



ZEPHYR
TEXTILES LIMITED

Zephyr Textiles Limited

**Accounts for the Nine Months Ended
March 31, 2023**

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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:	BDO Ebrahim & Co.	Chartered Accountants
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	
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.zephyrtextiles.com	
	Phone : 042 35782905 - 15	
	Fax : 042 35753202	

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

Directors' Report

Operating financial results

The Directors of Zephyr Textiles Limited take pleasure in presenting un-audited interim financial statements for the nine months ended March 31, 2023.

The Company earned a gross profit of PKR 544.601 million on sales of PKR 5,229.677 million as compared to gross profit of PKR 597.514 million on sales of PKR 5,380.566 million for the corresponding period last year. During the period under review, the Company earned a net profit of PKR 105.707 million as compared to PKR 207.876 million in corresponding period. Financial charges increased by 60.15% due to consecutive increase in policy rate by the SBP even after repayment of long term payment of PKR 180.344 million.

Description	March 31, 2023 Rupees	March 31, 2022 Rupees	Increased/ (Decreased) %
Sales - net	5,229,677,546	5,380,565,694	(2.80)
Gross Profit	544,601,595	597,514,269	(8.86)
Operating Profit for the period	292,104,344	339,311,685	(13.91)
Financial charges	122,359,691	76,403,098	60.15
Profit for the period before taxation	169,744,653	262,908,587	(34.44)
Taxation current	64,037,113	55,032,203	16.36
Profit for the period after taxation	105,707,540	207,876,384	(49.15)
Earning Per Share	1.78	3.49	(49.15)

The performance of textile industry in Pakistan reduced in nine months of financial year 2022-23 due to depression in global demand for textile products. The main reasons for low demand are high inflation, increased borrowing cost and uncertain economic conditions that affected purchasing power of masses globally. The cost of production has increased due to high energy cost and shortage of raw material due to floods in last rainy season. Pakistan economy is also facing rapid currency fluctuations and unprecedented government taxation like super tax which resulted in capacity underutilization and the closure of several small to medium sized industrial units. Only large, vertically integrated and export oriented production facilities were able to resist and sustained in the face of unfavorable circumstances.

Third quarter of the financial year 2022-23 was better as compared to first two quarters and we are confident this trend will continue in the last quarter of financial year 2022-23 as well. The company is focusing on export segment and intends to increase export business and reduce local business gradually. Investment is being made continuously in knitted garment business by installing new plant and machinery and expansion of manufacturing premises. Installation of solar power plant of 510 KW is in progress, in addition to already installed 445 KW solar system, to cope the increasing cost of electricity at towel manufacturing facility.

At the end, the directors extend their gratitude to the employees of the company for their teamwork, commitment, integrity and professionalism.

For and on behalf of the Board of Directors

Mussaid Hanif

Mussaid Hanif
Chief Executive

Lahore
April 28, 2023

Arbab Muhammad Khan

Arbab Muhammad Khan
Director

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2023

	Notes	Unaudited March 31, 2023 (Rupees)	Audited June 30, 2022 (Rupees) Restated
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized share capital		625,000,000	625,000,000
Issued, subscribed and paid-up share capital		594,287,290	594,287,290
Unappropriated profit		1,214,944,688	1,132,575,078
Surplus on revaluation of property, plant & equipment		361,799,245	368,175,679
		2,171,031,223	2,095,038,047
NON CURRENT LIABILITIES			
Long term loans		67,530,358	78,687,008
Lease liabilities		19,487,538	44,722,328
Deferred liabilities		226,278,855	218,409,092
Deferred grant		3,472,162	-
		316,768,913	341,818,428
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		1,396,883,933	1,196,136,870
Contract liabilities		17,045,625	24,763,836
Mark-up accrued		21,285,752	16,604,711
Short term borrowings		1,334,258,816	1,294,906,119
Unclaimed dividend		829,907	761,498
Current portion of deferred grant		1,036,195	-
Current portion of lease liability		31,067,820	23,333,328
Current portion of long term financing		14,116,137	183,304,248
		2,816,524,185	2,739,810,610
CONTINGENCIES AND COMMITMENTS	5	-	-
		5,304,324,321	5,176,667,085
ASSETS			
NON CURRENT ASSETS			
Property plant and equipment			
Operating fixed assets	6	2,182,880,841	2,096,325,307
Right of use assets	6	70,409,167	69,416,667
Capital work in progress	7	73,871,199	39,591,876
		2,327,161,207	2,205,333,850
Intangible assets		3,018,268	3,924,394
Long term advances and deposits		25,659,281	24,783,801
		2,355,838,756	2,234,042,045
CURRENT ASSETS			
Stores, spares and loose tools		276,285,749	252,184,855
Stock in trade		1,371,681,844	1,341,658,731
Loans and advances		105,031,355	90,558,985
Trade debts		617,967,369	661,414,117
Trade deposits, prepayments		16,046,044	11,630,394
Tax refunds due from Government		430,122,074	448,023,429
Other receivables		64,920,277	66,035,362
Short term investment		1,358,839	6,422,015
Cash and bank balances		65,072,014	64,697,152
		2,948,485,565	2,942,625,040
		5,304,324,321	5,176,667,085

