



ZEPHYR
TEXTILES LIMITED

Zephyr Textiles Limited

Accounts For The Half Year Ended
December 31, 2019

Contents

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

Company Information

BOARD OF DIRECTORS:	Ms. Tahniat Mussaid Mr. Mussaid Hanif Mr. Burhan Muhammad Khan Mr. Rana Kamal Ud Din Ms. Sabah Burhan Ms. Sarah Naviwala Ms. Nuzhat Kamran	Chairpreson CEO
AUDIT COMMITTEE:	Ms. Nuzhat Kamran Mr. Rana Kamal Ud Din Ms. Tahniat Mussaid	Chairperson/Member Member 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, Pakistan	
BANKERS TO THE COMPANY:	Habib Bank Limited Allied Bank Limited Askari Bank Limited United Bank Limited Habib Metropolitan Bank Limited Bank Al Habib Limited	National Bank of Pakistan MCB Bank Limited The Bank of Punjab Faysal Bank Limited Meezan Bank Limited Silk Bank Limited
MILLS:	1 km, Balloki Bhai Pheru Road Bhai Pheru. Phone : 0494 - 512007-9, 513103-5 Fax : 0494 - 512011 63 km, Gulshan Adda, Jumber Khurd, District Kasur.	(Weaving unit & Power plant) (Towel Unit)
REGISTERED & HEAD OFFICE:	3rd Floor, IEP Building, 97 B/D-I, Gulberg 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 Statements 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, 2019. These interim financial statements are presented in accordance with the requirements of the Companies Act, 2017.

Operating and Financial Results

During the first half year ended December 31, 2019, the Company earned a gross profit of PKR 202.154 million on sales of PKR 2,139.317 million compared to gross profit of PKR 200.667 million on sales of PKR 2,293.491 million for the corresponding period of previous financial year. During the period under review, the Company recorded a net Profit of PKR 23.575 million compared to net profit of PKR 38.020 million in the corresponding period.

Financial Highlights	Half year ended December 31,			Quarter ended December 31,		
	2019	2018	Increase/ (Decrease) %	2019	2018	Increase/ (Decrease) %
Sales - net	2,139,317,462	2,293,491,424	(6.72)	1,251,602,058	1,199,606,759	4.33
Gross Profit	202,153,922	200,667,215	0.74	110,864,483	114,975,132	(3.58)
Profit/(Loss) before tax	43,207,457	59,014,716	(26.79)	29,488,718	40,136,175	(26.53)
Profit/(Loss) after tax	23,574,551	38,019,533	(37.99)	18,506,149	29,167,110	(36.55)
Gross Profit (%)	9.45%	8.75%	8.00	8.86%	9.58%	(7.52)
Profit/(Loss) after tax (%)	1.10%	1.66%	(33.73)	1.48%	0.91%	62.64
Earnings/(Loss) per share (Rs.)	0.40	0.64	(37.50)	0.31	0.49	(36.73)

Sales revenue decreased by 6.72% due to decrease in export sales in the period under review as compared to corresponding period of last year. Gross margin is quite stable in spite of decrease in sales revenue due to optimize cost control strategy followed by the management.

During the period under review, the impact of rising fuel cost and persistently high interest rates had a negative bearing on the profitability. As the zero rating of sales tax has been withdrawn from the textile industry starting for this financial year, the refund amounts held up by FBR are rapidly increasing. Streaming of the refund process is still taking shape and we hope that within next quarter it will improve. Imposition of 17% sales tax for the local consumption of textile products has badly affected our sales during the first two quarters of this financial year. We hope this situation will improve during the next two quarters of the summer season.

Future Outlook

We have added another product line of knitted fabrics in our dyeing facility. The production has started with encouraging results and will be optimized during the coming quarter.

Despite the challenging scenarios of inflationary effect of devaluation and rising energy prices, your Company is optimistic for its future outlook. Government of Pakistan has shown strong commitment towards improving the textile sector. The measures that the Government has undertaken to bring the undocumented industry into the tax net has slowed down the overall economy. Going forward, the major threat faced by the industry is uncertainty regarding fuel pricing. The concessional tariffs of gas and electricity offered to the textile industry are under litigation with an uncertain future direction.

