

Zephyr Textiles Limited

**Accounts For 1st Quarter
Ended September 30, 2021**

Contents

Company Information	02
Directors' Report	03
Statement of Financial Position	04
Statement of Profit and Loss Account	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	10

Company Information

BOARD OF DIRECTORS:	Mr. Mussaid Hanif	CEO
	Mr. Arbab Muhammad Khan	
	Mr. Rana Kamal Ud Din	
	Ms. Tehniyat Mussaid	Chairperson
	Ms. Sabah Burhan	
	Ms. Sarah Naviwala	
	Ms. Nuzhat Kamran	
AUDIT COMMITTEE:	Ms. Nuzhat Kamran	Chairperson/Member
	Mr. Rana Kamal Ud Din	Member
	Ms. Tehniyat Mussaid	Member
HR & REMUNERATION COMMITTEE:	Ms. Nuzhat Kamran	Chairperson/Member
	Mr. Arbab Muhammad Khan	Member
	Ms. Sabah Burhan	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	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	(Weaving unit & Power plant)
	Bhai Pheru.	
	Phone : 0494 - 512007-9, 513103-5	
	Fax : 0494 - 512011	
	63 km, Gulshan Adda,	(Towel Unit)
	Jumber Khurd, District Kasur.	
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	

Directors' Report to the Members

Directors of Zephyr Textiles Limited are pleased to present the un-audited interim financial statements for the first quarter ended September 30, 2021. These interim financial statements are presented in accordance with the requirements of the Companies Act, 2017.

Operating and Financial Results

During the quarter ended September 30, 2021, the company earned a gross profit of PKR 233.800 million on sales of PKR 2,118.775 million compared to gross profit of PKR 182.386 million on sales of PKR 1,445.756 million for the corresponding period of previous financial year. Similarly, net profit increased by 21% as compared to corresponding period last year.

Financial Highlights Description	Quarter ended September 30, 2021 (Rupees)	Quarter ended September 30, 2020 (Rupees)
Sales - net	2,118,775,113	1,445,755,636
Gross Profit	233,800,350	182,385,770
Operating Profit for the period	138,769,695	114,149,311
Financial charges	32,788,787	26,675,764
Profit for the period before taxation	105,980,908	87,473,547
Taxation current	19,543,846	16,033,740
Profit for the period after taxation	86,437,062	71,439,807
Earning Per Share	1.45	1.20

Pakistan economy witnessed the growth at the rate of 3.9% in FY2021 due to reopening of world after eruption of pandemic in March 2020. Economic and monetary policies of the Government of Pakistan also helped the export industry to get maximum benefit of the situation. The Company also reaped the benefits and recorded the sales to a quarterly maximum of PKR 2.119 billion by intelligent marketing strategy and best product mix. Gross and net profit was not as per expectation due to two main reasons. One due to losing DDT this year as Government didn't renewed its policy after expiry on June 30, 2021. Second due to massive increase in ocean freight and container rent which more than doubled in this period under review as compared to corresponding period last year due to depreciation of PKR to USD and global supply chain issues. We hope the Government will consider to DDT policy in industry's favor and the supply chain hurdles will be resolved shortly. Pakistan's economy is expected to grow by 4% in FY 2022 supported by stronger investment, improved business environment and effective economic measures for FY 2022 along with prevailing uncertainty due to pandemic situation worldwide.

The directors would like to record their appreciation for the continued commitment and hard work being carried out by the employees of the Company.

For and on behalf of the Board of Directors



MUSSAID HANIF
CHIEF EXECUTIVE

Lahore
October 29, 2021



ARBAB MUHAMMAD KHAN
EXECUTIVE DIRECTOR

Statement of Financial Position

As at September 30, 2021 (Un-Audited)

