

Zephyr Textiles Limited

**Accounts For 1st Quarter
Ended September 30, 2025**

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Company Information

BOARD OF DIRECTORS:

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

AUDIT COMMITTEE:

Ms. Ayesha Naweed	Chairperson/Member
Ms. Sarah Naviwala	Member
Ms. Tehniyat Mussaid	Member

HR & REMUNERATION COMMITTEE:

Ms. Ayesha Naweed	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 Bhai Pheru. Phone : 0494 - 512007-9, 513103-5 Fax : 0494 - 512011	(Weaving unit & Power plant)
63 km, Gulshan Adda, Jumber Khurd, District Kasur.	(Towel Unit)

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, 2025. These interim financial statements are presented in accordance with the requirements of the Companies Act, 2017.

Financial Performance

During the quarter, the Company achieved net sales of PKR 1,961.93 million, compared to PKR 2,178.26 million in the corresponding period last year, reflecting a decline of 9.93%. The decrease in sales was mainly due to subdued market demand, reduced export orders, and pricing pressures in key product segments. Despite the lower sales turnover, gross profit improved by 11.38%, reaching PKR 233.70 million against PKR 209.82 million in the same quarter of the previous year. The improvement in gross margins reflects better cost management, enhanced production efficiencies, and a more favorable product mix.

A notable positive development was the substantial reduction in financial charges by 34.52%, from PKR 82.55 million to PKR 54.05 million, owing to improved liquidity management, reduced borrowing costs, and timely repayment of loans. As a result, the Company recorded a profit before taxation of PKR 31.29 million, compared to a loss before taxation of PKR 12.35 million in the same quarter last year, marking a strong turnaround of 353.30%.

Financial Highlights Description	Quarter ended September 30, 2025 PKR	Quarter ended September 30, 2024 PKR	Variance %age
Sales - net	1,961,927,851	2,178,259,075	-9.93%
Gross Profit	233,702,269	209,821,489	11.38%
Operating Profit for the period	85,337,463	70,192,371	21.58%
Financial charges	54,047,070	82,545,501	-34.52%
Profit/(Loss) for the period before taxation	31,290,393	(12,353,130)	353.30%
Taxation current	21,881,713	23,019,878	-4.94%
Profit/(Loss) for the period after taxation	9,408,680	(35,373,008)	126.60%
Earnings/(Loss) Per Share	0.16	(0.60)	126.60%

Looking ahead, management remains cautiously optimistic about the Company's future performance. The focus will remain on operational excellence, expansion in value-added products, and exploring new export opportunities. Continued emphasis will be placed on technology upgradation, efficiency improvement, and financial discipline to strengthen profitability and shareholder value.

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, 2025



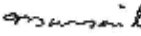
Arbab Muhammad Khan
 Executive Director

Statement of Financial Position

As at September 30, 2025 (Un-Audited)

	Un-Audited September 30, 2025 (Rupees)	Audited June 30, 2025 (Rupees)
ASSETS		
NON CURRENT ASSETS		
Property plant & equipment	2,886,390,930	2,919,251,924
Right of use assets	332,944	459,448
Capital work in progress	13,851,429	18,048,239
Intangible assets	-	299,878
	2,900,575,303	2,938,059,489
Long term and deposits	25,474,124	25,474,124
CURRENT ASSETS		
Stores, spares and loose tools	246,155,032	230,424,873
Stock in trade	2,086,767,871	1,942,040,058
Loans and advances	82,018,502	66,992,300
Trade debts	654,829,278	961,464,521
Trade deposits and prepayments	27,436,116	25,314,615
Tax refunds due from Governments	448,838,166	416,046,231
Other receivables	127,426,486	132,362,795
Short term investments	7,400,239	7,400,239
Cash and bank balances	67,875,964	27,409,493
	3,748,747,654	3,809,455,125
	6,674,797,081	6,772,988,738
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	1,539,928,330	1,562,646,635
CONTRIBUTION FROM SPONSOR	39,000,000	-
SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT	366,410,368	373,283,383
	2,539,625,988	2,530,217,308
LONG TERM LOANS	42,066,889	44,722,309
DEFERRED LIABILITIES	284,305,549	279,070,999
LEASE LIABILITIES	-	-
DEFERRED GRANT	1,390,684	1,390,684
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	2,075,432,578	1,866,592,689
Contract liabilities	162,728,976	46,108,472
Accrued mark up	35,642,687	19,806,465
Short term finances - Secured	1,521,443,168	1,972,919,250
Unclaimed dividend	829,907	829,907
Current portion of long term liabilities	11,330,655	11,330,655
	3,807,407,971	3,917,587,438
CONTINGENCIES AND COMMITMENTS	-	-
	6,674,797,081	6,772,988,738

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

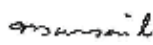
ZEPHYR TEXTILES LIMITED

Statement of Profit & Loss Account

for the 1st Quarter ended September 30, 2025 (Un-Audited)

	Jul-Sept 2025 (Rupees)	Jul-Sept 2024 (Rupees)
SALES	1,961,927,851	2,178,259,075
COST OF SALES	1,728,225,582	1,968,437,586
GROSS PROFIT	233,702,269	209,821,489
OPERATING EXPENSES		
Distribution Costs	114,035,327	133,822,962
Administrative Cost	30,356,886	29,594,762
Other Operating Expenses	12,116,052	11,237,356
	156,508,265	174,655,080
	77,194,004	35,166,409
Other Operating Income	8,143,459	35,025,962
OPERATING PROFIT/(LOSS)	85,337,463	70,192,371
Finance Cost	54,047,070	82,545,501
PROFIT/(LOSS) BEFORE TAXATION	31,290,393	(12,353,130)
Levy and taxation	21,881,713	23,019,878
PROFIT/(LOSS) AFTER TAXATION	9,408,680	(35,373,008)
EARNING PER SHARE-BASIC & DILUTED	0.16	(0.60)

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


CHIEF EXECUTIVE


DIRECTOR

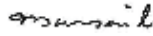

CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

for the 1st Quarter ended September 30, 2025 (Un-Audited)

	Jul-Sept 2025 (Rupees)	Jul-Sept 2024 (Rupees)
Profit/(loss) for the period after taxation	9,408,680	(35,373,008)
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income/(loss) for the period	<u>9,408,680</u>	<u>(35,373,008)</u>

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


CHIEF EXECUTIVE


DIRECTOR

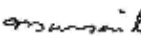

CHIEF FINANCIAL OFFICER

Statement of Cash Flow

for the 1st Quarter ended September 30, 2025 (Un-Audited)

	Jul-Sept 2025 (Rupees)	Jul-Sept 2024 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) for the period before taxation	31,290,393	(12,353,130)
Adjustments for:		
Depreciation & amortization	63,445,123	53,040,726
Gain on sale of fixed assets	-	1,696,772
Dividends, capital gains & other (income)/loss	-	(2,101)
Provision for staff gratuity	11,585,502	16,609,762
Financial charges	54,047,070	82,545,501
	129,077,695	153,890,660
	160,368,088	141,537,530
(Increase)/Decrease in current assets		
Stores, spares and loose tools	(15,730,159)	(71,486,627)
Stock in trade	(146,727,813)	(226,838,858)
Trade debts	306,635,243	(131,525,080)
Loans and advances	(15,026,202)	(94,001)
Trade deposits, prepayments & other receivables	125,082,833	(142,787,087)
	254,233,902	(572,731,653)
Increase/(Decrease) in current liabilities		
Creditors, accrued and other liabilities	(343,804,763)	263,014,554
Cash flow from operations	70,797,227	(168,179,569)
Financial charges paid	(38,210,848)	(78,060,451)
Taxes paid	(34,756,665)	(37,524,596)
Gratuity paid	(5,685,960)	(4,181,204)
	(78,653,473)	(119,766,251)
Net cash flow from operating activities	(A) 7,856,246	(287,945,820)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term advances, deposits and deferred costs	-	(148,500)
Sale proceeds of fixed assets	-	10,060,000
Dividends recieved	-	2,101
Proceeds from sale of short term investment	-	39,407,276
Fixed capital expenditure	(34,354,210)	(42,679,540)
Net cash flow from investing activities	(B) (34,354,210)	6,641,337
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finances - secured	85,332,348	318,000,000
Long term finances - secured	(2,655,421)	(2,655,421)
Net cash flow from financing activities	(C) 82,676,927	315,344,579
NET INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) 40,466,471	34,040,096
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	27,409,493	57,800,455
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	67,875,964	91,840,551

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


 CHIEF EXECUTIVE


 DIRECTOR

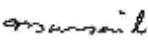

 CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

for the 1st Quarter ended September 30, 2025 (Un-Audited)

Description	Share Capital (Rupees)	Revaluation Surplus (Rupees)	Accumulated Profit/(Loss) (Rupees)	Total Equity (Rupees)
Balance as at June 30, 2024	594,287,290	486,755,448	1,493,865,963	2,574,908,701
Net profit 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
Balance as at June 30, 2025	594,287,290	373,283,383	1,523,646,635	2,491,217,308
Net profit/(loss) for the period	-	-	9,408,680	9,408,680
Current year incremental depreciation - net of tax	-	(6,873,015)	6,873,015	-
Balance as at September 30, 2025	594,287,290	366,410,368	1,539,928,330	2,500,625,988

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, 2025 (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, 2025.

4. Contingencies and Commitments

4.1 Commitments

Commitments against irrevocable letters of credit for import of machinery and raw material as at September 30, 2025 amounting to Rs.15.07 million (June 2025 : Rs.97.66 million)

4.2 Others

There are no other significant activities since June 30, 2025 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, 2025 (Rupees)	Audited June 30, 2025 (Rupees)
Additions in fixed assets	30,157,401	405,169,856
Deletions in fixed assets	-	26,483,760
Additions in capital work in progress	13,851,430	252,152,055
Transfers from capital work in progress	-	289,342,530

6. EARNING PER SHARE - BASIC

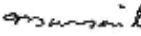
Profit / (loss) after tax	9,408,680	(35,373,008)
Weighted average number of ordinary shares	59,428,729	59,428,729
Earning / (loss) per share - basic	0.16	(0.60)

7. DATE OF AUTHORISATION

These accounts have been approved by Board of Directors on October 30, 2025.

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

ڈائریکٹرز کی راکین کے لیے رپورٹ

زیر نیکسٹار لمیٹڈ کے ڈائریکٹرز کو یہ خوشی ہے کہ 30 ستمبر 2025 کو ختم ہونے والی پہلی سہ ماہی کے لیے غیر جانچ شدہ عبوری مالیاتی بیانات پیش کر رہے ہیں۔ یہ عبوری مالیاتی بیانات نیکسٹار ایکٹ 2017 کی ضروریات کے مطابق پیش کیے جا رہے ہیں۔

مالی کارکردگی

رپورٹ شدہ سہ ماہی کے دوران، کمپنی نے خالص فروخت 1,961,927,851 ملین روپے حاصل کی، جو گزشتہ سال کی اسی مدت کی 2,178,259,075 ملین روپے کی فروخت کے مقابلے میں 9.93 فیصد کی غاہر کرتی ہے۔ فروخت میں یہ کی بنیادی طور پر مارکیٹ کی طلب میں کمی، برآمدی آرڈرز میں کمی، اور اہم مصنوعات کے حصوں میں قیمتوں کے دباؤ کے باعث ہوئی۔ اگرچہ فروخت میں کمی واقع ہوئی، مجموعی منافع میں 11.38 فیصد بہتری دیکھنے میں آئی، جو گزشتہ سال کی اسی سہ ماہی میں 209,821,489 ملین روپے کے مقابلے میں بڑھ کر 233,702,269 ملین روپے تک پہنچ گیا۔ مجموعی منافع کے مارجن میں یہ بہتری بہتر الاگت کے انتظام، پیداوار کی موثر کارکردگی، اور زیادہ منافع بخش مصنوعات کے امتزاج کی عکاسی کرتی ہے۔

ایک نمایاں مثبت پیش رفت مالیاتی اخراجات میں 34.52 فیصد کی خاطر خواہ کمی تھی، جو 82,545,501 ملین روپے سے کم ہو کر 54,047,070 ملین روپے رہ گئی۔ یہ بہتری بہتر لیویڈیٹی مینجمنٹ، بقرضوں کے اخراجات میں کمی، اور بروقت ادائیگیوں کی بدولت ممکن ہوئی۔ نتیجتاً، کمپنی نے 31,290,393 ملین روپے کا نیکس سے قبل منافع ریکارڈ کیا، جو گزشتہ سال کی اسی سہ ماہی میں 12,353,130 ملین روپے کے نیکس سے قبل نقصان کے مقابلے میں ہے۔ اس طرح کمپنی نے 353.30 فیصد کی نمایاں بہتری کے ساتھ ایک مضبوط مالیاتی بحالی حاصل کی۔

نمایاں مالیاتی تفصیل	2025 (روپے)	2024 (روپے)	فیصد
خالص فروخت	1,961,927,851	2,178,259,075	-9.93%
مجموعی منافع	233,702,269	209,821,489	11.38%
مدت کا عملی منافع	85,337,463	70,192,371	21.58%
مالیاتی اخراجات	54,047,070	82,545,501	-34.52%
نیکس سے قبل منافع / (نقصان)	31,290,393	(12,353,130)	353.30%
موجودہ نیکس	21,881,713	23,019,878	-4.94%
نیکس کے بعد منافع / (نقصان)	9,408,680	(35,373,008)	126.60%
فی شیئر آمدنی / (نقصان)	0.16	(0.60)	126.60%

آنے والے وقت میں، کمپنی کی انتظامیہ اپنی مستقبل کی کارکردگی کے بارے میں محتاط طور پر پرامید ہے۔ کمپنی کی توجہ عملی کارکردگی میں بہتری، ویلیو ایڈڈ مصنوعات کے دائرے میں توسیع، اور نئی آمدنی منڈیوں کے مواقع تلاش کرنے پر مرکوز رہے گی۔ منافع میں اضافے اور شیئر ہولڈرز کی قدر کو مزید مضبوط بنانے کے لیے، نیکسٹار لمیٹڈ کی بہتری، کارکردگی میں اضافہ، اور مالیاتی نظم و ضبط پر مسلسل زور دیا جائے گا۔ ڈائریکٹرز کمپنی کے تمام ملازمین کی مسلسل وابستگی، محنت اور لگن کو سراہتے ہیں اور ان کے انتھک کام کے لیے شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

—

محترم ارباب محمد خان
ایگزیکٹو ڈائریکٹر

—

محترم مساعد حنیف
چیف ایگزیکٹو
لاہور

130 اکتوبر، 2025ء

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