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	For Nine Months Ended March 31,		For Quarter Ended March 31,	
	2023	2022	2023	2022
	(Rupees)		(Rupees)	
		(Restated)		(Restated)
SALES	5,229,677,546	5,380,565,694	1,653,636,825	1,689,211,943
COST OF SALES	4,685,075,951	4,783,051,425	1,437,103,746	1,545,985,527
GROSS PROFIT	544,601,595	597,514,269	216,533,079	143,226,416
Other income	141,905,745	57,350,691	97,343,936	12,779,588
Distribution costs	207,458,387	217,860,157	59,670,691	76,910,941
Administrative	82,325,093	68,402,627	26,862,336	22,543,004
Other expenses	104,619,516	29,290,491	85,171,522	9,154,225
Finance cost	394,402,996	315,553,275	171,704,549	108,608,170
PROFIT BEFORE TAXATION	169,744,653	262,908,587	99,168,849	24,417,295
Taxation	64,037,113	55,032,203	17,140,818	16,778,970
PROFIT AFTER TAXATION	105,707,540	207,876,384	82,028,031	7,638,325
OTHER COMPREHENSIVE INCOME				
Other comprehensive income - net of tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME	105,707,540	207,876,384	82,028,031	7,638,325
Earning per share - basic & diluted	1.78	3.50	1.38	0.13

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
 FOR THE NINE MONTHS ENDED MARCH 31, 2023**

	For the Nine Months Ended	
	March 31,	
	2023 (Rupees)	2022 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	169,744,653	262,643,355
Adjustments for:		
Depreciation on property, plant and equipment	141,856,422	138,336,760
Amortization	681,219	681,219
Gain / Loss on sale of PPE	8,123,752	(4,172,929)
Gain on re-measurement of short term investments	98,295	(214,383)
Dividend Income	(41,312)	(625,535)
Capital gain from Investment	(890,990)	(1,917,563)
Allowance for ECL	15,316,376	-
Provision for staff gratuity	36,988,840	32,154,196
Financial charges	122,359,691	76,403,098
Net cash flow before working capital changes	324,492,293	240,644,863
(Increase)/Decrease in current assets		
Stores, spares and loose tools	(24,100,894)	49,349,565
Stock in trade	(30,023,113)	216,683,409
Trade debts	59,308,035	196,870,822
Loans and advances	(14,472,370)	(161,005,004)
Short Term Investments	5,063,176	2,490,946
Trade deposits and prepayments	(4,415,650)	4,406,867
Tax refunds due from the Government	9,463,125	(20,899,135)
Other receivables	1,115,085	32,972,198
	1,937,394	320,869,668
Increase / (Decrease) in current liabilities		
Trade and other payables	165,826,078	(122,609,430)
Contract liabilities	(7,718,211)	(47,708,142)
Mark-up accrued	(4,681,041)	(9,662,854)
Unclaimed Dividend	68,409	67,455
	153,495,235	(179,912,971)
Cash flow from operations	649,669,575	644,244,915
Financial charges paid	(117,396,878)	(69,762,109)
Taxes paid	(48,842,877)	(62,584,139)
Gratuity paid	(25,577,050)	(24,917,379)
	(191,816,805)	(157,263,627)
Net cash flow from operating activities	(A) 457,852,770	486,981,288
CASH FLOW FROM INVESTING ACTIVITIES		
Addition to operating fixed assets	(247,283,826)	(197,675,167)
Addition to capital work in progress	(34,279,323)	4,444,381
Sale proceeds of fixed assets	19,109,694	5,163,000
Dividends recieved	41,312	2,187,756
Long term advances, deposits and deferred costs	875,480	(2,053,000)
Net cash flow from investing activities	(B) (261,536,663)	(187,933,030)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances - secured	39,352,697	3,167,650
Long term finances - secured	(180,344,761)	(182,876,284)
Principal paid on lease liabilities	(25,234,790)	-
Dividend paid	(29,714,391)	(29,714,391)
Net cash flow from financing activities	(C) (195,941,245)	(209,423,025)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	374,862	89,625,233
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	64,697,152	78,873,188
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	65,072,014	168,498,421