	Note	Un-Audited Sep 30, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorized share capital			
62,500,000 ordinary shares of Rs. 10 each		625,000,000	625,000,000
Issued, subscribed and paid-up share capital			
59,428,729 ordinary shares of Rs. 10 each		594,287,290	594,287,290
UNAPPROPRIATED PROFIT		1,127,170,030	1,035,674,899
SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT		276,018,131	281,076,200
		1,997,475,451	1,911,038,389
LONG TERM LOANS		194,969,008	241,674,201
DEFERRED LIABILITIES		247,425,814	245,801,072
CURRENT LIABILITIES			
Short term finances - Secured		1,253,132,350	1,268,832,350
Current portion of long term liabilities		261,447,995	258,920,223
Creditors, accrued and other liabilities		1,107,617,300	1,252,276,911
Unclaimed dividend		694,043	694,043
Accrued mark up		16,019,254	21,824,137
		2,638,910,942	2,802,547,664
CONTINGENCIES AND COMMITMENTS	4	-	-
		5,078,781,215	5,201,061,326
ASSETS			
NON CURRENT ASSETS			
Property plant & equipment	5	2,060,557,895	2,031,916,154
Capital work in progress		36,011,714	33,093,809
Intangible assets		3,406,107	3,633,180
		2,099,975,716	2,068,643,143
Long term advances and deposits		23,672,301	22,739,301
CURRENT ASSETS			
Stores, spares and loose tools		183,551,640	173,818,512
Stock in trade		1,015,622,220	1,411,063,195
Trade debts		991,212,922	823,673,013
Loans and advances		135,155,136	133,825,882
Trade deposits, prepayments and balances with statutory authorities		257,604,903	347,015,479
Other receivables		146,571,182	137,443,759
Short term investment		59,856,929	3,965,854
Cash and bank balances		165,558,266	78,873,188
		2,955,133,198	3,109,678,882
		5,078,781,215	5,201,061,326

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



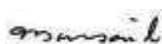
DIRECTOR

Statement of Profit and Loss Account

For the 1st quarter ended September 30, 2021 (Un-Audited)

	Jul - Sep 2021 (Rupees)	Jul - Sep 2020 (Rupees)
SALES	2,118,775,113	1,445,755,636
COST OF SALES	1,884,974,763	1,263,369,866
GROSS PROFIT	233,800,350	182,385,770
OPERATING EXPENSES		
Distribution costs	93,102,151	40,028,983
Administrative cost	23,194,947	22,621,298
	116,297,098	62,650,281
	117,503,252	119,735,489
Other operating expenses	8,409,129	6,461,043
	109,094,123	113,274,446
Other Operating Income	29,675,572	874,865
OPERATING PROFIT	138,769,695	114,149,311
Finance cost	32,788,787	26,675,764
PROFIT BEFORE TAXATION	105,980,908	87,473,547
Taxation	19,543,846	16,033,740
PROFIT AFTER TAXATION	86,437,062	71,439,807
EARNING PER SHARE-BASIC & DILUTED	1.45	1.20

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



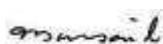
DIRECTOR

Statement of Comprehensive Income

For the 1st quarter ended September 30, 2021 (Un-Audited)

	Jul - Sep 2021 (Rupees)	Jul - Sep 2020 (Rupees)
Profit for the period after taxation	86,437,062	71,439,807
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	86,437,062	71,439,807

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER




DIRECTOR

Statement of Cash Flows

For the 1st quarter ended September 30, 2021 (Un-Audited)