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



MUSSAID HANIF
CHIEF EXECUTIVE



BURHAN MUHAMMAD KHAN
DIRECTOR

Lahore
February 17, 2020

Independent Auditors' Review Report to the Members on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of ZEPHYR TEXTILES LIMITED ("the Company") as at December 31, 2019 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (herein after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review. The figures of the condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 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, 2019.

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 statements 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

CHARTERED ACCOUNTANTS

Engagement Partner: Zafar Iqbal

February 17, 2020

Lahore

Condensed interim statement of financial position

As at December 31, 2019 (Un-audited)

	Note	Un-Audited December 31, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
EQUITY AND LIABILITIES			
Equity			
Share capital	6	594,287,290	594,287,290
Unappropriated profit		672,769,596	707,091,348
Revaluation reserve		313,857,424	326,024,212
		1,580,914,310	1,627,402,850
Liabilities			
Long term financing - secured	7	233,587,139	304,818,570
Employees benefits	8	107,093,725	95,309,300
Deferred tax liabilities		140,819,031	145,788,566
		481,499,895	545,916,436
Non current liabilities			
Trade and other payables	9	692,223,092	581,461,418
Contract liabilities		27,692,749	24,686,460
Short-term borrowings		1,278,361,461	1,250,018,577
Unclaimed dividend		22,292,247	659,831
Current portion of long term borrowings		169,638,095	167,010,393
		2,190,207,644	2,023,836,679
Current liabilities			
Contingencies and commitments	10	-	-
Total liabilities		4,252,621,849	4,197,155,965
Assets			
Property plant & equipment	11	1,908,290,878	1,909,707,867
Capital work in progress		40,982,488	31,075,383
Long term advances and deposits		22,515,301	22,458,501
		1,971,788,667	1,963,241,751
Non-current assets			
Stores spares and loose tools		137,291,091	109,799,001
Stock in trade		1,072,672,427	914,618,433
Trade debts		600,554,760	712,461,961
Loan and advances	12	61,348,287	100,498,346
Trade deposits, prepayments & other receivables	13	364,498,262	339,925,244
Short term investments	14	1,058,115	989,516
Cash and bank balances		43,410,240	55,621,713
		2,280,833,182	2,233,914,214
Current assets			
Total assets		4,252,621,849	4,197,155,965

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Condensed interim statement of comprehensive income

For the half year ended December 31, 2019 (Un-audited)

	Note	Un-audited for half year ended December 31,		Un-audited for quarter ended December 31,	
		2019	2018	2019	2018
		(Rupees)		(Rupees)	
Sales - net		2,139,317,462	2,293,491,424	1,251,602,058	1,199,606,759
Cost of sales	15	1,937,163,540	2,092,824,209	1,140,737,575	1,084,631,627
Gross profit		202,153,922	200,667,215	110,864,483	114,975,132
Other income		11,882,566	30,033,173	7,571,168	13,947,908
Distribution cost		57,131,754	60,570,931	29,998,219	30,465,552
Administrative expenses		44,849,301	38,156,580	24,225,624	18,536,115
Other expenses		3,506,403	4,778,665	2,478,521	3,376,575
		105,487,458	103,506,176	56,702,364	52,378,242
Finance costs		65,341,573	68,179,496	32,244,569	36,408,623
Profit/(Loss) for the period before taxation		43,207,457	59,014,716	29,488,718	40,136,175
Taxation		19,632,906	20,995,183	10,982,569	10,969,065
Profit/(Loss) for the period after taxation		23,574,551	38,019,533	18,506,149	29,167,110
Other comprehensive income:					
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive income		23,574,551	38,019,533	18,506,149	29,167,110
Earning per share - basic & diluted		0.40	0.64	0.31	0.49

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


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

Condensed interim statement of cash flows

For the half year ended December 31, 2019 (Un-audited)

