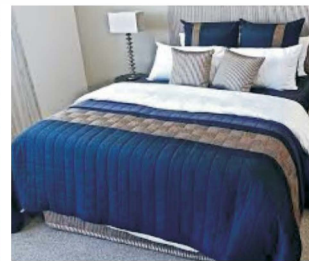


**CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
September 30, 2019**



ZAHIDJEE TEXTILE MILLS LIMITED

1 ZAHIDJEE TEXTILE MILLS LIMITED

Condensed Interim Financial Statements- September 30, 2019

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ZAHIDJEE TEXTILE MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS- SEPTEMBER 30, 2019

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

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

Audit Committee

Brig (R) Wali Muhammad
 (Chairman)
 Mr. Sajjad Hussain Shah
 Mr. Faisal Masood Afzal

Company Secretary

Mr. Naveed Ashraf

Chief Financial Officer

Mr. Anwar-ul-Haq

Share Registrar

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

Registered Office

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

Bankers of the Company

Allied Bank Limited
 Askari Commercial Bank Limited
 Bank Al-Falah Limited
 Bank Islami Pakistan Limited
 Faysal Bank Limited
 JS Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan
 Samba Bank Limited
 The Bank of Punjab
 United Bank Limited

HR & Remuneration Committee

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

Auditors

RSM Avas Hyder Liaquat Nauman
 Chartered Accountants

Export Office

20, Bilal Road, Civil Lines
 Faisalabad
 Tel: 041-2409223-4

Mills

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

We on behalf of the Board of Directors feel pleasure in presenting the financial statements of the Company for the period ended September 30, 2019.

Operating Results

Overview of operating results are as under:-

	September 30, 2019 Rupees	September 30, 2018 Rupees
Sales	3,713,146,553	3,093,129,387
Gross Profit	656,006,167	344,480,771
Profit before taxation	514,478,122	215,512,800
Provision for taxation	50,358,511	62,886,816
Profit for the period	464,119,611	152,625,984
Earnings per share		
Basic and diluted	2.42	0.80

Alhamdulillah, the profitability of the Company for the 1st quarter ended September 30, 2019 has shown a significant improvement. During the 1st quarter under review, the Company achieved a pre-tax profit of Rs. 514.478 Million as compared to Rs.215.512 Million during the corresponding period of last year. As a result the Company posted a net profit of Rs. 464.119 million as compare to Rs. 152.625 and EPS of Rs. 2.42 as compare to Rs. 0.80 in corresponding period of last year.

Future Outlook

We on our part are endeavoring to become the most efficient and cost effective mills and making all necessary efforts to ensure that our Company remains one of the top Textile mills in Pakistan. Hence in order to keep up with market trend and demand, the management has several plans to increase and diversify the production by adding state-of-the-art machineries. We expect to close the fiscal year with healthier profits.

Acknowledgement

We acknowledge the contribution of each and every employee of the Company. We also like to express our thanks to our customers for the trust shown in our products and the bankers for their continued support to the Company. We are also grateful to our Shareholders for their confidence in our Management.

For and on behalf of
the Board



MUHAMMAD ZAHID
Chief Executive Officer

Dated: October 26, 2019
Lahore

ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کے 30 ستمبر 2019ء کو ختم ہونے والی مدت کے لئے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

آپریٹنگ رزلٹ:

آپریٹنگز کے رزلٹ درج ذیل ہیں۔

ستمبر 30	ستمبر 30	
2019	2018	
روپے	روپے	
3,713,146,553	3,093,129,387	فروخت
656,006,167	344,480,771	خام منافع
514,478,122	215,512,800	قبل از ٹیکس منافع
50,358,511	62,886,816	ٹیکس کے لیے مختص
<u>464,119,611</u>	<u>152,625,984</u>	خالص منافع