	Jul - Sep 2021 (Rupees)	Jul - Sep 2020 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	105,980,908	87,473,547
Adjustments for:		
Depreciation & amortization	45,036,005	44,279,139
Gain on sale of fixed assets	-	(1,611,651)
Dividends, capital gains & other (income)/loss	(114,093)	-
Provision for staff gratuity	10,920,726	8,154,642
Financial charges	32,788,787	26,675,764
	88,631,425	77,497,894
	194,612,333	164,971,441
(Increase)/Decrease in current assets		
Stores, spares and loose tools	(9,733,128)	3,395,290
Stock in trade	395,440,975	13,486,225
Trade debts	(167,539,909)	(81,673,380)
Loans and advances	(1,329,254)	(22,127,464)
Trade deposits, prepayments & other receivables	72,927,648	(63,838,309)
	289,766,332	(150,757,638)
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	(138,854,728)	87,593,455
Cash flow from operations	345,523,937	101,807,258
Financial charges paid	(37,773,436)	(31,475,638)
Taxes paid	(20,059,195)	(13,516,599)
Gratuity paid	(7,230,013)	(15,697,259)
	(65,062,644)	(60,689,496)
Net cash flow from operating activities	(A) 280,461,293	41,117,762
CASH FLOW FROM INVESTING ACTIVITIES		
Long term advances, deposits and deferred costs	(933,000)	-
Sale proceeds of fixed assets	-	1,885,000
Dividends received	114,093	-
Proceeds from sale of short term investment	(55,891,075)	(52,100,000)
Fixed capital expenditure	(76,368,578)	(57,856,808)
Net cash flow from investing activities	(B) (133,078,560)	(108,071,808)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances - secured	(15,700,000)	(20,545,219)
Long term finances - secured	(44,997,655)	79,557,026
Net cash flow from financing activities	(C) (60,697,655)	59,011,807
NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) 86,685,078	(7,942,239)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	78,873,188	71,785,280
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	165,558,266	63,843,039

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



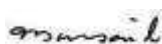
DIRECTOR

Statement of Changes in Equity

For the 1st quarter ended September 30, 2021 (Un-Audited)

Description	Share Capital (Rupees)	Accumulated Profit(Loss) (Rupees)	Revaluation Surplus (Rupees)	Total Equity (Rupees)
Balance as at June 30, 2020	594,287,290	716,441,820	302,531,787	1,613,260,897
Net Profit for the period	-	71,439,807	-	71,439,807
Current year incremental depreciation - net of tax	-	5,540,922	(5,540,922)	-
Balance as at September 30, 2020	594,287,290	793,422,549	296,990,865	1,684,700,704
Balance as at June 30, 2021	594,287,290	1,035,674,899	281,076,200	1,911,038,389
Net Profit for the period	-	86,437,062	-	86,437,062
Current year incremental depreciation - net of tax	-	5,058,069	(5,058,069)	-
Balance as at September 30, 2021	594,287,290	1,127,170,030	276,018,131	1,997,475,451

The annexed notes 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the Financial Statements

For the 1st quarter ended September 30, 2021 (Un-Audited)

1. These financial statements have been prepared in accordance with the requirements of International Accounting Standard(IAS) 34 "Interim Financial Reporting".
2. These financial statements are un-audited and are being submitted to shareholders as required by Section 237 of the Companies Act, 2017.
3. The accounting policies adopted for the preparation of the accounts are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2021.

4. CONTINGENCIES AND COMMITMENTS

4.1 Commitments

Commitments against irrevocable letters of credit for import of machinery and raw material as at September 30, 2021 amounting to Rs. 68.480 million (June 2021 : Rs. 60.346 million)

4.2 Others

There are no other significant activities since June 30, 2021 affecting financial Statements.

5. Following is the cost of fixed assets that have been added/disposed off during the quarter ended:

	Un-audited September 30, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
Additions in fixed assets	73,450,673	309,130,673
Deletions in fixed assets	-	5,314,063
Additions in capital work in progress	2,917,905	96,329,875
Transfers from capital work in progress	-	126,554,473
6. EARNING PER SHARE - BASIC		
Profit after tax	86,437,062	302,076,904
Weighted average number of ordinary shares	59,428,729	59,428,729
Earning per share - basic	1.45	5.08


7. DATE OF AUTHORIZATION

These accounts have been approved by the Board of Directors on October 29, 2021.

8. COMPARATIVE FIGURES

Have been rearranged/reclassified wherever necessary for the purpose of comparison.

Have been rounded off to the nearest rupee.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

اراکین کے لیے ڈائریکٹرز کی رپورٹ

زیفیر ٹیکسٹائل لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2021ء کو اختتام پذیر پہلی سہ ماہی کے لئے غیر پرماتال شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔ یہ عبوری مالیاتی گوشوارے کمپنیز ایکٹ 2017 کی ضروریات کے مطابق پیش کیے جاتے ہیں۔

عملی اور مالیاتی نتائج

30 ستمبر 2021ء کو اختتام پذیر سہ ماہی کے دوران کمپنی نے 2,118,775 ملین روپے کی فروخت پر 233,800 ملین روپے مجموعی منافع حاصل کیا جو گذشتہ برس اسی مالی مدت کے تقابل میں 1,445,756 ملین روپے کی فروخت پر 182,386 ملین روپے تھا۔ اسی طرح گذشتہ برس کی اسی مدت مقابلے میں کمپنی کے خالص منافع میں 21 فیصد کا اضافہ ہوا۔

نمایاں مالیاتی تفصیل	2021 (روپے)	اختتام پذیر سہ ماہی 30 ستمبر 2020 (روپے)
خالص فروخت	2,118,775,113	1,445,755,636
مجموعی منافع	233,800,350	182,385,770
رواں مدت کے لئے عملی منافع	138,769,695	114,149,311
مالیاتی اخراجات	32,788,787	(26,675,764)
نفع قبل از ٹیکس	105,980,908	87,473,547
موجودہ ٹیکس	19,543,846	(16,033,740)
نفع بعد از ٹیکس	86,437,062	71,439,807
فی شخص آمدنی	1.45	1.20

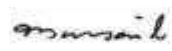
مارچ 2020ء میں وبا کی مرض کے پھوٹنے کے بعد دنیا میں کاروباری سرگرمیاں دوبارہ کھل جانے کی وجہ سے مالی سال 2021ء میں پاکستانی معیشت میں 3.9 فیصد کی شرح سے ترقی دیکھی گئی۔ حکومت پاکستان کی اقتصادی اور مانیٹری پالیسیوں نے بھی برآمدی صنعت کو اس صورتحال سے زیادہ سے زیادہ فائدہ حاصل کرنے میں مدد کی۔ کمپنی نے شمات بھی حاصل کیے، اور ذہانت سے بھرپور مارکیٹنگ کی حکمت عملی اور بہترین مضوع مرکب کے ذریعے کمپنی نے اپنی خالص فروخت کو اس سہ ماہی میں زیادہ سے زیادہ 2.119 ارب روپے تک ریکارڈ کیا، مجموعی اور خالص منافع دو اہم وجوہات کی بنا پر توقعات کے برعکس رہا۔

پہلی وجہ ڈی ڈی ٹی (DDT) کا نہ ہونا۔ کیونکہ 30 جون 2021ء کو اس کی مدت کی تکمیل کے بعد حکومت اپنی پالیسی کی تجدید نہیں کر سکی۔ دوسری اہم وجہ زیر جائزہ مدت میں عالمی سپلائی چین کے مسائل اور پاکستانی روپے کے مقابلے میں امریکی ڈالر کی قدر میں اضافہ کی وجہ سے کمیشنز کے کرایوں اور سمندری مال برداری کے کرایوں میں بے تحاشہ اضافہ ہوا۔ جو کہ گذشتہ برس اسی مدت کے تقابل میں تقریباً دو گنا ہو گئے تھے۔ ہم پر امید ہیں کہ حکومت ڈی ڈی ٹی (DDT) پالیسی کو صنعت کے حق میں کرنے پر غور کریگی۔ اور سپلائی چین میں آنے والی رکاوٹوں کو بھی بہت جلد حل کر لیا جائے گا۔ مضبوط سرمایہ کاری بہتر کاروباری ماحول اور سال 2022ء کے لیے موثر اقتصادی اقدامات کے ساتھ ساتھ دنیا بھر میں وبا کی صورتحال کی وجہ سے موجودہ غیر یقینی حالات کے ساتھ مالی سال 2022ء میں پاکستانی معیشت میں 4 فیصد کی ترقی متوقع ہے۔

ڈائریکٹرز کمپنی کے ملازمین کے مسلسل عزم اور ان تھک محنت کی حوصلہ افزائی کرتے ہیں۔



محترم ارباب محمد خان
ایگزیکٹو ڈائریکٹر



محترم مسعود حنیف
چیف ایگزیکٹو

لاہور
29 اکتوبر 2021

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- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
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