

Zephyr Textiles Limited

Accounts For the Half Year Ended
December 31, 2021

Contents

Company Information	02
Directors' Report	03
Independent Auditors' Review Report	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	14

BOARD OF DIRECTORS:	Mr. Mussaid Hanif	CEO
	Mr. Arbab Muhammad Khan	
	Mr. Rana Kamal Ud Din	
	Ms. Tehniyat Mussaid	Chairpreson
	Ms. Sabah Burhan	
	Ms. Sarah Nawiwala	
	Ms. Nuzhat Kamran	
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AUDIT COMMITTEE:	Ms. Nuzhat Kamran	Chairperson/Member
	Mr. Rana Kamal Ud Din	Member
	Ms. Tehniyat Mussaid	Member
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CHIEF FINANCIAL OFFICER:	Mr. Naveed Aleem	
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COMPANY SECRETARY:	Mr. Abdul Jabbar	
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AUDITORS:	Azhar Zafar & Company	Chartered Accountants
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LEGAL ADVISOR:	Ahmad Law Firm	
	Advocate High Court	
	Suit No. 7, Block No. 9, Shabbir Town,	
	Executive Suits, 2.5 km Raiwind Road,	
	Lahore - 54000, Pakistan	
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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
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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.	
<hr/>		
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

The Directors of Zephyr Textiles Limited are pleased to present the Reviewed interim financial statements for the half year ended December 31, 2021. 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, 2021, the Company earned a gross profit of PKR 454.287 million on sales of PKR 3,691.354 million compared to gross profit of PKR 352.594 million on sales of PKR 2,916.824 million for the corresponding period of previous financial year reflecting the 26.55% increase in sales revenue and 28.84% increase in gross margin. During the period under review, the Company recorded a net profit of PKR 200.238 million compared to net profit of PKR 121.701 million in the corresponding period which is 64.53% higher than corresponding period last year.

Financial Highlights	Half Year ended December 31,			Quarter ended December 31,		
	2021 (Rupees)	2020 (Rupees)	Increase %	2021 (Rupees)	2020 (Rupees)	Increase %
Sales – net	3,691,353,751	2,916,823,522	26.55	1,572,578,638	1,471,067,886	6.90
Gross Profit	454,287,853	352,593,796	28.84	220,487,503	170,208,026	29.54
Profit before tax	238,491,292	154,516,673	54.35	132,510,384	67,043,127	97.65
Profit after tax	200,238,059	121,701,053	64.53	113,800,997	50,261,247	126.42
Gross Profit (%)	12.31%	12.09%		14.02%	11.57%	
Profit after tax (%)	5.42%	4.17%		7.24%	3.42%	
Earnings per share (Rs.)	3.37	2.05		1.91	0.85	

Higher sales volume, effective cost management and better product mix resulted in an increased after tax profit by PKR 78.54 million (64.53%). During July-Dec 21 period a major devaluation of about 12% was witnessed. It helped in the short term for increased sales as well as profitability. Along with the devaluation State Bank of Pakistan started increasing interest rates which resulted in hike of KIBOR from 7.5% in July to 10.5% in December. The abnormally high costs of ocean freights are still holding and effected our profitability negatively. These inflationary factors are expected to create head winds for the rest of the year.

Textile industry in Pakistan performed well in the first half of the current financial year 2021-2022 despite volatile economic conditions. Pakistan's textile exports saw an upward trajectory in the period under review. Textile exports surged by 26.05% to \$9.381 billion during the period from July to December 2021 as compared to \$7.442 billion in corresponding period last year. Towel and terry products climbed up by 17.54% to \$523.686 million from \$445.697 million. The financial results could have been much better but the intensive increase in supply chain costs reduced the margins.

Future Outlook

Pakistan economy is picking up momentum to recover from post COVID regime. The overall economic activities are accelerating and showing resilient demand in all segments like construction, automobile, textile and power, etc. Textile industry is also on its way to achieve export target of \$ 21 billion, set by the Government. Extra ordinary high prices of liquified natural gas (LNG) have created shortages worldwide. Pakistan is also facing this crisis. During the winter months LNG price has been increased from USD 6.5/mmbtu to USD 9.0/mmbtu. The availability has also been reduced during winter months which has created a lot of uncertainty in the industry. Hopefully situation will improve as weather warms up by beginning of March and the LNG pricing will be reverted to the previous level.