	Note	Un-audited for half year ended December 31,	
		2019 (Rupees)	2018 (Rupees)
Net Cash from operating activities	16	118,417,618	53,763,567
Cash flow from investing activities			
Long term advances and deposits		(56,800)	-
Proceeds from disposal of property, plant and equipment		2,103,541	-
Insurance claim received		-	750,000
Capital gains/(loss), income/(loss) from investments and dividends		68,598	(864)
Acquisition of property, plant and equipment		(92,483,586)	(60,164,834)
Net cash flow from investing activities		(90,368,247)	(59,415,698)
Cash flow from financing activities			
Availed/repayment of short term borrowings		28,342,884	87,243,485
Repayment of long term loans		(68,603,729)	(44,234,032)
Net cash flow from financing activities		(40,260,845)	43,009,453
Net increase in cash and cash equivalents		(12,211,474)	37,357,322
Cash and cash equivalents at the beginning of the period		55,621,713	28,990,553
Cash and cash equivalent at the end of the period		43,410,240	66,347,875

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Condensed interim statement of changes in equity

For the half year ended December 31, 2019 (Un-audited)

Description	Share Capital (Rupees)	Accumulated Profit/(Loss) (Rupees)	Revaluation Surplus (Rupees)	Total Equity (Rupees)
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 @ Rs. 0.5 per ordinary 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
Balance as at June 30, 2019 - Audited	594,287,290	707,091,348	326,024,212	1,627,402,850
Total comprehensive income for the period	-	23,574,551	-	23,574,551
Prior year Adjustment	-	(40,348,726)	-	(40,348,726)
Final dividend @ Rs. 0.5 per ordinary share	-	(29,714,365)	-	(29,714,365)
Current period incremental depreciation - net of tax	-	12,166,788	(12,166,788)	-
Balance as at December 31, 2019 - Un-audited	594,287,290	672,769,596	313,857,424	1,580,914,310

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


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

Notes to the condensed interim financial statement

For the half year ended December 31, 2019 (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 (now Companies Act, 2017). Subsequently on October 04, 2004 it was converted into a public limited company and is listed on 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, Punjab.

2. BASIS OF PREPARATION

These condensed interim financial statements are 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. These condensed interim financial statements of the Company for the half year ended December 31, 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. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements should be read in conjunction with the audited annual published financial statements of the Company for the year ended June 30, 2019.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2019.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019, 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 these condensed interim financial statements 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 statements, 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, 2019.

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, 2019.

6. SHARE CAPITAL

Authorized share capital

	Un-audited December 31, 2019 (Rupees)	Audited June 30, 2019 (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 statements

For the half year ended December 31, 2019 (Un-audited)

7. LONG TERM FINANCING

Facility	Note	Repayment Commencement	Mark up	Sanctioned limit (Rs. in million)	Number of Instalments	Un-audited December 31, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
Long Term Finance	7.1 & 7.4	January - 17	SBP + 2.5%	300	20 Quarterly	128,344,980	156,206,484
Term Finance	7.1 & 7.4	January - 19	3 Month Kibor + 2%	36	36 monthly	20,000,002	25,833,333
Subtotal - BOP						148,344,982	182,039,817
Demand Finance - III	7.2 & 7.4	September - 15	3 Month Kibor + 1%	327.502	28 Quarterly	171,445,187	194,909,151
Frozen Markup	7.3 & 7.4	September - 15	Interest free	219.977	28 Quarterly	83,435,065	94,879,995
Subtotal - NBP						254,880,252	289,789,146
						403,225,234	471,828,963
Current portion						(149,556,544)	(146,750,153)
Overdue portion						(20,081,551)	(20,260,240)
						(169,638,095)	(167,010,393)
						233,587,139	304,818,570

- 7.1 It represents long term financing from Bank of Punjab and the amounts claimed by such institution. Markup is leviable along with installment as per schedule.
- 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. 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.

