485	47,411,878
Repayment of long term loans		(44,234,032)	(128,659,457)
Net cash flow from financing activities		43,009,453	(81,247,579)
Net increase in cash and cash equivalents		37,357,322	(39,799,611)
Cash and cash equivalents at the beginning of the period		28,990,553	49,888,620
Cash and cash equivalents at the end of the period		66,347,875	10,089,009

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

Condensed statement of changes in equity

For the half year ended December 31, 2018 (Un-audited)

	Share Capital (Rupees)	Accumulated (Loss) /Profit (Rupees)	Revaluation surplus (Rupees)	Total (Rupees)
Balance as at June 30, 2017 - Audited (restated)	594,287,290	468,969,188	333,572,878	1,396,829,356
Total comprehensive income for the period	-	(27,139,240)	-	(27,139,240)
Current period incremental depreciation - net of tax	-	10,163,172	(10,163,172)	-
Balance as at December 31, 2017 - Un-audited	594,287,290	451,993,120	323,409,706	1,369,690,116
Balance as at June 30, 2018 - Audited	594,287,290	595,210,555	351,241,048	1,540,738,893
Total comprehensive income for the period	-	38,019,533	-	38,019,533
Final dividend paid @ Rs. 0.5 per outstanding share	-	(29,714,365)	-	(29,714,365)
Current period incremental depreciation - net of tax	-	11,177,922	(11,177,922)	-
Balance as at December 31, 2018 - Un-audited	594,287,290	614,693,645	340,063,126	1,549,044,061

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Notes to the condensed interim financial information

For the half year ended December 31, 2018 (Un-audited)

1 STATUS AND ACTIVITIES

Zephyr Textiles Limited ("the Company") was incorporated in Pakistan on February 26, 1999 as a private limited company under the Companies Ordinance, 1984. Subsequently on October 04, 2004 it was converted into a public limited company and its shares are quoted in Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacturing, dying and trading of woven cloth which also includes towels. The registered office of the Company is situated at 3rd Floor, IEP Building, 97 B/D-1, Gulberg III, Lahore, Punjab and the manufacturing facilities are located at Bhai Pheru and Jumber.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders as required by section 237 of the Companies Act, 2017. This condensed interim financial information of the Company for the half year ended December 31, 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended June 30, 2018.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2018.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2018, were either considered not to be relevant to the Company's operations or did not have significant effect on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2018.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2018.

6 SHARE CAPITAL

Authorized share capital

	Un-audited December 31, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
62,500,000 ordinary shares of Rs. 10 each	625,000,000	625,000,000
Issued, subscribed and paid up share capital		
51,901,483 Ordinary shares of Rs. 10 each fully paid in cash	519,014,830	519,014,830
7,527,246 Ordinary shares of Rs. 10 each issued as fully paid bonus shares	75,272,460	75,272,460
	594,287,290	594,287,290

Notes to the condensed interim financial information

For the half year ended December 31, 2018 (Un-Audited)

7 LONG TERM FINANCING

Facility	Note	Repayment commencement	Mark up	Sanctioned limit (Rs. in million)	Number of installments	Un-audited December 31, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
Long Term Finance	7.1	January - 17	SBP + 2.5%	300	20 Quarterly	184,067,988	211,929,492
Term Finance	7.1	January - 19	3 Month Kibor + 2%	36	36 monthly	30,000,000	-
Subtotal - BOP						214,067,988	211,929,492
Demand Finance - III	7.1 & 7.2	September - 15	3 Month Kibor + 1%	327.502	28 Quarterly	217,116,652	238,134,968
Frozen Markup	7.1 & 7.3	September - 15	Interest free	219.977	28 Quarterly	105,711,014	115,961,046
Subtotal - NBP						322,827,666	354,096,014
Term Finance	7.1 & 7.4	September - 14	3 Month Kibor	145	48 Monthly	-	15,104,180
Subtotal - MCB (Formerly NIB)						-	15,104,180
						536,895,654	581,129,686
Current portion						(144,094,040)	(140,642,672)
Overdue portion						(18,807,317)	(24,262,572)
						(162,901,357)	(164,905,244)
						373,994,297	416,224,442