2.42 روپے

0.80 روپے

منافع فی کس حصہ

الحمد للہ، 30 ستمبر 2019 کی پہلی سہ ماہی کے لیے کمپنی کے منافع میں نمایاں بہتری دکھائی دی ہے۔ دوران سہ ماہی جائزے کے تحت کمپنی نے قبل از منافع مبلغ 464.119 ملین روپے حاصل کیا جس کا موازنہ گزشتہ سال کی مدت کے منافع مبلغ 152.625 ملین روپے سے کیا جاسکتا ہے۔ اس کے نتیجے میں کمپنی نے 464.119 ملین روپے جس کا خالص منافع شائع کیا۔ جو کے سال 2018 میں 152.625 ملین روپے اور فی کس حصہ آمدنی 2.42 روپے آئی جو کے 2018 میں 0.80 روپے تھی

مستقبل کی حکمت عملی:

ہم اپنے طور پر موثر اور کم لاگت والی مل بننے کی کوشش کر رہے ہیں اور اس بات کو یقینی بنانے کی تمام کوششیں کر رہے ہیں کہ ہماری کمپنی پاکستان میں صف اول کی

ٹیکسٹائل ملز میں سے ایک ہو۔ لہذا مارکیٹ کے رجحان اور طلب کو ساتھ رکھتے ہوئے انتظامیہ نے پیداوار کو بڑھانے کے لئے جدید ترین مشینوں کو شامل کر کے کئی

منصوبے تیار کیے ہیں۔ ہم امید کرتے ہیں کہ یہ سال کمپنی کے لیے منافع بخش ثابت ہوگا۔

اظہار تشکر:

ہم کمپنی کے ہر ملازم کی شمولیت کا شکریہ ادا کرتے ہیں اس کے علاوہ ہمارے کسٹمرز جو کہ ہماری پروڈکٹس پر اعتماد کرتے ہیں اور ہمارے بینکر جو کہ مستقل طور پر کمپنی کو سپورٹ کر رہے ہیں ان کے بھی مشکور ہیں اس کے علاوہ ہماری انتظامیہ شیئر ہولڈرز کے مکمل اعتماد پر بھی مشکور ہیں۔

بورڈ کی جانب سے



محمد زاہد

چیف ایگزیکٹو آفیسر

تاریخ: اکتوبر 26، 2019

لاہور

	Note	September 30, 2019 Rupees	June 30, 2019 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	6,078,553,013	6,083,842,156
Intangible assets		929,755	1,122,691
Investment in subsidiary		359,200,000	359,200,000
Long term security deposits		4,476,224	4,476,224
		6,443,158,992	6,448,641,071
CURRENT ASSETS			
Stores, spares and loose tools		151,546,089	154,006,894
Stock in trade		2,187,901,904	2,604,242,302
Trade debts		1,466,296,080	1,231,079,982
Loans, advances and deposit		130,149,614	91,503,251
Prepayments		13,483,932	31,027,305
Other receivables		92,075,670	71,311,336
Short term investment	4	58,561,623	72,984,572
Tax refunds due from Government		329,348,370	357,244,603
Cash and bank balances		135,299,775	83,459,305
		4,564,663,057	4,696,859,550
CURRENT LIABILITIES			
Trade and other payables		406,058,676	404,701,777
Interest / mark up payable		58,198,696	82,218,408
Short term borrowings		2,325,403,084	3,215,569,584
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		199,988,023	187,575,041
Provision for taxation - income tax		210,201,919	154,504,721
		3,201,055,019	4,045,774,152
		7,806,767,030	7,099,726,469
NON - CURRENT LIABILITIES			
Long term finance		1,038,678,964	790,419,327
Deferred liability			
Deferred taxation		383,704,191	394,642,812
		1,422,383,155	1,185,062,139
CONTINGENCIES AND COMMITMENTS			
	5	-	-
Net worth		6,384,383,875	5,914,664,330
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		1,208,929,134	1,228,748,321
Revenue reserves		2,894,985,238	2,405,446,506
		6,384,383,875	5,914,664,330
		6,384,383,875	5,914,664,330