	Un-audited December 31, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
--	---------------------------------------	--------------------------------

8. EMPLOYEE BENEFIT

Liability at the beginning of the period	95,309,300	86,519,195
Charge for the period	17,950,284	29,483,083
Benefits paid during the period	(6,165,859)	(22,153,125)
Unrecognized actuarial (gain)/losses	-	1,460,147
	107,093,725	95,309,300

9. TRADE AND OTHER PAYABLES

Creditors	452,527,227	358,988,343
Accrued liabilities	159,524,732	154,109,519
Accrued mark-up/interest on long term financing	9,225,890	13,719,107
Accrued mark-up/interest on short term borrowings	16,411,054	9,096,098
Income tax withheld	18,879,565	13,966,049
Retention money payable	700,000	700,000
Workers' funds	34,954,624	30,882,302
	692,223,092	581,461,418

Notes to the condensed interim financial statements

For the half year ended December 31, 2019 (Un-audited)

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 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.
- The Company has filed a recovery suit against the M/s M.J. Industries for Rs. 0.545 million. The summons 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.
- 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 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.
- 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.
- 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.
- 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.
- 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 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.
- 10.7 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. 49.976 million (June 30, 2019: Rs. 49.976 million).
- 10.8 Foreign bills purchased by banks amounting to Rs. 259.840 million (June 30, 2019: Rs. 245.868 million).

Notes to the condensed interim financial statements

For the half year ended December 31, 2019 (Un-audited)

Commitments

- 10.9 Contracts for capital expenditure are Rs. 17.867 million (June 30, 2019: Rs. 2.006 million).
- 10.10 Letters of credit other than for capital expenditure are Rs. 16.500 million (June 30, 2019: Rs. 27.891 million).
- 10.11 Outstanding foreign currency forward contracts of Rs. 341.947 million (June 30, 2019: Rs. 462.227 million).

		Un-audited December 31, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
11.	PROPERTY, PLANT AND EQUIPMENT		
	Opening written down value	1,909,707,867	1,981,435,617
	Additions during the period 11.1	82,576,481	100,141,561
	Net book value of assets disposed off during the period 11.2	(1,400,919)	(2,442,643)
	Depreciation charge for the period	(82,592,551)	(169,426,668)
		1,908,290,878	1,909,707,867
11.1	Cost of additions		
	Buildings on freehold land	-	372,800
	Plant and machinery	65,235,058	83,392,906
	Furniture and fixtures	1,068,200	924,450
	Vehicles	11,666,440	11,083,110
	Electric installation	1,475,099	673,400
	Office equipments	3,131,684	3,694,895
		82,576,481	100,141,561
11.2	Net book value of deletions		
	Plant and machinery	-	1,833,333
	Vehicles	631,389	609,310
	Electric installation	722,858	-
	Office equipments	46,672	-
		1,400,919	2,442,643
		Un-audited December 31, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
12.	LOANS AND ADVANCES		
	Advances - unsecured but considered good:		
	- To suppliers	30,361,466	31,938,818
	- To employees	28,303,715	23,633,468
	- To suppliers against letter of credit	2,683,106	44,926,060
		61,348,287	100,498,346
13.	TRADE DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES		
	Prepayments	8,403,075	4,298,648
	Advance income tax	24,781,564	27,902,037
	Margin deposits	2,427,587	470,995
	Sales tax refundable	229,418,705	153,319,916
	Export rebate receivable	28,125,138	27,167,570
	Other receivables	71,342,193	126,766,078
		364,498,262	339,925,244

Notes to the condensed interim financial statements

For the half year ended December 31, 2019 (Un-audited)

	Un-audited December 31, 2019 (Rupees)	Audited June 30, 2019 (Rupees)
14	SHORT TERM INVESTMENTS	
Investment at fair value through profit and loss account		
- listed securities	673,418	604,819
Investment in funds	384,697	384,697
	1,058,115	989,516
	Un-audited for half year ended December 31, 2019 (Rupees) 2018	
15	COST OF SALES	
Raw materials consumed	1,316,346,442	970,270,968
Salaries, wages and other benefits	196,506,432	162,090,347
Production overheads	680,366,796	567,186,092
	2,193,219,670	1,699,547,407
(Increase) / decrease in work-in-progress		
Opening stock	119,369,187	143,175,972
Closing stock	(162,922,982)	(165,118,488)
Adjustment of work-in-process	(43,553,795)	(21,942,516)
(Increase) / decrease in finished goods		
Opening stock	564,063,316	609,111,463
Closing stock	(776,565,651)	(769,844,987)
Adjustment of finished goods	(212,502,335)	(160,733,524)
	1,937,163,540	1,516,871,367