- 7.1 It represents long term financing from commercial banks (stated above) and the amounts claimed by such institutions. Markup is leviable along with installment (except interest free loans) as per schedule stated above. These loans are secured against first ranking pari passu charge over current and fixed assets of the Company executed through the joint pari passu agreement with the lenders of the Company and joint memorandum of deposit of title deeds, equitable mortgage charge on land and personal guarantees of the directors of the Company.
- 7.2 It represents loan from National Bank of Pakistan which has been restructured on terms agreed between the parties.
- 7.3 It represents restructured loan converted from mark up payable on the facilities from National Bank of Pakistan till June 30, 2015.
- 7.4 It represents running finance facility from MCB Bank Limited (formerly NIB Bank Limited) converted into term finance facility.

	Un-audited December 31, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
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8 EMPLOYEE BENEFITS

Balance sheet liability at the beginning of the period	86,519,195	76,456,869
Charge for the period	13,784,004	23,790,738
Benefits paid during the period	(10,010,475)	(13,438,734)
Unrecognized actuarial (gain)/losses	-	(289,678)
	90,292,724	86,519,195

Notes to the condensed interim financial information

For the half year ended December 31, 2018 (Un-audited)

	Un-audited December 31, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
9 TRADE AND OTHER PAYABLES		
Creditors	349,549,042	431,920,049
Advances from customers	24,553,736	20,784,431
Accrued liabilities	162,125,245	139,521,476
Accrued mark-up/interest on long term financing	7,993,916	14,306,281
Accrued mark-up/interest on short term borrowings	17,689,168	7,365,833
Income tax withheld	25,798,837	19,700,998
Retention money payable	700,000	700,000
Other Payable	7,500,000	12,500,000
Workers' funds	32,921,537	37,661,867
	628,831,481	684,460,935
10 CONTINGENCIES AND COMMITMENTS		
Contingencies		
10.1	The Company has filed a recovery suit against the Punjab Cotton Mills Limited for Rs. 5.107 million along with interest. The execution was filed which is still pending.	
10.2	<p>M/s. M. J. Industries had filed a suit against the Company for declaration of Rs. 0.545 million. The case was dismissed by the Honorable Civil Judge, Lahore. M/s. M. J. Industries had filed an application for the restoration of the suit which was also rejected by the Civil Judge, Lahore.</p> <p>The Company has filed a recovery suit against the M/s M. J. Industries for Rs. 0.545 million. The summon and notices have been issued to the defendant and the case is pending due to non appearance of the defendant before the Honorable Civil Judge, Lahore. The Company is hopeful of settlement of the case in its favor.</p>	
10.3	The Company has filed a recovery suit against the M/s. Amtex Limited for Rs. 2.917 million. The case is decreed in favour of Zephyr Textiles Limited by the Honorable Judge, High Court, Lahore. The case is pending for execution.	
10.4	<p>M/s. Sitara Textiles has filed a suit against the Company for recovery of damages against non performance of contract no. LO417 for supply of fabric. According to legal confirmation status, suit is pending for framing of issues.</p> <p>The Company has filed a suit against M/s. Sitara Textiles Limited for financial loss, cost of sales loss, loss of business and loss due to breach of contract for Rs. 37.680 million. Company is hopeful of settlement of the case in its favor.</p> <p>M/s. Sitara Textiles has filed an other suit against the Company for financial loss and loss due to breach of contract for Rs. 65.724 million. The case is pending before Supreme Court of Pakistan.</p> <p>The Company has again filed an other suit against M/s. Sitara Textiles Limited for financial loss and loss due to breach of contract for Rs. 65.724 million. The case is pending before Supreme Court of Pakistan.</p>	
10.5	The Company has filed suit for recovery of Rs. 34.027 million for unauthorized sale of shares by First Pakistan Limited. The case is pending before Senior Civil Judge Lahore.	
10.6	The Company has filed suit for Recovery along with damages of Rs. 31.350 Millions against M/s Al-Abid Silk Ltd. (Suit No. 494 of 2014) in the Sindh High Court. The case is pending before in the Sindh High Court.	