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	September 30, 2019 Rupees	September 30, 2018 Rupees
Sales		3,713,146,553	3,093,129,387
Cost of goods sold	6	3,057,140,386	2,748,648,616
Gross profit		<u>656,006,167</u>	<u>344,480,771</u>
Other income		3,891,861	7,835,639
Trading Profit		<u>-</u>	<u>201,171</u>
		659,898,028	352,517,581
Distribution cost		24,377,238	22,664,197
Administrative expenses		31,665,052	30,128,675
Other operating expenses		32,372,062	11,384,093
Finance cost		57,005,554	72,827,816
		<u>145,419,906</u>	<u>137,004,781</u>
Profit before taxation		514,478,122	215,512,800
Provision for taxation		<u>50,358,511</u>	<u>62,886,816</u>
Profit for the period		<u>464,119,611</u>	<u>152,625,984</u>
Earnings per share - Basic and diluted		<u>2.42</u>	<u>0.80</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

	September 30, 2019 Rupees	September 30, 2018 Rupees
Profit for the period	464,119,611	152,625,984
Other comprehensive income for the period		
Items that will not be subsequently reclassified to profit or loss :		
Incremental depreciation on revalued assets for the period - net of deferred tax	19,819,187	19,730,662
Related deferred tax	5,599,934	5,643,164
Total comprehensive income for the period	<u>489,538,732</u>	<u>177,999,810</u>

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

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

**CHIEF EXECUTIVE OFFICER****DIRECTOR****CHIEF FINANCIAL OFFICER**

	September 30, 2019 Rupees	September 30, 2018 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	514,478,122	215,512,800
Adjustment for:		
Depreciation of property, plant and equipment	141,754,488	121,708,422
Amortisation of intangible assets	192,936	303,147
Profit on deposits	(272,981)	(15,429)
Balances written back	-	35,698
Adjustment in fair value	14,422,949	(6,371,990)
Finance cost	57,005,554	72,827,816
Operating cash flows before working capital changes	<u>727,581,068</u>	<u>404,000,463</u>
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,460,805	(2,864,488)
Stock in trade	416,340,398	(124,931,778)
Trade debts	(235,216,098)	(69,505,401)
Loans, advances and deposit	(27,549,142)	(791,359)
Prepayments	17,543,373	(11,589,147)
Other receivables	(20,764,334)	6,405,688
Tax refunds due from Government	27,896,233	(6,384,034)
Increase in current liabilities		
Trade and other payables	1,356,899	29,981,977
	<u>182,068,134</u>	<u>(179,678,541)</u>
Cash generated from operating activities	909,649,202	224,321,922
Finance cost paid	(81,025,266)	(64,020,873)
Income tax paid	(11,097,221)	(8,080,890)
Net cash (used in) / generated from operating activities	<u>817,526,715</u>	<u>152,220,159</u>