On the positive note, Textile and Apparel Policy 2020-25 envisioned by the incumbent government, if finally approved and implement in its spirit, will steer the industry towards a rapid growth trajectory.

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

Lahore
 February 24, 2022



ARBAB MUHAMMAD KHAN
EXECUTIVE DIRECTOR

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, 2021 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, 2021 and December 31, 2020 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, 2021.

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: Talat Mehboob

February 24, 2022

Lahore

Condensed interim statement of financial position

As at December 31, 2021 (Un-audited)

	Note	Un-audited December 31, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
Equity and liabilities			
Equity			
Share capital	6	594,287,290	594,287,290
Unappropriated profit		1,216,314,705	1,035,674,899
Revaluation reserve		270,960,062	281,076,200
Total equity		2,081,562,057	1,911,038,389
Liabilities			
Long term financing - secured	7	138,903,028	241,674,201
Employee benefits	8	119,310,301	118,346,459
Deferred tax liabilities		125,991,153	127,454,613
Non current liabilities		384,204,482	487,475,273
Trade and other payables	9	843,990,314	1,218,139,342
Contract liabilities		16,252,309	55,961,706
Short term borrowings		1,267,232,350	1,268,832,350
Unclaimed dividend		761,498	694,043
Current portion of long term borrowings		256,808,725	258,920,223
Current liabilities		2,385,045,196	2,802,547,664
Contingencies and commitments	10	-	-
Total liabilities		4,850,811,735	5,201,061,326
Assets			
Property plant & equipment	11	2,069,355,934	2,031,916,154
Capital work in progress		23,735,113	33,093,809
Intangible assets		3,179,034	3,633,180
Long term advances and deposits		23,772,301	22,739,301
Non-current assets		2,120,042,382	2,091,382,444
Stores, spares and loose tools		204,421,729	173,818,512
Stock in trade		1,169,399,876	1,411,063,195
Trade debts		685,127,366	823,673,013
Loans and advances	12	146,857,987	133,825,882
Trade deposits, prepayments & other receivables	13	432,563,747	484,459,238
Short term investments	14	35,393,728	3,965,854
Cash and bank balances		57,004,920	78,873,188
Current assets		2,730,769,353	3,109,678,882
Total assets		4,850,811,735	5,201,061,326

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, 2021 (Un-audited)

	Note	Un-audited For half year ended December 31,		Un-audited For quarter ended December 31,	
		2021 (Rupees)	2020 (Rupees)	2021 (Rupees)	2020 (Rupees)
Sales - net		3,691,353,751	2,916,823,522	1,572,578,638	1,471,067,886
Cost of sales	15	3,237,065,898	2,564,229,726	1,352,091,135	1,300,859,860
Gross profit		454,287,853	352,593,796	220,487,503	170,208,026
Other income		44,571,103	14,844,398	14,895,531	13,969,534
Distribution cost		140,949,216	81,645,353	47,847,065	41,616,370
Administrative expenses		45,859,623	53,365,572	22,664,676	30,744,274
Other expenses		20,136,266	25,927,633	11,727,137	19,466,590
		206,945,105	160,938,558	82,238,878	91,827,234
Finance costs		53,422,559	51,982,963	20,633,772	25,307,199
Profit for the period before taxation		238,491,292	154,516,673	132,510,384	67,043,127
Taxation		38,253,233	32,815,620	18,709,387	16,781,880
Profit for the period after taxation		200,238,059	121,701,053	113,800,997	50,261,247
Other comprehensive income:					
Other comprehensive income - net of tax		-	-	-	-
Total comprehensive income		200,238,059	121,701,053	113,800,997	50,261,247
Earning per share - basic & diluted		3.37	2.05	1.91	0.85

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, 2021 (Un-audited)