Notes to the condensed interim financial information

For the half year ended December 31, 2018 (Un-audited)

- 10.7 The Company has filed a suit against old tenants for vacation of property purchased by the Company situated at Ek Moria Pull Lahore. The matter is pending for adjudication. Certain suits were filed against the Company regarding the said property which are as under:

- Muhammad Sajid (the plaintiff) has filed a suit for permanent injunctions and declaration against interfering the possession of plaintiff property by pretending that the suit property has been purchased by Zephyr Textiles Limited (the defendant) through registered sales deed bearing distavez no. 2775 dated 01-09-2010, whereas the purchased property of the defendant is separate and different from the suit property of the plaintiff. The case is dismissed by the court during the year.

- Sh. Zafar Iqbal v/s. M/s Zephyr Textiles Limited. Sh. Zafar Iqbal has filed a suit for cancellation of registry with respect to the said property purchased by the Company. The case is pending for adjudication.

The Company is hopeful for settlement of the above stated suits in its favor.

- 10.8 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rs. 43.508 million (June 30, 2018: Rs. 47.108 million).

- 10.9 Foreign bills purchased by banks amounting to Rs. 259.840 million (June 30, 2018: Rs. 254.069 million).

Commitments

- 10.10 Contracts for capital expenditure are Rs. Nil million (June 30, 2018: Rs. NIL million).
- 10.11 Letters of credit other than for capital expenditure are Rs. 37.426 million (June 30, 2018: Rs. 12.944 million).
- 10.12 Outstanding foreign currency forward contracts of Rs. 290.090 million (June 30, 2018: Rs. 244.553 million).

	Note	Un-audited December 31, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
11	PROPERTY, PLANT AND EQUIPMENT		
	Opening written down value	1,981,435,617	1,995,529,987
	Additions during the period 11.1	17,715,035	97,452,971
	Revaluation surplus during the period	-	57,589,620
	Net book value of assets disposed off during the period 11.2	(115,227)	(230,129)
	Depreciation charge for the period	(83,128,616)	(168,906,832)
		1,915,906,809	1,981,435,617
11.1	Cost of additions		
	Plant and machinery	13,660,790	92,132,115
	Furniture and fixtures	712,800	1,107,333
	Vehicles	1,612,025	2,591,550
	Electric installation	562,400	164,010
	Office equipments	1,167,020	1,457,963
		17,715,035	97,452,971
11.2	Net book value of deletions		
	Vehicles	115,227	114,544
	Office equipments	-	115,585
		115,227	230,129

Notes to the condensed interim financial information

For the half year ended December 31, 2018 (Un-audited)

	Note	Un-audited December 31, 2018 (Rupees)	Audited June 30, 2018 (Rupees)
12	LOANS AND ADVANCES		
	Advances - unsecured but considered good:		
	- To suppliers	14,854,061	15,886,630
	- To employees	21,528,417	17,682,585
	- To suppliers against letter of credit	5,850,094	2,396,245
		42,232,572	35,965,460
13	TRADE DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES		
	Prepayments	4,257,633	3,006,297
	Advance income tax	24,094,609	25,468,253
	Margin deposits	5,358,088	546,688
	Sales tax refundable	166,851,766	138,655,940
	Export rebate receivable	23,147,454	21,065,655
	Other receivables	127,484,256	117,887,501
		351,193,806	306,630,334
14	SHORT TERM INVESTMENTS		
	Investment at fair value through profit and loss account		
	-listed securities	672,814	673,678
	Investment in funds	60,446	60,446
		733,260	734,124
	Note	Un-audited for half year ended December 31, 2018 (Rupees)	2017
15	COST OF SALES		
	Raw materials consumed	1,331,286,307	970,270,968
	Salaries, wages and other benefits	174,955,004	162,090,347
	Production overheads	686,518,751	567,186,092
		2,192,760,062	1,699,547,407
	(Increase) / decrease in work-in-progress		
	Opening stock	138,176,521	143,175,972
	Closing stock	(160,570,711)	(165,118,488)
	Adjustment of work-in-process	(22,394,190)	(21,942,516)
	(Increase) / decrease in finished goods		
	Opening stock	760,315,911	609,111,463
	Closing stock	(837,857,574)	(769,844,987)
	Adjustment of finished goods	(77,541,663)	(160,733,524)
		2,092,824,209	1,516,871,367