	September 30, 2019 Rupees	September 30, 2018 Rupees
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(136,465,345)	(47,033,627)
Proceeds from disposal of operating assets	-	-
Profit on deposits	272,981	15,429
Dividend received	-	5,158,278
Long term security deposits	-	-
Net cash (used in) investing activities	<u>(136,192,364)</u>	<u>(41,859,920)</u>
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	307,566,379	-
Repayment of long term finance	(46,893,760)	(67,017,728)
(Decrease) / Increase in short term borrowings - net	(890,166,500)	(25,877,537)
Dividend paid	-	-
Unclaimed dividend paid	-	-
Net cash generated from financing activities	<u>(629,493,881)</u>	<u>(92,895,265)</u>
Net (decrease) / increase in cash and cash equivalents (a+b+c)	51,840,470	17,464,974
Cash and cash equivalents at the beginning of the year	83,459,305	24,778,023
Cash and cash equivalents at the end of the period	<u>135,299,775</u>	<u>42,242,997</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVE			REVENUE RESERVES			Total
		Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropri- ated profit	Sub total	
		R u p e e s						
Balance as at July 01, 2018	1,914,210,990	366,258,513	1,321,453,916	1,687,712,429	300,000,000	1,269,101,864	1,569,101,864	5,171,025,283
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	152,625,984	152,625,984	152,625,984
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(25,373,826)	(25,373,826)	-	19,730,662	19,730,662	(5,643,164)
Related deferred tax	-	-	5,643,164	5,643,164	-	5,643,164	5,643,164	11,286,328
	-	-	(19,730,662)	(19,730,662)	-	25,373,826	25,373,826	5,643,164
Balance as at September 30, 2018	1,914,210,990	366,258,513	1,301,723,254	1,667,981,767	300,000,000	1,447,101,674	1,747,101,674	5,329,294,431
Transaction with owners:								
Dividend paid (Rs. 0.35 per share of Rs. 10 each)	-	-			-	(66,997,385)	(66,997,385)	(66,997,385)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	629,032,813	629,032,813	629,032,813
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(76,302,659)	(76,302,659)		59,546,087	59,546,087	(16,756,572)
Related deferred tax	-	-	16,756,572	16,756,572		16,756,572	16,756,572	33,513,144
Surplus realised on disposal of property, plant and equipment	-	-	(20,006,745)	(20,006,745)		15,150,420	15,150,420	(4,856,325)
Related deferred tax	-	-	4,856,325	4,856,325		4,856,325	4,856,325	9,712,650
	-	-	(74,696,507)	(74,696,507)		96,309,404	96,309,404.00	21,612,897
Adjustment of deferred tax for the period	-	-	1,721,574	1,721,574	-	-	-	1,721,574
Balance as at June 30, 2019	1,914,210,990	366,258,513	1,228,748,321	1,595,006,834	300,000,000	2,105,446,506	2,405,446,506	5,914,664,330
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	464,119,611	464,119,611	464,119,611
Other comprehensive income								
Items that will not be subsequently reclassified to profit or loss:								
Incremental depreciation on revalued assets for the period	-	-	(25,419,121)	(25,419,121)	-	19,819,187	19,819,187	(5,599,934)
Related deferred tax	-	-	5,599,934	5,599,934	-	5,599,934	5,599,934	11,199,868
	-	-	(19,819,187)	(19,819,187)	-	25,419,121	25,419,121	5,599,934
Adjustment of deferred tax for the period								
Balance as at September 30, 2019	1,914,210,990	366,258,513	1,208,929,134	1,575,187,647	300,000,000	2,594,985,238	2,894,985,238	6,384,383,875

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

1. GENERAL INFORMATION

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

2. ACCOUNTING POLICIES

2.1 Statement of compliance

This condensed interim financial report of the Company for the 1st Quarter ended September 30, 2019 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 (the act). In case the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

- 2.2 These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at revaluation and short term investment at fair value. These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2019.

- 2.3 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019.

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2019	June 30, 2019
	Rupees	Rupees
Operating assets	5,528,425,036	5,670,179,524
Capital work in progress	437,023,673	304,454,328
Non operating lands	16,203,950	16,203,950
Advance against purchase of land	96,900,354	92,300,354
Advances to contractors	-	704,000
	6,078,553,013	6,083,842,156

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

	Quarter ended September 30, 2019		Quarter ended September 30, 2018	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
Capital work in progress				
Civil work	15,351,785	-	-	-
Plant and machinery	121,113,560	-	47,033,627	-
	136,465,345	-	47,033,627	-

4. Short term investments

Available for sale at fair value
Quoted securities
Habib Metropolitan Bank Limited
2,022,854 (June 30, 2019: 2,022,854)

Adjustment in fair value

September 30, 2019 Rupees	June 30, 2019 Rupees
72,984,572	87,690,721
(14,422,949)	(14,706,149)
<u>58,561,623</u>	<u>72,984,572</u>

5. CONTINGENCIES AND COMMITMENTS**Contingencies**

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2019.