Notes to the condensed interim financial statements

For the half year ended December 31, 2019 (Un-audited)

	Un-audited for half year ended December 31,	
	2019	2018
	(Rupees)	
16. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	43,207,457	59,014,716
Adjustments for:		
- Depreciation	82,592,551	83,128,616
- Gain on disposal of PPE	(702,622)	(634,773)
- Change in fair value of short term investment	(68,598)	1,172
- Investment income	-	(308)
- Provision for staff retirement benefits - gratuity	17,950,284	13,784,004
- Finance cost	65,341,573	68,179,496
	208,320,645	223,472,923
Changes in:		
- Stores, spares and loose tools	(27,492,090)	(20,286,642)
- Stock in trade	(158,053,994)	(55,180,647)
- Trade debts	71,558,475	124,264,162
- Loans and advances	39,150,059	(6,267,112)
- Short Term Investments	(68,599)	864
- Trade deposits, prepayments & other receivables	(27,693,491)	(45,937,116)
- Creditors, accrued and other liabilities	107,939,935	(63,409,729)
- Contract liabilities	3,006,289	3,769,305
Cash generated from operations	216,667,229	160,426,008
Interest paid	(62,519,834)	(64,168,526)
Taxes paid	(21,481,969)	(24,412,077)
Gratuity paid	(6,165,859)	(10,010,475)
Dividend paid	(8,081,949)	(8,071,363)
	118,417,618	53,763,567
17. DATE OF AUTHORIZATION FOR ISSUE		
These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 17, 2020.		
18. GENERAL		
Figures have been rounded off to the nearest Rupee unless otherwise stated.		


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

اراکین کے لئے ڈائریکٹرز کی رپورٹ

زفر ٹیکسٹائل لمیٹڈ کے ڈائریکٹرز ازراہ مسرت 31 دسمبر 2019ء کو اختتام پذیر نصف سال کے لئے نظر ثانی شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔ یہ عبوری مالیاتی گوشوارے کمپنیز ایکٹ 2017ء کی ضروریات کے مطابق پیش کئے جاتے ہیں۔

عملی مالیاتی نتائج

31 دسمبر 2019ء کو اختتام پذیر نصف سال کے لئے کمپنی نے 2,139,317 ملین روپے کی فروخت پر 202,154 ملین روپے مجموعی منافع حاصل کیا جبکہ گذشتہ برس کی اسی مدت کے دوران 2,293,491 ملین روپے کی فروخت پر 200,667 ملین روپے مجموعی منافع حاصل کیا گیا۔ گذشتہ برس اسی مدت میں 38,020 ملین روپے خالص منافع کے مقابلہ میں زیر جائزہ مدت کے دوران کمپنی نے 23,575 ملین روپے خالص منافع ریکارڈ کیا۔

نمایاں مالیاتی تفصیل	اختتام پذیر نصف سال 31 دسمبر		(اضافہ کمی) فیصد	اختتام پذیر نصف سال 31 دسمبر		(اضافہ کمی) فیصد
	2019 (روپے)	2018 (روپے)		2019 (روپے)	2018 (روپے)	
خالص فروخت	2,139,317,462	2,293,491,424	(6.72)	1,199,606,759	1,251,602,058	4.33
مجموعی منافع	202,153,922	200,667,215	0.74	114,975,132	110,864,483	(3.58)
نفع / (تقصان) قبل از ٹیکس	43,207,457	59,014,716	(26.79)	40,136,175	29,488,718	(26.53)
نفع / (تقصان) بعد از ٹیکس	23,574,551	38,019,533	(37.99)	29,167,110	18,506,149	(36.55)
مجموعی منافع (فیصد)	9.45%	8.75%	8.00	9.58%	8.86%	(7.52)
نفع / (تقصان) بعد از ٹیکس (فیصد)	1.10%	1.66%	(33.73)	0.91%	1.48%	62.64
فی حصص آمدنی / (تقصان) روپے	0.40	0.64	(37.50)	0.49	0.31	(36.73)