Notes to the condensed interim financial information

For the half year ended December 31, 2018 (Un-audited)

	Note	Un-audited for half year ended December 31, 2018 (Rupees)	2017
16	CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit for the period before taxation		59,014,716	(13,164,651)
Adjustments for:			
- Depreciation		83,128,616	82,693,871
- Gain on disposal of PPE		(634,773)	-
- Change in fair value of short term investment		1,172	440,546
- Investment income		(308)	(98,757)
- Provision for staff retirement benefits - gratuity		13,784,004	12,593,962
- Finance cost		68,179,496	94,109,317
		223,472,923	176,574,288
Changes in:			
- Stores, spares and loose tools		(20,286,642)	19,490,729
- Stock in trade		(55,180,647)	(127,305,724)
- Trade receivables		124,264,162	20,112,711
- Loans and advances		(6,267,112)	(4,309,603)
- Short Term Investments		864	(620,966)
- Trade deposits, prepayments & other receivables		(45,937,116)	(35,237,133)
- Creditors, accrued and other liabilities		(59,640,424)	112,854,758
Cash generated from operations		160,426,008	161,559,060
Interest paid		(64,168,526)	(44,960,972)
Taxes paid		(24,412,077)	(18,132,302)
Gratuity paid		(10,010,475)	(3,914,450)
Gratuity paid		(8,071,363)	-
		53,763,567	94,551,336

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 21, 2019.

18 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

ارکان کے لیے ڈائریکٹرز کی رپورٹ

زیر ٹیکسٹائل لمیٹڈ کے ڈائریکٹر خوشی سے 31 دسمبر 2018 کو ختم ہونے والے نصف سال کے لیے نظر ثانی شدہ عبوری مالی گوشوارے پیش کرتے ہیں۔ یہ عبوری مالی گوشوارے کمپنیوں کے ایکٹ 2017 کی ضروریات کے مطابق پیش کیے جاتے ہیں۔

عملی اور مالیاتی نتائج

31 دسمبر، 2018 کو ختم ہونے والے پہلے نصف سال کے دوران کمپنی نے 2293.491 ملین روپے کی فروخت پر 200.667 ملین روپے کا کل منافع حاصل کیا، جو کہ گزشتہ مالی سال کے اسی عرصہ کے دوران 1655.670 ملین روپے کی فروخت پر 138.799 ملین روپے کا کل منافع تھا۔ زیر جائزہ عرصہ کے دوران کمپنی نے 38.020 ملین روپے کا خالص منافع حاصل کیا ہے، جو کہ گزشتہ اسی عرصے کے دوران 27.139 ملین روپے کا خالص نقصان تھا۔

مالی اہمیت کی تفصیل		نصف سال 31 دسمبر		اضافہ/(کمی)		سہ ماہی 31 دسمبر		اضافہ/(کمی)	
		2018	2017			2018	2017		
		(روپے)	(روپے)			(روپے)	(روپے)		
خالص فروخت		2,293,491,424	1,655,670,142	38.52		1,199,606,759	835,013,790	43.66	
کل منافع		200,667,215	138,798,775	44.57		114,975,132	65,012,050	76.85	
ٹیکس سے پہلے منافع / (نقصان)		59,014,716	(13,164,651)	548.28		40,136,175	10,720,401	274.39	
ٹیکس کے بعد منافع / (نقصان)		38,019,533	(27,139,240)	240.09		29,167,110	3,813,022	664.94	
کل منافع فیصد		8.75%	8.38%	4.37		9.58%	7.79%	23.10	
ٹیکس کے بعد منافع / (نقصان) فیصد		1.66%	(1.64)%	201.13		0.91%	0.83%	432.45	
فی حصص آمدنی / (نقصان)		0.64	(0.46)	240.09		0.49	0.06	664.94	

