



ZEPHYR
TEXTILES LIMITED

Zephyr Textiles Limited

**Accounts For 1st Quarter
Ended September 30, 2024**

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Company Information

BOARD OF DIRECTORS:

Mr. Mussaid Hanif
Mr. Arbab Muhammad Khan
Mr. Sheikh Muhammad Iqbal
Ms. Tehniyat Mussaid
Ms. Sabah Burhan
Ms. Sarah Naviwala
Ms. Ayesha Naweed

CEO

Chairperson

AUDIT COMMITTEE:

Ms. Ayesha Naweed
Ms. Sarah Naviwala
Ms. Tehniyat Mussaid

Chairperson/Member
Member
Member

HR & REMUNERATION COMMITTEE:

Ms. Ayesha Naweed
Mr. Arbab Muhammad Khan
Ms. Sabah Burhan

Chairperson/Member
Member
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
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 (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 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, 2024. 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, 2024, the company earned a gross profit of PKR 209.821 million on sales of PKR 2,178.259 million compared to gross profit of PKR 445.519 million on sales of PKR 2,425.504 million for the corresponding period of previous financial year. Gross profit reduced at PKR 209.82 million from PKR 382.36 million in corresponding period last year. The bottom line shows net loss of PKR 35.37 million as compared to net profit of PKR 201.14 million last corresponding period ended September 2023.

Financial Highlights Description	Quarter ended September 30, 2024 PKR	Quarter ended September 30, 2023 PKR	Variance %age
Sales - net	2,178,259,075	2,362,342,684	(7.79%)
Gross Profit	209,821,489	382,357,672	(45.12%)
Operating Profit for the period	70,192,371	295,132,877	(76.22%)
Financial charges	82,545,501	70,240,068	17.52%
Profit/(Loss) for the period before taxation	(12,353,130)	224,892,809	(105.49%)
Taxation current	23,019,878	23,751,929	(3.08%)
Profit/(Loss) for the period after taxation	(35,373,008)	201,140,880	(117.59%)
Earnings/(Loss) Per Share	(0.60)	3.38	(117.75%)

Sales revenue declined by 7.79% whereas gross margin declined by 45.12% due to high cost of production. Yarn prices gone up significantly due to low domestic production. Fuel and power tariffs also increased due to withdrawal of subsidies previously given to the textile industry by the Govt. Continuous and massive increase in minimum wage every year add further noticeable burden on the industry which reduces margins. Further, high cost of borrowing and increase in distribution cost i.e. steamer freight, resulted in net loss for the quarter. Introduction of higher income taxes by terminating final tax regime for exporters is another cause of loss. Despite of all challenges, the management of the Company is optimistic and committed to reinstate profitability by improving product mix, cost control, production and financial efficiency.

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 30, 2024



Arbab Muhammad Khan
Executive Director

Statement of Financial Position

As at September 30, 2024 (Un-Audited)

	Un-Audited September 30, 2024 (Rupees)	Audited June 30, 2024 (Rupees)
ASSETS		
NON CURRENT ASSETS		
Property plant & equipment	2,669,881,084	2,674,565,278
Right of use assets	92,096,628	94,484,672
Capital work in progress	37,655,213	55,238,714
	<u>2,799,632,925</u>	<u>2,824,288,664</u>
Intangible assets	1,206,007	1,508,050
Long term and deposits	25,474,124	25,325,624
	<u>26,680,131</u>	<u>26,833,674</u>
CURRENT ASSETS		
Stores, spares and loose tools	293,724,060	222,237,433
Stock in trade	1,766,110,746	1,539,271,888
Loans and advances	139,684,975	139,590,974
Trade debts	689,333,088	557,808,008
Trade deposits and prepayments	52,907,131	12,927,175
Tax refunds due from Governments	365,662,931	169,817,820
Other receivables	103,640,426	100,734,730
Short term investments	9,395,162	48,802,438
Cash and bank balances	91,840,551	57,800,455
	<u>3,512,299,070</u>	<u>2,848,990,921</u>
	<u><u>6,338,612,126</u></u>	<u><u>5,700,113,259</u></u>
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	1,466,129,638	1,493,865,963
SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT	479,118,765	486,755,448
	<u>2,539,535,693</u>	<u>2,574,908,701</u>
LONG TERM LOANS	51,834,163	54,489,584
DEFERRED LIABILITIES	225,481,508	213,791,826
LEASE LIABILITIES	-	-
DEFERRED GRANT	2,063,301	2,063,301
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	1,807,282,349	1,412,617,994
Contract liabilities	91,465,939	9,964,969
Accrued mark up	31,869,932	27,384,882
Short term finances - Secured	1,561,996,000	1,371,160,751
Unclaimed dividend	829,907	829,907
Current portion of long term liabilities	26,253,334	32,901,344
	<u>3,519,697,461</u>	<u>2,854,859,847</u>
CONTIGENCIES AND COMMITMENTS	-	-
	<u><u>6,338,612,126</u></u>	<u><u>5,700,113,259</u></u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED
Statement of Profit & Loss Account
for the 1st Quarter ended September 30, 2024 (Un-Audited)