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE


 CHIEF FINANCIAL OFFICER


 DIRECTOR

ZEPHYR TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

Description	Share Capital (Rupees)	Revaluation Surplus (Rupees)	Accumulated Profit (Rupees)	Total (Rupees)
Balance as at June 30, 2021	594,287,290	281,076,200	1,035,674,899	1,911,038,389
Effect of prior error	-	107,443,863	(63,501,033)	43,942,830
Balance as at June 30, 2021 - restated	594,287,290	388,520,063	972,173,866	1,954,981,219
Final dividend @ Rs. 0.50 per ordinary share	-	-	(29,714,391)	(29,714,391)
Total comprehensive income for the period	-	-	207,876,384	207,876,384
Current year incremental depreciation - net of tax	-	(14,272,577)	14,272,577	-
Balance as at March 31, 2022	594,287,290	374,247,486	1,164,608,436	2,133,143,212
Balance as at June 30, 2022	594,287,290	260,731,816	1,204,612,208	2,059,631,314
Effect of prior error	-	107,443,863	(72,037,130)	35,406,733
Balance as at June 30, 2022 - restated	594,287,290	368,175,679	1,132,575,078	2,095,038,047
Final dividend @ Rs. 0.50 per ordinary share	-	-	(29,714,391)	(29,714,391)
Total comprehensive income for the period	-	-	105,707,540	105,707,540
Current year incremental depreciation - net of tax	-	(6,376,461)	6,376,461	-
Balance as at March 31, 2023	594,287,290	361,799,218	1,214,944,688	2,171,031,196

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023**

- These accounts have been prepared in accordance with the requirements of International Accounting standard No. 34 "Interim Financial Reporting".
- The accounts are being submitted to shareholders as required by Section 237 of the Companies Act, 2017.
- 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, 2022.
- Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the annual financial statements for the year ended June 30, 2022.

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There has been no significant change in contingencies since the last reviewed financial

5.2 Commitments

Commitments against irrevocable letters of credit for import of raw material as at March 31, 2023 amounting to Rs. 11.623 million (June 2022: Rs. 136.685 million)

6. PROPERTY, PLANT AND EQUIPMENT

Opening book value	2,096,325,307	2,031,916,154
Additions during the period	247,283,826	249,780,508
Book value of deletions during the period	(24,078,120)	(1,217,221)
Depreciation charged during the period	(136,650,172)	(184,154,134)
Closing Book Value	2,182,880,841	2,096,325,307

6.1 Cost of additions in property, plant and equipment:

Land - freehold	188,544,101	-
Building - on freehold land	125,461	61,719,640
Link road	-	617,380
Non factory building	-	15,102,855
Plant and machinery	34,973,659	128,676,697
Furniture and fixtures	271,525	622,350
Vehicles	6,953,910	31,893,778
Electric installations	15,498,270	7,768,548
Office equipments	916,900	3,379,260
	247,283,826	249,780,508

6.2 Cost of deletions in property, plant and equipment:

Plant & machinery	34,622,457	133,217
Vehicles	8,613,365	4,686,920
	43,235,822	4,820,137

7. CAPITAL WORK IN PROGRESS

Building - on freehold land	21,963,533	13,802,742
Plant & machinery	51,907,666	17,272,641
	73,871,199	31,075,383

8. DATE OF AUTHORIZATION

These accounts have been approved by the Board of Directors on April 28, 2023.

9. GENERAL

- Figures have been rounded off to the nearest rupee.
- Comparative figures have been rearranged/reclassified wherever necessary for the purpose of comparison.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

عملی مالیاتی نتائج

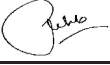
زیفر ٹیکسٹائلز لمیٹڈ کے ڈائریکٹرز 31 مارچ 2023ء کو ختم ہونے والے نو ماہ کے لیے غیر آڈٹ شدہ عبوری مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کرتے ہیں۔ کمپنی نے 5,229,677 ملین روپے کی فروخت پر 544,601 ملین روپے کا مجموعی منافع حاصل کیا۔ جبکہ گزشتہ سال کے مقابلے میں اسی عرصے کے دوران کمپنی نے 5,380,566 ملین روپے کی فروخت پر 597,514 ملین روپے کا مجموعی منافع حاصل کیا تھا۔ زیر جائزہ مدت کے دوران کمپنی نے 207,876 ملین روپے کے مقابلے میں 105,707 ملین روپے کا خالص منافع حاصل کیا۔ طویل مدتی قرض کی اقساط کی مد میں 180,344 ملین روپے کی ادائیگی کے باوجود اسٹیٹ بینک کی جانب سے پالیسی ریٹ میں لگاتار اضافے کی وجہ سے مالیاتی اخراجات میں 60.15 فیصد اضافہ ہوا ہے۔