گزشتہ سال کے مقابلے میں زیر جائزہ مدت میں فروخت آمدنی میں 38.52 فیصد کا اضافہ ہوا ہے۔ جس کی وجہ برآمدات میں اضافہ کرنا ہے۔ متوقع مجموعی منافع میں اضافہ نہیں کیا جاسکا جس کی بنیادی وجوہات زیر جائزہ مدت کی پہلی سہ ماہی میں خام مال کی قیمتوں میں اضافہ اور لیندھن کی غیر مسابقتی قیمتیں شامل ہیں۔ زیر جائزہ مدت کی دوسری سہ ماہی نے متاثر کن نتائج دکھائے۔ اکتوبر سے دسمبر کی سہ ماہی میں مجموعی مارجن میں 9.58 فیصد کا اضافہ ہوا ہے، جو کہ گزشتہ سال اسی سہ ماہی میں 7.79 فیصد تھا۔ برآمداتی شعبوں کے لیے حکومت کی طرف سے آر لیل این جی کی قیمت کم از کم 6.5 امریکی ڈالر فی ایم بی ٹی یو تک مقرر کرنے کا اعلان کرنا اور لاگو کرنا زیادہ فائدہ مند ثابت ہوا ہے۔ حکومت کی جانب سے کیے گئے ان اقدام سے دوسری سہ ماہی میں برآمداتی شعبے کو بین الاقوامی منڈیوں میں مقابلے میں بہت فائدہ ہوا ہے، اور امید ہے کہ یہ فائدہ جاری رہے گا۔ قرض کی لاگت میں مسلسل اضافے کا رجحان آنے والی مدت میں ٹیکسٹائل انڈسٹری کے لیے ایک نیا چیلنج بن گیا ہے۔

مستقبل کے امکانات

پاکستان میں ٹیکسٹائل کے شعبے نے موجودہ مالی سال کے پہلے چھ مہینوں میں گزشتہ سال اسی مدت کے مقابلے میں نسبتاً بہتر نتائج ظاہر کیے ہیں۔ اس عرصے میں ٹیکسٹائل کی برآمدات میں کسی حد تک اضافہ ہوا ہے۔ برآمداتی ترقی میں اضافہ کی بنیادی وجہ ویلیو ایڈڈ بزنس ہے۔ پاکستانی روپے کے مقابلے میں امریکی ڈالر کی قدر میں اضافہ بھی برآمدات میں اضافہ کی ایک وجہ ہے۔ اچھی بات یہ ہے کہ حکومت برآمداتی صنعت کے مسائل کو حل کرنے کے لیے کچھ اچھے اقدامات جیسے ڈی ایل ٹی ایل اور روکے ہوئے سیلز ٹیکس کی واپسی جاری کرنے کے لیے کوشش کر رہی ہے۔ یہ اقدامات صرف اسی وقت فائدہ مند ثابت ہو سکتے ہیں اگر ان پر فوری عملدرآمد کیا جائے۔

اعتراف

انتظامیہ بورڈ آف ڈائریکٹرز، ریگولیٹری حکام، حصص داروں، گاہکوں، مالیاتی اداروں، صنعتی عملے اور کارکنوں کی حمایت کے لیے اس کی تعریف کرتی ہے۔

S. H. S.
محترم برہان محمد خان
ڈائریکٹر

M. S. S.
محترم مسعود حنیف
چیف ایگزیکٹو
لاہور