	Note	Un-audited for half year ended December 31,	
		2021 (Rupees)	2020 (Rupees)
Net cash flow from operating activities	16	203,542,330	57,656,344
Cash flow from investing activities			
Long term advances and deposits		(1,033,000)	-
Proceeds from disposal of property, plant and equipment		2,365,150	-
Capital gains/(losses), income/(losses) from investments and dividends		564,578	2,713,702
Acquisition of property, plant and equipment		(119,380,846)	(160,128,413)
Net cash flow from investing activities		(117,484,118)	(157,414,711)
Cash flow from financing activities			
Availed/repayment of short term borrowings		(1,600,000)	(41,903,859)
Availed/repayment of long term loans		(106,326,480)	149,428,327
Net cash flow from financing activities		(107,926,480)	107,524,468
Net increase in cash and cash equivalents		(21,868,268)	7,766,101
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		57,004,920	79,551,381

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, 2021 (Un-audited)

Description	Share Capital (Rupees)	Accumulated Profit/(Loss) (Rupees)	Revaluation Surplus (Rupees)	Total Equity (Rupees)
Balance as at June 30, 2020 - Audited	594,287,290	716,441,820	302,531,787	1,613,260,897
Total comprehensive income for the period	-	121,701,053	-	121,701,053
Current period incremental depreciation - net of tax	-	11,081,844	(11,081,844)	-
Balance as at December 31, 2020 - Un-audited	594,287,290	849,224,717	291,449,943	1,734,961,950
Balance as at June 30, 2021 - Audited	594,287,290	1,035,674,899	281,076,200	1,911,038,389
Total comprehensive income for the period	-	200,238,059	-	200,238,059
Final dividend @ Rs. 0.50 per ordinary share	-	(29,714,391)	-	(29,714,391)
Current period incremental depreciation - net of tax	-	10,116,138	(10,116,138)	-
Balance as at December 31, 2021 - Un-audited	594,287,290	1,216,314,705	270,960,062	2,081,562,057

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 statements

For the half year ended December 31, 2021 (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, 2020 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, 2021.

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, 2021.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2021, 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, 2021.

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, 2021.

	Un-audited December 31, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
6. 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		
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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Notes to the condensed interim financial statements

For the half year ended December 31, 2021 (Un-audited)

7. LONG TERM FINANCING

Facilities	Note	Repayment commencement	Mark up	Sanctioned limit (Rs. in million)	Number of installments	Un-audited December 31, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
Term Finance	7.1	January - 19	3 Months Kibor + 2%	36	36 Monthly	10,000,000	15,000,000
Long Term Finance	7.1	January - 17	SBP Rate + 2.5%	300	20 Quarterly	72,621,972	100,483,476
Term Finance (SBP refinance scheme S&W)	7.1	January - 21	SBP Rate + 3%	153.77	08 Quarterly	76,884,998	115,327,500
Long Term Finance	7.1	April - 21	SBP Rate + 3%	67	38 Quarterly	60,793,869	31,415,921
Term Finance	7.1	September - 21	3 Months Kibor + 2%		38 Quarterly	-	14,042,782
Term Finance	7.1	April - 21	SBP Rate + 4%	36.78	38 Quarterly	33,825,659	35,758,553
Subtotal - BOP						254,126,498	312,028,232
Demand Finance - III	7.1 & 7.2	September - 15	3 Months Kibor + 1%	327.502	28 Quarterly	110,795,286	143,507,366
Frozen Markup	7.1 & 7.3	September - 15	Interest free	219.977	28 Quarterly	30,789,969	45,058,826
Subtotal - NBP						141,585,255	188,566,192
						395,711,753	500,594,424
Current portion						(235,304,673)	(238,146,989)
Overdue portion						(21,504,052)	(20,773,234)
						(256,808,725)	(258,920,223)
						138,903,028	241,674,201

- 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.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

Notes to the condensed interim financial statements

For the half year ended December 31, 2021 (Un-audited)

	Un-audited December 31, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
8. EMPLOYEE BENEFITS		
Liability at the beginning of the period	118,346,459	118,181,227
Charge for the period	19,172,970	30,489,267
Benefits paid during the period	(18,209,128)	(34,623,447)
Unrecognized actuarial (gain)/losses	-	4,299,412
	119,310,301	118,346,459
9. TRADE AND OTHER PAYABLES		
Creditors	564,802,220	959,923,522
Accrued liabilities	152,699,605	142,516,884
Accrued mark-up/interest on long term financing	5,833,861	7,183,503
Accrued mark-up/interest on short term borrowings	14,238,137	14,640,634
Income tax withheld	51,929,588	51,616,228
Retention money payable	700,000	700,000
Workers' funds	53,786,903	41,558,571
	843,990,314	1,218,139,342

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 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.