Commitments

Under letters of credit for:

Plant and machinery

Raw material and spare parts

Under contracts for purchase of land

September 30, 2019 Rupees	June 30, 2019 Rupees
---------------------------------	----------------------------

441,927,763	510,988,862
93,865,647	180,017,589
138,983,466	143,583,466

September 30, 2019 Rupees	September 30, 2018 Rupees
---------------------------------	---------------------------------

6. Cost of sales

Cost of goods manufactured (Note 6.1)

Finished goods

Opening stock

Closing stock

3,100,482,448	2,797,914,214
---------------	---------------

231,788,716	223,568,351
(275,130,778)	(272,833,949)
(43,342,062)	(49,265,598)
<u>3,057,140,386</u>	<u>2,748,648,616</u>

6.1 Cost of goods manufactured

Raw material consumed (Note 6.1.1)

Packing material consumed

Salaries, wages and benefits

Retirement benefits

Stores and spares consumed

Fuel and power

Repairs and maintenance

Insurance

Depreciation

Other

Work in process

Opening stock

Closing stock

2,433,638,917	2,185,686,693
1,404,815	1,253,543
177,897,837	174,333,443
7,126,774	6,269,962
82,972,929	74,949,348
248,607,684	232,086,077
4,775,391	3,978,001
8,529,344	7,938,145
134,365,345	120,289,292
1,738,863	1,448,510
<u>3,101,057,899</u>	<u>2,808,233,013</u>

108,030,960	84,099,138
(108,606,411)	(94,417,937)
(575,451)	(10,318,798)
<u>3,100,482,448</u>	<u>2,797,914,214</u>

6.1.1 Raw material consumed

Opening Stock

Purchases including purchase expenses

Closing stock

2,264,422,626	2,481,314,014
1,973,381,006	2,449,105,695
4,237,803,632	4,930,419,709
(1,804,164,715)	(2,744,733,016)
<u>2,433,638,917</u>	<u>2,185,686,693</u>

**7. AGGREGATE TRANSACTIONS
WITH RELATED PARTIES**

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

Relationship	Nature of transaction	September 30, 2019 Rupees	September 30, 2018 Rupees
Chief executive officer	Remuneration	1,200,000	900,000
Director	Remuneration	-	300,000

8. Date of authorisation for issue

These financial statements were authorised for issue on October 26, 2019 by the Board of Directors of the Company.

9. OTHERS

- (a) There is no unusual item included in these interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.
- (b) The provision for taxation is based on these interim financial statements and are subject to adjustments in annual financial statements.
- (c) The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in the financial statements.

10. Figures have been rounded off to nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR




CHIEF FINANCIAL OFFICER

Consolidated Financial Statement September 30, 2019

	Note	September 30, 2019 Rupees	June 30, 2019 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	6,643,877,439	6,649,166,582
Intangible assets		929,755	1,122,691
Investment Property		98,963,813	99,913,504
Long term security deposits		4,476,224	4,476,224
		6,748,247,231	6,754,679,001
CURRENT ASSETS			
Stores, spares and loose tools		151,546,089	154,006,894
Stock in trade		2,187,901,904	2,604,242,302
Trade debts		1,466,296,080	1,231,079,982
Loans, advances and deposit		132,564,477	94,009,913
Prepayments		13,483,932	31,027,305
Other receivables		91,275,670	70,511,336
Short term investment	5	58,561,623	72,984,572
Tax refunds due from Government		334,599,291	361,739,764
Cash and bank balances		137,081,942	83,907,182
		4,573,311,008	4,703,509,250
CURRENT LIABILITIES			
Trade and other payables		407,109,751	404,845,352
Interest / mark up payable		58,198,696	82,218,408
Short term borrowings		2,342,403,084	3,232,569,584
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		199,988,022	187,575,041
Provision for taxation - income tax		211,271,219	155,346,335
		3,220,175,393	4,063,759,341
		8,101,382,846	7,394,428,910
NON - CURRENT LIABILITIES			
Long term finance		1,038,678,964	790,419,327
Deferred liability			
Deferred taxation		383,704,191	394,642,812
		1,422,383,155	1,185,062,139
CONTINGENCIES AND COMMITMENTS			
	6	-	-
Net worth		6,678,999,691	6,209,366,771
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		1,208,929,134	1,228,748,321
Revenue reserves		2,891,210,627	2,401,711,406
		6,380,609,264	5,910,929,230
Non-controlling interest		298,390,427	298,437,541
		6,678,999,691	6,209,366,771