	Jul-Sept 2024 (Rupees)	Jul-Sept 2023 (Rupees)
SALES	2,178,259,075	2,425,503,534
COST OF SALES	1,968,437,586	1,979,985,012
GROSS PROFIT	209,821,489	445,518,522
OPERATING EXPENSES		
Distribution Costs	133,822,962	127,737,668
Administrative Cost	29,594,762	28,915,635
Other Operating Expenses	11,237,356	42,083,079
	174,655,080	198,736,382
	35,166,409	246,782,140
Other Operating Income	35,025,962	48,350,737
OPERATING PROFIT / (LOSS)	70,192,371	295,132,877
Finance Cost	82,545,501	70,240,068
PROFIT/(LOSS) BEFORE TAXATION	(12,353,130)	224,892,809
Taxation	23,019,878	23,751,929
PROFIT/(LOSS) AFTER TAXATION	(35,373,008)	201,140,880
EARNING PER SHARE-BASIC & DILUTED	(0.60)	3.38

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


CHIEF EXECUTIVE


DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

for the 1st Quarter ended September 30, 2024 (Un-Audited)

	Jul-Sept 2024 (Rupees)	Jul-Sept 2023 (Rupees)
Profit/(loss) for the period after taxation	(35,373,008)	201,140,880
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period	<u>(35,373,008)</u>	<u>201,140,880</u>

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


CHIEF EXECUTIVE

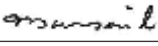

DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Cash Flow
for the 1st Quarter ended September 30, 2024 (Un-Audited)

	Jul-Sept 2024 (Rupees)	Jul-Sept 2023 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) for the period before taxation	(12,353,130)	224,892,809
Adjustments for:		
Depreciation & amortization	53,040,726	49,477,272
Gain on sale of fixed assets	1,696,772	(1,444,661)
Dividends, capital gains & other (income)/loss	(2,101)	(1,214,617)
Provision for staff gratuity	16,609,762	9,296,163
Financial charges	82,545,501	70,240,068
	153,890,660	126,354,225
	141,537,530	351,247,034
(Increase)/Decrease in current assets		
Stores, spares and loose tools	(71,486,627)	(13,377,241)
Stock in trade	(226,838,858)	250,804,539
Trade debts	(131,525,080)	113,423,523
Loans and advances	(94,001)	(73,360,337)
Trade deposits, prepayments & other receivables	(142,787,087)	72,106,197
	(572,731,653)	349,596,681
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	263,014,554	(253,288,892)
	263,014,554	(253,288,892)
Cash flow from operations	(168,179,569)	447,554,823
Financial charges paid	(78,060,451)	(99,834,570)
Taxes paid	(37,524,596)	(30,304,590)
Gratuity paid	(4,181,204)	(20,511,335)
	(119,766,251)	(150,650,495)
Net cash flow from operating activities	(A) (287,945,820)	296,904,328
CASH FLOW FROM INVESTING ACTIVITIES		
Long term advances, deposits and deferred costs	(148,500)	(164,430)
Sale proceeds of fixed assets	10,060,000	750,000
Dividends received	2,101	1,214,617
Proceeds from sale of short term investment	39,407,276	(70,288,055)
Fixed capital expenditure	(42,679,540)	(106,434,765)
Net cash flow from investing activities	(B) 6,641,337	(174,922,633)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances - secured	318,000,000	(68,000,000)
Long term finances - secured	(2,655,421)	(2,391,828)
Net cash flow from financing activities	(C) 315,344,579	(70,391,828)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) 34,040,096	51,589,867
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	57,800,455	156,348,976
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	91,840,551	207,938,843

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

for the 1st Quarter ended September 30, 2024 (Un-Audited)

Description	Share Capital (Rupees)	Revaluation Surplus (Rupees)	Accumulated Profit/(Loss) (Rupees)	Total Equity (Rupees)
Balance as at June 30, 2023	594,287,290	368,175,679	1,361,643,813	2,324,106,782
Net profit for the period	-	-	201,140,880	201,140,880
Current year incremental depreciation - net of tax	-	(14,047,326)	14,047,326	-
Balance as at September 30, 2023	594,287,290	354,128,353	1,576,832,019	2,525,247,662
Balance as at June 30, 2024	594,287,290	486,755,448	1,493,865,963	2,574,908,701
Net profit/(loss) for the period	-	-	(35,373,008)	(35,373,008)
Current year incremental depreciation - net of tax	-	(7,636,683)	7,636,683	-
Balance as at September 30, 2024	594,287,290	479,118,765	1,466,129,638	2,539,535,693

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Notes to the Accounts

for the 1st Quarter ended September 30, 2024 (Un-Audited)

- These financial statements have been prepared in accordance with the requirements of International Accounting Standard(IAS) 34 "Interim Financial Reporting".
- These financial statements are un-audited and 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, 2024.

4. Contingencies and Comitments

4.1 Commitments

Commitments against irrevocable letters of credit for import of machinery and raw material as at September 30, 2024 amounting to Rs.83.62 million (June 2024 : Rs.131.15 million)

4.2 Others

There are no other significant activities since June 30, 2024 affecting financial Statements.

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

	Un-Audited September 30, 2024 (Rupees)	Audited June 30, 2024 (Rupees)
Additions in fixed assets	60,263,041	555,322,410
Deletions in fixed assets	17,734,668	111,400,387
Additions in capital work in progress	37,455,213	312,624,053
Transfers from capital work in progress	55,038,714	331,627,425

6. EARNING PER SHARE - BASIC

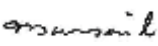
Profit / (loss) after tax	(35,373,008)	201,140,880
Weighted average number of ordinary shares	59,428,729	59,428,729
Earning / (loss) per share - basic	(0.60)	3.38

7. DATE OF AUTHORISATION

These accounts have been approved by Board of Dirctors on October 30, 2024.

8. COMPARATIVE FIGURES

Have been rearranged/reclassified wherever necessary for the purpose of comparison.
Have been rounded off to the nearest rupee.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ممبران کو ڈائمنڈ ایکسچینج رپورٹ

Zephyr Textiles Limited کے ڈائمنڈ ایکسچینج 30 ستمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے لیے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کو پیش کرتے ہیں۔ یہ عبوری مالی بیانات کمپنیز ایکٹ، 2017 کے تقاضوں کے مطابق پیش کیے گئے ہیں۔

آپریٹنگ اور مالیاتی نتائج

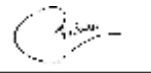
30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے دوران، کمپنی نے 2,178,259 ملین روپے کی فروخت پر 209,821 ملین روپے کا مجموعی منافع حاصل کیا جبکہ گزشتہ مالی سال کی اسی مالیاتی مدت کے 2,425,504 ملین روپے کی فروخت پر 445,519 ملین روپے کے مجموعی منافع کے مقابلے میں۔ مجموعی منافع 382.36 ملین روپے سے 209.82 ملین روپے کم ہو گیا جو پچھلے سال کی اسی مدت میں تھا۔ چلی لائن ستمبر 2023 کو ختم ہونے والی آخری اسی مدت کے 201.14 ملین روپے کے خالص منافع کے مقابلے میں 35.37 ملین روپے کا خالص نقصان ظاہر کرتی ہے۔

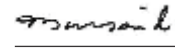
مالیاتی جھلکیاں	30 ستمبر 2024 کو ختم ہوا۔	تفصیل کو ختم ہوا۔	30 ستمبر	تفصیل
	ہوا۔	2023		
تفصیل	روپے	روپے		فیصد
فروخت - خالص	2,178,259,075	2,362,342,684	(7.79%)	
مجموعی منافع	209,821,489	382,357,672	(45.12%)	
مدت کے لیے آپریٹنگ منافع	70,192,371	295,132,877	(76.22%)	
مالیاتی چارجز	82,545,501	70,240,068	17.52%	
ٹیکس سے پہلے کی مدت کے لیے منافع / (نقصان)	(12,353,130)	224,892,809	(105.49%)	
موجودہ ٹیکس	23,019,878	23,751,929	(3.08%)	
ٹیکس کے بعد کی مدت کے لیے منافع / (نقصان)	(35,373,008)	201,140,880	(111.75%)	
آمدنی / (نقصان) فی شیئر	(0.60)	3.38		

سیلز ریونیو میں 7.79% کی کمی واقع ہوئی جبکہ پیداوار کی زیادہ لاگت کی وجہ سے مجموعی مارجن میں 45.12% کی کمی ہوئی۔ کم گھریلے پیداوار کی وجہ سے مارن کی قیمتوں میں نمایاں اضافہ ہوا۔ حکومت کی جانب سے ٹیکسٹائل انڈسٹری کو پھیلنے والی سبسڈی واپس لینے کی وجہ سے ایندھن اور بجلی کے نرخوں میں بھی اضافہ ہوا۔ ہر سال کم از کم اہمیت میں مسلسل اور بڑے پیمانے پر اضافہ صنعت پر مزید نمایاں بوجھ ڈالتا ہے جس سے مارجن کم ہوتا ہے۔ مزید برآں، قرض لینے کی زیادہ لاگت اور تقسیم کی لاگت میں اضافہ یعنی اسٹیمر فریٹ کے نتیجے میں سہ ماہی کے لیے خالص نقصان ہوا۔ ہمارے مڈکنڈگان کے لیے حتمی ٹیکس کم کو ختم کر کے زیادہ ٹیکس کا نقصان نقصان کی ایک اور وجہ ہے۔ تمام چینلز کے باوجود، کمپنی کی انتظامیہ ہمارے ڈائمنڈ ایکسچینج، لاگت پر کنٹرول، پیداوار اور مالیاتی کارکردگی کو بہتر بنا کر منافع کی بحالی کے لیے جدوجہد کر رہی ہے۔

ڈائمنڈ ایکسچینج کے ملازمین کے مسلسل عزم اور محنت کے لیے اپنی تعریف رازدار ڈیکارے کرنا چاہیں گے۔

بورڈ آف ڈائمنڈ ایکسچینج کے لیے اور ان کی جانب سے


محترم ارباب محمد خان
ایگزیکٹو ڈائریکٹر


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