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. L0417 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 dismiss by the court during the year.

- Sh. Zafar Iqbal v/s. M/s Zephyr Textiles Limited. Sh. Zafar Iqbal has filed a suit for cancelation 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.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the condensed interim financial statements

For the half year ended December 31, 2021 (Un-audited)

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. 53.533 million (June 30, 2021: Rs. 53.533 million).

10.8 Foreign bills purchased by banks amounting to Rs. 272.209 million (June 30, 2021: Rs. 273.143 million).

Commitments

10.9 Contracts for capital expenditure are Rs. 125.205 million (June 30, 2021: Rs. 21.389 million).

10.10 Letters of credit other than for capital expenditure are Rs. 200.335 million (June 30, 2021: Rs. 57.391 million).

10.11 Outstanding foreign currency forward contracts of Rs. 347.166 million (June 30, 2021: Rs. 344.478 million).

	Note	Un-audited December 31, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
11. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		2,031,916,154	1,903,439,609
Additions during the period	11.1	128,739,542	309,130,673
Net book value of assets disposed off during the period	11.2	(605,141)	(2,266,222)
Depreciation charge for the period		(90,694,621)	(178,387,906)
		2,069,355,934	2,031,916,154
11.1 Cost of additions			
Buildings on freehold land		31,982,961	5,092,159
Link road		617,380	633,460
Non factory building		12,049,522	-
Plant and machinery		43,836,888	283,055,316
Furniture and fixtures		388,950	1,913,725
Vehicles		4,961,915	12,641,995
Electric installation		33,453,716	118,500
Office equipments		1,448,210	5,675,518
		128,739,542	309,130,673
11.2 Net book value of deletions			
Plant and machinery		94,694	1,746,464
Vehicles		510,447	491,674
Office equipments		-	28,084
		605,141	2,266,222
12. LOANS AND ADVANCES			
Advances - unsecured but considered good:			
- To suppliers		41,497,674	39,381,045
- To employees		18,231,913	34,098,802
- To suppliers against letter of credit		73,740,263	60,346,035
- To others		13,388,137	-
		146,857,987	133,825,882
13. TRADE DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES			
Prepayments		3,769,150	1,710,520
Advance income tax		44,495,819	47,020,330
Margin deposits		5,117,578	8,289,747
Sales tax refundable		217,294,528	276,037,083
Export rebate receivable		2,265,215	13,957,799
Other receivables		159,621,457	137,443,759
		432,563,747	484,459,238
14. SHORT TERM INVESTMENTS			
Investment at fair value through profit and loss account			
- listed securities		328,157	200,090
Investment in funds		35,065,571	3,765,764
		35,393,728	3,965,854



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

Notes to the condensed interim financial statements

For the half year ended December 31, 2021 (Un-audited)

	Un-audited December 31, 2021 (Rupees)	Audited June 30, 2021 (Rupees)
15. COST OF SALES		
Raw materials consumed	2,067,974,671	1,435,985,057
Salaries, wages and other benefits	252,374,292	212,104,428
Production overheads	818,213,213	722,389,785
	3,138,562,176	2,370,479,270
(Increase) / decrease in work-in-process		
Opening stock	148,794,875	95,669,862
Closing stock	(135,011,246)	(105,731,615)
Adjustment of work-in-process	13,783,629	(10,061,753)
(Increase) / decrease in finished goods		
Opening stock	972,457,856	919,095,641
Closing stock	(887,737,763)	(715,283,432)
Adjustment of finished goods	84,720,093	203,812,209
	3,237,065,898	2,564,229,726
16. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	238,491,292	154,516,673
Adjustments for:		
- Depreciation	90,694,621	84,593,110
- Gain on disposal of PPE	(1,760,009)	(1,857,103)
- Change in fair value of short term investment	(128,249)	(702,153)
- Investment income	(564,578)	(2,011,549)
- Provision for staff retirement benefits - gratuity	19,172,970	17,950,284
- Interest of workers' profit participation fund	891,759	741,721
- Unwinding of discount	1,443,809	2,933,539
- Finance cost	51,086,991	51,982,963
	399,328,606	308,147,485
Changes in:		
- Stores, spares and loose tools	(30,603,217)	(10,130,856)
- Stock in trade	241,663,319	73,068,687
- Trade debts	138,545,647	(224,205,961)
- Loans and advances	(13,032,105)	(73,829,993)
- Short Term Investments	(31,427,874)	(4,820,466)
- Trade deposits, prepayments & other receivables	54,065,666	(75,314,782)
- Creditors, accrued and other liabilities	(372,396,889)	189,306,215
- Contract liabilities	(39,709,397)	(16,838,492)
Cash generated from operations	346,433,756	165,381,837
Interest paid	(55,174,698)	(55,553,732)
Taxes paid	(39,860,664)	(23,983,014)
Gratuity paid	(18,209,128)	(24,026,391)
Dividend paid	(29,646,936)	(4,162,356)
	203,542,330	57,656,344