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	Note	September 30, 2019 Rupees	September 30, 2018 Rupees
Sales		3,713,146,553	3,093,129,387
Cost of goods sold	7	3,057,140,386	2,748,648,616
Gross profit		656,006,167	344,480,771
Other income		4,982,614	8,518,311
Trading Profit		-	201,171
		660,988,781	353,200,253
Distribution cost		25,326,930	23,672,308
Administrative expenses		31,665,052	30,128,675
Other operating expenses		32,372,062	11,384,093
Finance cost		57,005,554	72,827,816
		146,369,598	138,012,892
Profit before taxation		514,619,183	215,187,361
Provision for taxation		50,586,197	63,036,992
Profit for the period		464,032,986	152,150,369
Attributable to:			
Shareholders of the Parent		464,080,101	152,409,053
Non-controlling interest		(47,115)	(258,684)
		464,032,986	152,150,369
Earnings per share - Basic and diluted		2.42	0.80

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	September 30, 2019 Rupees	September 30, 2018 Rupees
Profit for the period	464,032,986	152,150,369
Other comprehensive income for the period		
Items that will not be subsequently reclassified to profit or loss :		
Incremental depreciation on revalued assets for the period - net of deferred tax	19,819,187	19,730,662
Related deferred tax	5,599,934	5,643,164
Total comprehensive income for the period	<u>489,452,107</u>	<u>177,524,195</u>
Attributable to:		
Shareholders of the Parent	489,499,222	177,782,879
Non-controlling interest	<u>(47,115)</u>	<u>(258,684)</u>
	<u>489,452,107</u>	<u>177,524,195</u>


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

	September 30, 2019 Rupees	September 30, 2018 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	514,619,183	215,187,361
Adjustment for:	-	-
Depreciation of property, plant and equipment	142,704,180	122,708,223
Amortisation of intangible assets	192,936	303,147
Balances written back	-	35,698
Profit on deposits	(296,088)	(21,632)
Adjustment in fair value	14,422,949	(6,371,990)
Finance cost	57,005,554	72,827,816
Operating cash flows before working capital changes	728,648,714	404,668,622
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,460,805	(2,864,488)
Stock in trade	416,340,398	(124,931,778)
Trade debts	(235,216,098)	(69,505,401)
Loans, advances and deposit	(28,052,959)	(791,359)
Prepayments	17,543,373	(11,589,147)
Other receivables	(20,764,334)	6,405,688
Tax refunds due from Government	27,896,233	(6,384,034)
Increase in current liabilities		
Trade and other payables	1,356,899	29,981,977
Security deposit payable	907,500	-
Cash generated from operating activities	911,120,531	224,990,081
Finance cost paid	(81,025,266)	(64,020,873)
Income tax paid	(11,257,367)	(8,182,767)
Net cash (used in) / generated from operating activities	818,837,898	152,786,441
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Property, plant and equipment	(136,465,345)	(47,033,627)
Profit on deposits	296,088	21,632
Dividend received	-	5,158,278
Net cash (used in) investing activities	(136,169,257)	(41,853,717)