تفصیلات	31 مارچ 2023ء روپے	31 مارچ 2022ء روپے	اضافہ/ (کمی) فیصد
خالص فروخت	5,229,677,546	5,380,565,694	(2.80)
مجموعی منافع	544,601,595	597,514,269	(8.86)
رواں مدت کے لیے عملی منافع	292,104,344	339,311,685	(13.91)
مالیاتی اخراجات	122,359,691	76,403,098	60.15
نفع قبل از ٹیکس	169,744,653	262,908,587	(34.44)
موجودہ ٹیکس	64,037,113	55,032,203	16.36
نفع بعد از ٹیکس	105,707,540	207,876,384	(49.15)
فی حصص آمدنی	1.78	3.49	(2.53)

ٹیکسٹائل کی مصنوعات کی عالمی طلب میں کمی کی وجہ سے مالی سال 2022-23 کے نو ماہ کے عرصے میں پاکستان میں ٹیکسٹائل انڈسٹری کی کارکردگی میں کمی واقع ہوئی ہے۔ ٹیکسٹائل کی مصنوعات کی طلب میں کمی کی بنیادی وجوہات میں بلند افراط زر، قرض لینے کی لاگت میں اضافہ اور غیر یقینی معاشی حالات ہیں۔ جنہوں نے عالمی سطح پر عوام کی قوت خرید کو متاثر کیا۔ گزشتہ موسم برسات میں سیلابی صورتحال میں توانائی کی زیادہ لاگت اور خام مال کی کمی کی وجہ سے پیداواری لاگت میں اضافہ ہوا ہے۔ پاکستانی معیشت کو کرنسی کے تیزی سے اتار چڑھاؤ اور سپر ٹیکس جیسے بے مثال حکومتی ٹیکسوں کا بھی سامنا ہے جس کے نتیجے میں کئی چھوٹے سے درمیانے درجے کے صنعتی پینس کی بندش کی وجہ سے پیداواری صلاحیت میں کمی واقع ہوئی ہے۔ صرف بڑی عمودی طور پر مربوط اور برآمدات پر مبنی پیداواری سہولیات ہی ان ناموافق حالات میں مزاحمت کرنے اور برقرار رہنے کے قابل تھیں۔

مالی سال 2022-23 کی تیسری سہ ماہی پہلی دوسہ ماہیوں کے مقابلے میں بہتر رہی۔ اور ہمیں یقین ہے کہ مالی سال 2022-23 کی آخری سہ ماہی میں بھی یہی رجحان برقرار رہے گا۔ کمپنی اپنی مصنوعات کو برآمد کرنے پر توجہ مرکوز رکھے ہوئے ہے۔ اور برآمدی کاروبار کو بڑھانے اور مقامی کاروبار کو بتدریج کم کرنے کا ارادہ رکھتی ہے نئے پلانٹ اور مشینری کی تنصیب اور مینوفیکچرنگ کے احاطے کی توسیع کے ذریعے بنے ہوئے کپڑے کے کاروبار میں اضافہ کرنے کے لیے مسلسل سرمایہ کاری کی جارہی ہے۔ بجلی کی بڑھتی ہوئی لاگت سے نمٹنے کے لیے کمپنی اپنے تولید بنانے والے یونٹ پر پہلے سے نصب شدہ 445 کلو واٹ سولر سسٹم کے علاوہ مزید 510 کلو واٹ کے سولر سسٹم پاور پلانٹ کی تنصیب کا عمل جاری رکھے ہوئے ہے۔

آخر میں ڈائریکٹرز اپنی ٹیم ورک، عزم، سالمیت اور پیشہ واران مہارت کے لیے کمپنی کے ملازمین اور عملہ کا شکریہ ادا کرتے ہیں۔


محترم ارباب محمد خان
ڈائریکٹر


محترم مسعود حنیف
چیف ایگزیکٹو
لاہور
28 اپریل، 2023ء

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

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- Subscription to Alerts (event
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