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 24, 2022.

18. GENERAL

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


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

اراکین کے لیے ڈائریکٹرز کی رپورٹ

زیر ٹیکسٹائل ملینڈ کے ڈائریکٹرز اذراہ سمر 31 دسمبر 2021 کو اختتام پذیر نصف سال کے لیے نظر ثانی شدہ عبوری مالیاتی گوشوارے پیش کرتے ہیں۔ یہ عبوری مالیاتی گوشوارے کمپنیز ایکٹ 2017 کی ضروریات کے مطابق پیش کیے جاتے ہیں۔

عملی مالیاتی نتائج

31 دسمبر 2021 کو اختتام پذیر نصف سال کے دوران کمپنی نے 3,691,354 ملین روپے کی فروخت پر 454,287 ملین روپے مجموعی منافع حاصل کیا۔ جبکہ گذشتہ برس کی اسی مدت کے دوران 2,916,824 ملین روپے کی فروخت پر 352,594 ملین روپے مجموعی منافع حاصل کیا گیا۔ جو کہ سیکلر ریونیو میں 26.55 فیصد اور مجموعی مارجن میں 28.84 فیصد اضافہ کی عکاسی کرتا ہے۔ زیر جائزہ مدت کے دوران کمپنی نے 200,238 ملین روپے خالص منافع ریکارڈ کیا جو کہ گذشتہ برس کی اسی مدت میں 121,701 ملین روپے خالص منافع کے مقابلے میں 64.53 فیصد زیادہ ہے۔

اختتام پذیر نصف سال 31 دسمبر			اختتام پذیر نصف سال 31 دسمبر			نمایاں مالیاتی تفصیل
2021 (روپے)	2020 (روپے)	اضافہ فیصد	2021 (روپے)	2020 (روپے)	اضافہ فیصد	
3,691,353,751	2,916,823,522	26.55	1,572,578,638	1,471,067,886	6.90	خالص فروخت
454,287,853	352,593,796	28.84	220,487,503	170,208,026	29.54	مجموعی منافع
238,491,292	154,516,673	54.35	132,510,384	67,043,127	97.65	نفع قبل از ٹیکس
200,238,059	121,701,053	64.53	113,800,997	50,261,247	126.42	نفع بعد از ٹیکس
12.31%	12.09%		14.02%	11.57%		مجموعی منافع (فیصد)
5.42%	4.17%		7.24%	3.42%		نفع بعد از ٹیکس (فیصد)
3.37	2.05		1.91	0.85		فی حصص آمدنی (روپے)

زیادہ فروخت کا حجم، بہترین پراڈکٹس اور لاگت میں کمی کے موثر انتظام کے نتیجے میں، بعد از ٹیکس نفع (64.53%) اضافہ کے ساتھ 78.54 ملین روپے رہا۔ ماہ جولائی تا دسمبر 2021ء کی مدت کے دوران روپے کی قدر میں 12 فیصد کی ایک بڑی کمی دیکھنے میں آئی۔ جس کی وجہ سے مختصر مدت کے لیے فروخت میں اضافہ کے ساتھ ساتھ اضافی نفع حاصل کرنے میں مدد ملی۔ روپے کی قدر میں کمی کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان نے شرح سود میں اضافہ کرنا شروع کر دیا۔ جس کے نتیجے میں (KIBOR) ریٹ جو کہ ماہ جولائی میں 7.5 فیصد تھا، ماہ دسمبر میں 10.50 فیصد تک بڑھ گیا۔ سمندری مال برداری کے کرایوں میں ہونے والا غیر معمولی اضافہ ابھی تک موجود ہے اور ہمارے منافع کو منفی طور پر متاثر کر رہا ہے۔ مہنگائی کے ان عوامل کی باقی ماندہ سال میں بھی بے رہنمائی کی توقع ہے۔