	September 30, 2019 Rupees	September 30, 2018 Rupees
(c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	307,566,379	-
Repayment of long term finance	(46,893,760)	(67,017,728)
Increase in short term borrowings - net	(890,166,500)	(25,877,537)
Net cash (used in) / generated from financing activities	<u>(629,493,881)</u>	<u>(92,895,265)</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)	53,174,760	18,037,459
Cash and cash equivalents at the beginning of the year	83,907,182	24,926,168
Cash and cash equivalents at the end of the year	<u>137,081,942</u>	<u>42,963,627</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVE			REVENUE RESERVES			Total	Non-Controlling interest	
	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total			
----- R u p e e s -----									
Balance as at July 01, 2018	1,914,210,990	366,258,513	1,321,453,916	1,687,712,429	300,000,000	1,266,226,244	1,566,226,244	5,168,149,663	299,158,278
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	464,080,101	464,080,101	464,080,101	(47,115)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(25,373,826)	(25,373,826)	-	19,730,662	19,730,662	(5,643,164)	-
Related deferred tax	-	-	5,643,164	5,643,164	-	5,643,164	5,643,164	11,286,328	-
	-	-	(19,730,662)	(19,730,662)	-	25,373,826	25,373,826	5,643,164	-
Balance as at September 30, 2018	1,914,210,990	366,258,513	1,301,723,254	1,667,981,767	300,000,000	1,755,680,170	2,055,680,170	5,637,872,927	299,111,164
Transaction with owners:									
Dividend paid (Rs. 0.35 per share of Rs. 10 each)	-	-	-	-	-	(66,997,385)	(66,997,385)	(66,997,385)	-
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	316,719,216	316,719,216	316,719,216	(673,622)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(76,302,659)	(76,302,659)	-	59,546,087	59,546,087	(16,756,572)	-
Related deferred tax	-	-	16,756,572	16,756,572	-	16,756,572	16,756,572	33,513,144	-
Surplus realised on disposal of property, plant and equipment	-	-	(20,006,745)	(20,006,745)	-	15,150,420	15,150,420	(4,856,325)	-
Related deferred tax	-	-	4,856,325	4,856,325	-	4,856,325	4,856,325	9,712,650	-
	-	-	(74,696,507)	(74,696,507)	-	96,309,404	96,309,404	21,612,897	-
Adjustment of deferred tax for the period	-	-	1,721,574	1,721,574	-	-	-	1,721,574	-
Balance as at June 30, 2019	1,914,210,990	366,258,513	1,228,748,321	1,595,006,834	300,000,000	2,101,711,406	2,401,711,406	5,910,929,230	298,437,541
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	464,080,101	464,080,101	464,080,101	(47,115)
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss:									
Incremental depreciation on revalued assets for the period	-	-	(25,419,121)	(25,419,121)	-	19,819,187	19,819,187	(5,599,934)	-
Related deferred tax	-	-	5,599,934	5,599,934	-	5,599,934	5,599,934	11,199,868	-
	-	-	(19,819,187)	(19,819,187)	-	25,419,121	25,419,121	5,599,934	-
Adjustment of deferred tax for the period									
Balance as at September 30, 2019	1,914,210,990	366,258,513	1,208,929,134	1,575,187,647	300,000,000	2,591,210,627	2,891,210,627	6,380,609,264	298,390,427

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

1. GENERAL INFORMATION

- 1.1** The Group consists of Zahidjee Textile Mills Limited (the Parent) and Zahidjee Towers (Private) Limited (the Subsidiary).
- 1.2** The Parent is incorporated in Pakistan as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 2-H, Jail Road, Gulberg II, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad and M-3 Industrial Estate, Faisalabad, in the province of Punjab.

The Subsidiary is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984. The principal objective of subsidiary is to provide all kinds of services related to the business of Hotels, Restaurants, Resorts, Motels. Registered office of the subsidiary is situated at 20 Bilal Road, Civil Lines, Faisalabad in the province of Punjab.

- 1.3** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited have been merged with Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 2.** The financial statements of the Parent and Subsidiary are combined on a line by line basis. The financial statements of the Subsidiary are consolidated from the date on which more than 50% voting rights are transferred to or power to control the Subsidiary is established and are excluded from consolidation from the date of disposal or reduction of control.

All intra-Group balances, transactions and resulting unrealised profits, if any, are eliminated.

Non-controlling interest is that part of the net results of the operations and net assets of the Subsidiary attributable to interest which are not owned by the Parent.