گذشتہ برس کے مقابلہ میں زیر جائزہ مدت کے دوران برآمدی فروخت میں کمی کی وجہ سے فروخت آمدنی میں 6.72 فی صد کمی واقع ہوئی۔ فروخت آمدنی میں کمی کے باوجود انتظامیہ کی لاگت پر قابو پانے کی مہم بوجھت عملی کی وجہ سے مجموعی مارجن کچھ مستحکم رہا۔

زیر جائزہ مدت کے دوران، ایندھن کی قیمتوں میں اضافہ اور زیادہ شرح سود کے منافع پر منفی اثرات مرتب ہوئے۔ چونکہ اس مالیاتی سال کے آغاز میں ٹیکسٹائل انڈسٹری سے سیلز ٹیکس کی صفحہ بندی واپس لے لی گئی لہذا FBRI کے پاس رکھے جانے والی ریفرنڈر رقم میں تیزی سے اضافہ ہو رہا ہے۔ ریفرنڈر کا عمل ابھی جاری ہے اور ہم اگلی سہ ماہی میں بہتری کے لئے پُر امید ہیں۔ ٹیکسٹائل مصنوعات کی مقامی کھپت پر 17 فی صد سیلز ٹیکس کے اطلاق سے اس مالیاتی سال کی پہلی دوسرے ماہیوں کے دوران ہماری فروخت بری طرح متاثر ہوئی۔ گرمیوں کے موسم کی اگلی دوسرے ماہیوں کے دوران ہمیں اس صورت حال کی بہتری کی امید ہے۔

مستقبل کا نقطہ نظر


ہم نے اپنے ڈائرینگ سیکشن میں بٹے ہوئے کپڑے کی مصنوعات متعارف کرائی ہیں۔ حوصلہ بخش نتائج کے ساتھ پیداوار جاری ہے اور آئندہ سہ ماہی میں اس کی اصلاح کی جائے گی۔


روپے کی قدر میں کمی اور توانائی کی قیمتوں میں اضافہ کی وجہ سے افراط زر کے اس مشکل ماحول کے باوجود آپ کی کمپنی بہتر مستقبل کے لئے پُر امید ہے۔ حکومت پاکستان نے ٹیکسٹائل سیکٹر میں بہتری کی جانب مضبوط عزم کا اظہار کیا ہے۔ غیر دستاویزی شعبے کو ٹیکس ٹیٹ میں داخل کرنے کے حکومتی اقدامات نے مجموعی معیشت کو مست کردیا ہے۔ آگے بڑھتے ہوئے، انڈسٹری کو ایندھن کی قیمتوں سے متعلق غیر یقینی صورت حال کا بھی سامنا ہے۔ ٹیکسٹائل انڈسٹری کو پیش کئے جانے والے ٹیکس اور بجلی کے رعایتی نرخوں کے غیر یقینی مستقبل پر قانونی چارہ جوئی جاری ہے۔

اعترافات

انتظامیہ بورڈ آف ڈائریکٹرز، ریگولیٹری حکام، شیئر ہولڈرز، صارفین، مالیاتی اداروں کی رہنمائی اور عملدوار اور مزدوروں کی انتھک محنت کو قدر کی نگاہ سے دیکھتی ہے۔

برائے/منجانب بورڈ آف ڈائریکٹرز


محترم برہان محمد خان
ڈائریکٹر


محترم مسعود حنیف
چیف ایگزیکٹو

لاہور

17 فروری، 2020

www.jamapunji.pk










سرمایہ کاری سمجھداری کے ساتھ










**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

BOOK POST

PRINTED MATTER

If undelivered please return to

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