غیر مستحکم معاشی حالات کے باوجود پاکستان میں ٹیکسٹائل کی صنعت نے موجودہ مالی سال 2021-2022 کی پہلی ششماہ میں اچھی کارکردگی دکھائی۔ زیر جائزہ مدت میں پاکستان کی ٹیکسٹائل برآمدات میں اضافے کا رجحان دیکھا گیا۔ جولائی سے دسمبر 2021ء کے دوران ٹیکسٹائل برآمدات 26.05 فیصد اضافے کے ساتھ 9,381 ارب ڈالر تک پہنچ گئیں۔ جو کہ گذشتہ سال کی اسی مدت میں 7,442 ارب ڈالر تھیں۔ تولیہ اور تیرہری مصنوعات 17.54 فیصد کے ساتھ 445,697 ملین ڈالر سے بڑھ کر 523,686 ملین ڈالر تک پہنچ گئیں۔ مالیاتی نتائج بہت بہتر ہو سکتے تھے لیکن سپلائی چین کی لاگت میں شدید اضافے کی وجہ سے مارجن میں کمی واقع ہوئی۔

مستقبل کا نقطہ نظر

پاکستان کی معیشت کو ردناؤس (Covid-19) کے نظام کے بعد بحالی کی رفتار پکڑ رہی ہے۔ مجموعی طور پر معاشی سرگرمیاں تیز ہو رہی ہیں اور تعمیرات، آٹوموبائل، ٹیکسٹائل اور توانائی جیسے تمام شعبوں میں پیکلڈ مارگ دکھائی دے رہی ہیں۔ ٹیکسٹائل انڈسٹری بھی حکومت کی طرف سے مقرر کردہ 21 ارب ڈالر کے برآمدی ہدف کو حاصل کرنے کی راہ پر گامزن ہے۔ مانع قدرتی گیس (ایل این جی) کی غیر معمولی بلند قیمتوں نے دنیا بھر میں قلت پیدا کر دی ہے۔ پاکستان کو بھی اسی بحران کا سامنا ہے۔ موسم سرما کے مہینوں کے دوران ایل این جی کی قیمت 6.5 ڈالر فی ایم این بی پی بیو سے 9.0 ڈالر فی ایم این بی پی یونٹ بڑھادی گئی ہے۔ سردی کے مہینوں میں دستیابی بھی کم ہو گئی ہے جس نے صنعت کے لیے کافی غیر یقینی صورتحال پیدا کر دی ہے۔ امید ہے کہ مارچ کے شروع موسم کا کافی حد تک گرم ہوجانے کی وجہ سے صورتحال بہتر ہوجائے گی اور ایل این جی کی قیمتیں سابقہ سطح پر واپس آجائیں گی۔

ایک مثبت نوٹ، موجودہ حکومت کی طرف سے تصورات کردہ ٹیکسٹائل اور ماہیو سات کی پالیسی 2020-25 اگر آخر کار منظور ہوجاتی ہے اور اس کی اصل روح کی مطابق اس پر عمل درآمد ہوتا ہے تو یہ صنعت کو تیزی سے ترقی کی راہ پر گامزن کرے گی۔

اعتراف

انتظامیہ، بورڈ آف ڈائریکٹرز، ریگولیٹری حکام، حصص داران، صارفین، مالیاتی اداروں کی راہنمائی، تمام ملحد اور مزدوروں کی انتھک محنت کو قدر کی نگاہ سے دیکھتی ہے۔

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محترم ارباب محمد خان
ایگزیکٹو ڈائریکٹر



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Sahartech
Tel: 36303223