3 ACCOUNTING POLICIES**3.1 Statement of compliance**

This condensed interim financial report of the Company for the 1st Quarter ended September 30, 2019 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017 (the act). In case the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

- 3.2** These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at revaluation and short term investment at fair value. These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2019.

- 3.3 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019.

4. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2019 Rupees	June 30, 2019 Rupees
Operating assets	6,093,749,462	5,670,179,524
Capital work in progress	437,023,673	304,454,328
Non operating lands	16,203,950	581,528,376
Advance against purchase of land	96,900,354	92,300,354
Advances for capital expenditures	-	704,000
	<u>6,643,877,439</u>	<u>6,649,166,582</u>

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

	Quarter ended September 30, 2019		Quarter ended September 30, 2018	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
Operating assets				
Electric installations	-	-	-	-
Capital work in progress				
Civil work	15,351,785	-	-	-
Plant and machinery	121,113,560	-	47,033,627	-
	<u>136,465,345</u>	<u>-</u>	<u>47,033,627</u>	<u>-</u>

	September 30, 2019 Rupees	June 30, 2019 Rupees
5. Short term investments		
Available for sale at fair value		
Quoted securities		
Habib Metropolitan Bank Limited		
2,022,854 (June 30, 2019: 2,022,854)		
ordinary shares of Rs.10/- each	72,984,572	87,690,721
Adjustment in fair value	(14,422,949)	(14,706,149)
	<u>58,561,623</u>	<u>72,984,572</u>

6. CONTINGENCIES AND COMMITMENTS**Contingencies**

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2019.

	September 30, 2019 Rupees	June 30, 2019 Rupees
Commitments		
Under letters of credit for:		
Plant and machinery	441,927,763	510,988,862
Raw material and spare parts	93,865,647	180,017,589
Under contracts for purchase of land	138,983,466	143,583,466
	September 30, 2019 Rupees	September 30, 2018 Rupees

7. Cost of sales

Cost of goods manufactured (Note 7.1)	3,100,482,448	2,016,827,898
Finished goods		
Opening stock	231,788,716	280,972,534
Closing stock	(275,130,778)	(188,952,096)
	(43,342,062)	92,020,438
	3,057,140,386	2,108,848,336

7.1 Cost of goods manufactured

Raw material consumed (Note 7.1.1)	2,433,638,917	1,566,883,019
Packing material consumed	1,404,815	2,889,368
Salaries, wages and benefits	177,897,837	141,063,451
Retirement benefits	7,126,774	5,350,815
Stores and spares consumed	82,972,929	68,368,035
Fuel and power	248,607,684	177,124,968
Repairs and maintenance	4,775,391	5,694,887
Insurance	8,529,344	3,958,049
Depreciation	134,365,345	47,462,833
Other	1,738,863	1,301,005
	3,101,057,899	2,020,096,430
Work in process		
Opening stock	108,030,960	90,886,838
Closing stock	(108,606,411)	(94,155,370)
	(575,451)	(3,268,532)
	3,100,482,448	2,016,827,898

7.1.1 Raw material consumed

Opening Stock	2,264,422,626	1,441,535,919
Purchases including purchase expenses	1,973,381,006	797,760,616
	4,237,803,632	2,239,296,535
Closing stock	(1,804,164,715)	(672,413,516)
	2,433,638,917	1,566,883,019

8. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Relationsh	Nature of transaction	September 30, 2019 Rupees	September 30, 2018 Rupees
Chief executive officer	Remuneration	1,200,000	900,000
Director	Remuneration	-	300,000

9. Date of authorisation for issue

These financial statements were authorised for issue on October 26, 2019 by the Board of Directors of the Company.

10. OTHERS

- (a) There is no unusual item included in these interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.
- (b) The provision for taxation is based on these interim financial statements and are subject to adjustments in annual financial statements.
- (c) The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in the financial statements.

11. Figures have been rounded off to nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER