



ZAHIDJEE TEXTILE MILLS LIMITED

HALF YEAR REPORT

FOR THE PERIOD ENDED DEC 31,2025



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COMPANY INFORMATION

Board of Directors

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	Independent Director
Mr. Sajjad Hussain Shah	Independent Director
Mr. Faisal Masood Afzal	Independent Director
Mr. Shahbaz Haider Agha	Independent Director

Audit Committee

Mr. Sajjad Hussain Shah	Chairman
Mr. Faisal Masood Afzal	Member
Mr. Muhammad Ali	Member

HR & Remuneration Committee

Mr. Shahbaz Haider Agha	Chairman
Mr. Muhammad Ali	Member
Mr. Ahmad Zahid	Member
Mr. Muhammad Zahid	Member

Chief Financial Officer

Mr. Shahab U din Khan

Company Secretary

Mr. Shahab U din
Khan

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Bankers of the Company

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Ltd
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
JS Bank Limited
MCB Bank
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited
Al baraka Bank Pakistan Limited

Registered Office

131-A, P-Street Upper Mall,
Lahore. Tel: 042-35777291-5

Plant site

- 28-KM, Sheikhpura Road,
Faisalabad
- 32-KM, Tandlian wala Road,
Faisalabad
- M-3 Industrial City,
Sahianwala, Faisalabad

Share Registrar

Corptec Associates (Private) Limited
503-E, Johar Town, Lahore
Tel: 042-35170335-6 Fax 042-35170338
E-mail: info@corptec.com.pk

DIRECTORS' REPORT TO SHAREHOLDERS

The Board of Directors is pleased to present un-audited financial results of the Company duly reviewed by the statutory auditors, for the half year ended December 31, 2025.

Economic Review

Pakistan's economy is indicating positive developments during the first six month period of the fiscal year 2026. Inflation has dropped to single digit, industrial output has increased, and large exporting sectors have witnessed growth, reflecting an optimistic outlook for exports. The current account remained in surplus in December 2025. Policy rate is gradually decreasing while Pakistan Stock Market continues to trend upward. This trajectory is expected to continue in the coming months.

Industry Review

Textile sector is facing the problem of slow demand and volatility in cotton prices exports have started feeling the pinch of global slowdown. Sluggish demand, low domestic cotton availability have led to most of the textile companies either shutting down for short term or reducing their production.

Financial Results

The Summary of key Financial numbers is presented below:

	December 31	
	2025	2024
	(Rupees in '000')	
Sales	18,805,205	20,172,029
Gross profit	17,510,675	19,043,097
Levies	64,137	81,851
Profit before levies and income tax	730,548	726,107
Provision for taxation	(42,960)	(13,217)
Profit after taxation	<u>709,371</u>	<u>657,473</u>
Earnings per share – Basic and diluted	<u>3.71</u>	<u>3.43</u>

Despite various challenges, our company has been able to achieve reasonable growth in terms of profit . Turnover decreased by 6.8 %, with an amount of Rs. 18.8 billion against Rs. 20.1 billion for the Same Period Last Year , which is due to decrease in the demand , Net profit for the for the period ended 31 December 2025 is 790.7 million as compared to 657.4 million of same period for last year with an increase of 7.9%.

The net profit translated into Earnings per Share (EPS) of Rs. 3.71 as against Rs. 3.43 of the corresponding period.

Acknowledgments

The directors appreciate sincere contribution and the hard work by staff and workers of the company. We are grateful for the trust and confidence exhibited in the company by shareholders, bankers and other stake holders.

For and on behalf of the Board

Dated: February 28, 2026
Lahore


MUHAMMAD ZAHID
Chief Executive Officer

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والے نصف سال کے لئے کمپنی کے آڈیٹرز کی جانب سے باضابطہ جائزہ شدہ غیر آڈٹ شدہ مالی نتائج پیش کرتے ہوئے خوشی محسوس کر رہے ہیں
اقتصادی جائزہ

پاکستان کی معیشت مالی سال 2026 کے پہلے چھ ماہ کی مدت کے دوران مثبت پیش رفت کی نشاندہی کر رہی ہے۔ افراط زر کی شرح سنگل ڈیج پر آگئی ہے، صنعتی پیداوار میں اضافہ ہوا ہے، اور بڑے برآمدی شعبوں میں ترقی ہوئی ہے، جو برآمدات کے لیے ایک پر امید نقطہ نظر کی عکاسی کرتی ہے۔ دسمبر 2025 میں کرنٹ اکاؤنٹ سرپلس میں رہا۔ پالیسی ریٹ بتدریج کم ہو رہا ہے جبکہ پاکستان سٹاک مارکیٹ میں اوپر کی جانب رجحان جاری ہے۔ توقع ہے کہ آنے والے مہینوں میں یہ سلسلہ جاری رہے گا۔

صنعتی جائزہ

ٹیکسٹائل سیلٹرز کو سٹ مائنگ اور کپاس کی قیمتوں میں اتار چڑھاؤ کے مسئلے کا سامنا ہے۔ برآمدات نے عالمی سطح پر سست روی کو محسوس کرنا شروع کر دیا ہے۔ سٹ مائنگ، کم گھریلو کپاس کی دستیابی کی وجہ سے زیادہ تر ٹیکسٹائل کمپنیاں یا تو مختصر مدت کے لیے بند ہو رہی ہیں یا اپنی پیداوار کو کم کر رہی ہیں۔

مالی نتائج:

اہم مالیاتی نمبروں کا خلاصہ ذیل میں پیش کیا گیا ہے

31 دسمبر		تفصیل
2025	2024	
(روپے ہزاروں میں)		
18,805,204	20,172,029	فروخت
17,510,675	19,043,097	مجموعی منافع
64,137	81,851	لیویز
730,548	726,160	منافع قبل از ٹیکس
(42,959)	(13,217)	ٹیکس عین
709,370	657,473	منافع بعد از ٹیکس
3.71	3.43	فی شیئر آمدن

مختلف چینجوں کے باوجود ہماری کمپنی منافع کے لحاظ سے مناسب ترقی حاصل کرنے میں کامیاب رہی۔ مالی مدت میں 20.1 ارب کی فروخت کے مقابلے میں 6.8 فیصد کمی کے ساتھ 18.2 ارب روپے فروخت رہی۔ جس کی وجہ ڈیمانڈ میں کمی ہے۔ رواں مدت خالص منافع پچھلے سال کے 657.4 ملین کے مقابلے میں 7.9 فیصد اضافے کے ساتھ 790.7 ملین رہا۔

جس کی وجہ سے فی شیئر آمدنی 3.71 روپے ہو گئی ہے۔ جو کہ گذشتہ سال کی اسی مدت کے دوران 3.43 روپے تھی۔

اظہار تشکر:

ڈائریکٹرز مخلصانہ تعاون اور کمپنی کے عملے اور کارکنوں کی محنت کو سراہتے ہیں۔ اور ہم اپنے حصص یافتگان، بینکوں، مالیاتی اداروں کا کمپنی پر اعتماد کے لئے ان کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



محمد زاہد

(چیف ایگزیکٹو آفیسر)

مورخہ: 28 فروری، 2026

مقام: لاہور

AHLN/Fsd/0371/2026
25th February, 2026

The Board of Directors,
Zahidjee Textile Mills Limited,
Lahore.

Dear Sirs,

**REVIEWED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF
YEAR ENDED DECEMBER 31, 2025**

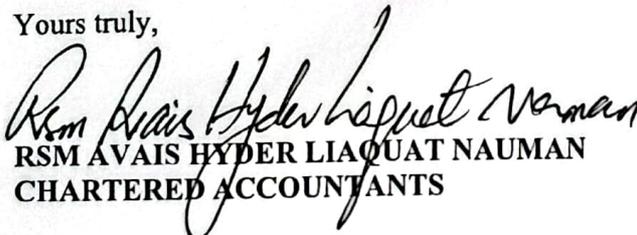
We are enclosing herewith three copies of the condensed interim financial information for the half year ended December 31, 2025 together with our initialled report to the members. We shall be pleased to sign our report in the present or amended form after:

1. The condensed interim financial information has been considered and approved by the Board and signed on its behalf by the Chief Executive Officer, Chief Financial Officer and a Director duly authorised for this purpose; and
2. We have received:
 - i) Special approval of the Board regarding the following items:

	Rupees
Additions in operating assets	162,301,297/-
Disposals of operating assets	3,990,986/-
Provision of workers profit participation fund	39,617,253/-
Balances Written Back-net	5,087,720/-

- ii) A representation letter duly signed by the Chief Executive Officer and Chief Financial Officer of the company as per draft enclosed.

Yours truly,


RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Avais Hyder Liaquat Nauman is a member of the RSM network and trades as RSM RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025

	Note	Un-audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	18,505,649,319	19,174,379,964
Long term security deposits		4,975,784	4,975,784
		18,510,625,103	19,179,355,748
CURRENT ASSETS			
Stores, spares and loose tools		442,766,877	383,364,754
Stock in trade		8,908,293,623	6,905,732,976
Trade debts		3,542,017,030	3,869,618,724
Loans, advances and deposit		557,782,861	549,999,800
Prepayments		87,863,614	271,242,785
Other receivables		159,299,430	416,541,050
Short term investment	4	269,413,861	225,474,638
Tax refunds due from Government		1,281,805,708	1,090,117,589
Cash and bank balances	5	4,436,980,804	4,070,690,472
		19,686,223,808	17,782,782,788
CURRENT LIABILITIES			
Trade and other payables		3,350,032,922	3,555,601,002
Interest / mark up payable		180,411,913	186,572,329
Short term borrowings		7,518,385,782	5,316,693,264
Unclaimed dividend		12,873,679	12,873,679
Current portion of long term finance		856,155,315	1,017,143,779
Provision for taxation - income tax		639,265,071	750,581,810
		12,557,124,682	10,839,465,863
		25,639,724,229	26,122,672,673
NON - CURRENT LIABILITIES			
Long term finance		1,295,694,532	2,482,101,050
Deferred liability			
Staff retirement gratuity		49,219,853	35,886,523
Deferred taxation	6	2,689,252,124	2,739,161,405
		4,034,166,509	5,257,148,978
CONTINGENCIES AND COMMITMENTS			
Net worth	7	-	-
		21,605,557,720	20,865,523,695
Represented by :			
Share capital	8	1,914,210,990	1,914,210,990
Capital reserves			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		6,393,254,685	6,574,220,175
Revenue reserves	9	12,931,833,532	12,010,834,017
		21,605,557,720	20,865,523,695
		21,605,557,720	20,865,523,695

The annexed notes from 1 to 19 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Quarter ended December 31,		Half year ended December 31,	
		2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Sales	10	9,409,458,950	10,045,616,277	18,805,204,710	20,172,028,907
Cost of sales	11	8,904,099,928	9,561,899,803	17,510,675,275	19,043,097,073
Gross profit		505,359,022	483,716,474	1,294,529,435	1,128,931,834
Trading profit	12	176,780	96,629	176,780	96,629
Other income	13	14,098,553	150,004,697	281,297,286	439,656,266
		519,634,355	633,817,800	1,576,003,501	1,568,684,729
Distribution cost		28,407,884	33,970,743	113,247,222	120,004,638
Administrative expenses		97,952,798	107,680,540	157,378,176	163,169,085
Other operating expenses		27,619,089	11,249,029	61,796,837	38,216,170
Finance cost		284,483,576	267,185,929	513,033,053	521,187,596
		438,463,347	420,086,241	845,455,288	842,577,489
Profit for the year before levies and income tax		81,171,008	213,731,559	730,548,213	726,107,240
Levies		12,050,309	54,978,762	64,137,277	81,851,197
Profit for the year before taxation		69,120,699	158,752,797	666,410,936	644,256,043
Provision for taxation	14	(155,404,567)	(201,663,352)	(42,959,975)	(13,217,151)
Profit for the year		224,525,266	360,416,149	709,370,911	657,473,194
Earnings per share - Basic and diluted		2.15	1.88	3.71	3.43

The annexed notes from 1 to 19 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Quarter ended December 31,		Half year ended December 31,	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
Profit for the period	224,525,266	360,416,149	709,370,911	657,473,194
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	224,525,266	360,416,149	709,370,911	657,473,194

The annexed notes from 1 to 19 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Un-Audited Dec-31 2025	Un-Audited Dec-31 2024
Note	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before Levies and income tax	730,548,213	726,107,240
Adjustment for:		
Depreciation of property, plant and equipment	3.1 827,040,956	620,464,058
Profit on deposits	(230,835,096)	-
Provision for staff retirement gratuity	13,333,330	-
Loss / (gain) on disposal of operating assets - net	2,342,986	(179,675)
Loss on disposal of short term investments - net	539,696	-
Fair value (Gain) on short term investments	13 (33,426,200)	(41,784,554)
Balances written (back) - net	(5,087,720)	(10,618,811)
Finance cost	513,033,053	521,187,596
Operating cash flows before working capital changes	1,817,489,218	1,815,175,854
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(59,402,123)	(11,822,322)
Stock in trade	(2,002,560,647)	(1,535,185,597)
Trade debts	332,689,414	(137,602,763)
Loans, advances and deposit	335,294	(11,958,366)
Prepayments	(7,711,873)	117,725,476
Other receivables	231,695,308	(7,447,015)
Tax refunds due from Government- sales tax	185,898,211	(276,557,928)
(Decrease) / increase in current liabilities		
Trade and other payables	(205,568,080)	735,606,170
	(1,524,624,496)	(1,127,242,345)
Cash generated from operating activities	292,864,722	687,933,509
Finance cost paid	(519,193,469)	(529,461,883)
Income tax paid	(346,353,735)	(328,760,065)
Net cash (used in) operating activities	(572,682,482)	(170,288,439)

	Note	Un-Audited Dec-31 2025 Rupees	Un-Audited Dec-31 2024 Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in:			
Property, plant and equipment	3.1	(162,301,297)	(182,349,339)
Short term investment		(25,888,361)	-
Proceeds from disposal of operating assets		1,648,000	2,358,500
Proceeds from disposal of short term investment		14,835,528	-
Profit on deposits		256,381,408	-
Net cash generated from / (used in) investing activities		<u>84,675,278</u>	<u>(179,990,839)</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained		-	6,400,900
Repayment of long term finance		(1,347,394,982)	(661,990,534)
Increase in short term borrowings - net		2,201,692,518	991,860,843
Net cash generated from financing activities		<u>854,297,536</u>	<u>336,271,209</u>
Net increase / (decrease) in cash and cash equivalents (a+b+c)		366,290,332	(14,008,069)
Cash and cash equivalents at the beginning of the period		4,070,690,472	4,139,123,929
Cash and cash equivalents at the end of the period		<u>4,436,980,804</u>	<u>4,125,115,860</u>

The annexed notes from 1 to 19 form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			REVENUE RESERVES			Total	
	Merger reserve	Surplus on revaluation of property, plant and equipment	Sub total	General reserve	Unappropriated profit	Sub total		
----- R u p e e s -----								
Balance as at July 01, 2024 (Audited)	1,914,210,990	366,258,513	3,491,794,897	3,858,053,410	300,000,000	9,939,880,679	10,239,880,679	16,012,145,079
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	657,473,194	657,473,194	657,473,194
Other comprehensive income	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the period - net of deferred tax	-	-	(215,407,940)	(215,407,940)	-	215,407,940	215,407,940	-
Adjustment of deferred tax for the period	-	-	51,322,064	51,322,064	-	-	-	51,322,064
Balance as at December 31, 2024 (Unaudited)	1,914,210,990	366,258,513	3,327,709,021	3,693,967,534	300,000,000	10,812,761,813	11,112,761,813	16,720,940,337
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	837,307,595	837,307,595	837,307,595
Other comprehensive income								
Surplus on revaluation of property, plant and equipment arisen during the year	-	-	4,988,696,347	4,988,696,347	-	-	-	4,988,696,347
Related deferred tax	-	-	(1,317,370,673)	(1,317,370,673)	-	-	-	(1,317,370,673)
Incremental depreciation on revalued assets for the period - net of deferred tax	-	-	3,671,325,674	3,671,325,674	-	837,307,595	837,307,595	4,508,633,269
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(45,157,700)	(45,157,700)	-	45,157,700	45,157,700	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(15,606,909)	(15,606,909)	-	15,606,909	15,606,909	-
Adjustment of deferred tax for the period	-	-	(364,049,911)	(364,049,911)	-	-	-	(364,049,911)
Balance as at June 30, 2025 (Audited)	1,914,210,990	366,258,513	6,574,220,175	6,940,478,688	300,000,000	11,710,834,017	12,010,834,017	20,865,523,695
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	709,370,911	709,370,911	709,370,911
Other comprehensive income	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the period - net of deferred tax	-	-	(209,336,705)	(209,336,705)	-	209,336,705	209,336,705	-
Surplus realised on disposal of property, plant and equipment - net of deferred tax	-	-	(2,291,899)	(2,291,899)	-	2,291,899	2,291,899	-
Adjustment of deferred tax for the period	-	-	30,663,114	30,663,114	-	-	-	30,663,114
Balance as at December 31, 2025 (Unaudited)	1,914,210,990	366,258,513	6,393,254,685	6,759,513,198	300,000,000	12,631,833,532	12,931,833,532	21,605,557,720

The annexed notes from 1 to 19 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

**ZAHIDJEE TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

1. GENERAL INFORMATION

- 1.1** Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The registered office of the Company is situated at 131-A, Scotch Corner, Upper Mall Scheme, Lahore in the province of Punjab. The Company is listed on Pakistan Stock Exchange Limited. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The weaving unit is located at 32-KM, Tandlianwala Road, Satyana, District Faisalabad and spinning units are located at 32-KM, Sheikhpura Road, Faisalabad, M-3 Industrial Estate, Faisalabad in the province of Punjab.
- 1.2** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited have been merged with Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.3** The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.1.3 These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited annual financial statements for the year ended June 30, 2025.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

Standards, interpretations and amendments to published approved accounting standards that are effective in current year:

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2026 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited annual financial statements for the year ended June 30, 2025.

2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at valuation and short term investment measured at fair value.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited annual financial statements for the year ended June 30, 2025.

2.5 Estimates, judgments and risk management policies

- 2.5.1** The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited annual financial statements for the year ended June 30, 2025.

- 2.5.2** Risk management policies and procedures are consistent with those disclosed in the published audited annual financial statements for the year ended June 30, 2025.

	Note	Un-Audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	3.1	18,381,903,479	19,050,634,124
Capital work in progress	3.2	107,541,890	107,541,890
Non operating lands		16,203,950	16,203,950
		<u>18,505,649,319</u>	<u>19,174,379,964</u>
3.1 Operating assets			
Book value at beginning of period / year		19,050,634,124	10,649,159,934
Additions during the period / year	3.1.1	162,301,297	4,884,436,890
Revaluation surplus arisen during the year		-	4,988,696,347
Disposal during the period / year		(3,990,986)	(30,671,091)
Depreciation charge during the period / year		(827,040,956)	(1,440,987,956)
		<u>18,381,903,479</u>	<u>19,050,634,124</u>
3.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follow			
Building on freehold land		-	1,204,674,910
Plant and machinery		161,553,497	3,591,517,075
Electric installations		96,800	85,301,588
Factory equipment		605,000	26,400
Office equipment		-	260,256
Electric appliances		46,000	2,215,900
Furniture and fittings		-	440,761
		<u>162,301,297</u>	<u>4,884,436,890</u>
3.2 Capital work in progress			
Plant and machinery		<u>107,541,890</u>	<u>107,541,890</u>
4. Short term investments			
Investment in ordinary shares	4.1	<u>269,413,861</u>	<u>225,474,638</u>

		Un-Audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
4.1	Financial assets at fair value through profit or loss		
	Quoted securities		
	Habib Metropolitan Bank Limited		
	2,022,854 (2025: 2,022,854) Ordinary shares of Rs.10/- each	200,101,598	138,909,384
	MCB Bank Limited		
	88,000 (2025: 88,000) Ordinary shares of Rs.10/- each	25,373,040	19,977,760
	Bank Alfalah Limited		
	100,000 Ordinary shares of Rs.10/- each	10,513,026	-
		<u>235,987,664</u>	<u>158,887,144</u>
	Adjustment in fair value	<u>33,426,197</u>	<u>66,587,494</u>
		<u><u>269,413,861</u></u>	<u><u>225,474,638</u></u>

4.2 The fair value of short term investment is based on prices quoted in active markets which is level 1 of fair value hierarchy.

	Note	Un-Audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
5. Cash and bank balances			
Cash in hand		13,191,593	11,483,032
Cash at banks			
In current accounts		115,171,232	91,566,435
In PLS accounts		111,362,693	58,579,666
In Deposit accounts	5.1	<u>4,197,255,286</u>	<u>3,909,061,339</u>
		<u><u>4,436,980,804</u></u>	<u><u>4,070,690,472</u></u>

5.1 It represents the investment in term deposit receipts carrying profit at the rates ranging from 7.11% to 12.10% per annum (June 30, 2025 : 6.89% to 21.79% per annum).

		Un-Audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
6. DEFERRED TAXATION			
Opening balance		2,739,161,405	1,130,940,629
Deferred tax related to			
Surplus arisen on revaluation		-	1,317,370,673
Incremental depreciation on revalued assets		(120,327,397)	(153,030,614)
Surplus realised on disposal of revalued assets		(2,291,899)	(9,165,963)
(Reversal) / provision of deferred tax on surplus		(30,663,114)	312,727,847
Provision during the period / year		103,373,129	140,318,833
		<u>2,689,252,124</u>	<u>2,739,161,405</u>

6.1 It represents the following:

Deferred tax liability:			
Difference between accounting and tax bases of assets		2,774,497,164	2,803,766,205
Deferred tax asset:			
Carry forward tax credits and losses		(67,279,794)	(51,326,787)
Staff retirement gratuity		(17,965,246)	(13,278,013)
		<u>2,689,252,124</u>	<u>2,739,161,405</u>

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingent liabilities since the date of published audited annual financial statements for the year ended June 30, 2025 except the following:

	Un-Audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
Contingencies		
Bank guarantees issued in favour of :		
Excise and taxation department against imposition of infrastructure cess	940,926,000	588,300,000
Commitments		
Under letters of credit for:		
Plant and machinery	69,424,074	235,772,845
Raw material and spare parts	2,727,363,281	2,892,607,035

8. SHARE CAPITAL

8.1 Authorised capital

Un-Audited December 31, 2025	Audited June 30, 2025		Un-Audited December 31, 2025	Audited June 30, 2025
Number of shares				
<u>220,000,000</u>	<u>220,000,000</u>		<u>2,200,000,000</u>	<u>2,200,000,000</u>

8.2 Issued, subscribed and paid up capital

Un-Audited December 31, 2025	Audited June 30, 2025		Un-Audited December 31, 2025	Audited June 30, 2025
Number of shares				
89,462,580	89,462,580	Ordinary shares of Rs. 10/- each fully paid in cash.	894,625,800	894,625,800
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
78,916,915	78,916,915	Ordinary shares of Rs.10/- each issued as fully paid bonus shares.	789,169,150	789,169,150
<u>191,421,099</u>	<u>191,421,099</u>		<u>1,914,210,990</u>	<u>1,914,210,990</u>

	Un-Audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees
9. Revenue reserves		
General reserves	300,000,000	300,000,000
Unappropriated profit	<u>12,631,833,532</u>	<u>11,710,834,017</u>
	<u><u>12,931,833,532</u></u>	<u><u>12,010,834,017</u></u>

	Quarter ended December 31,		Half year ended December 31,	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees

10. Sales

Export				
Cloth / made ups	756,853,676	860,506,459	1,319,464,531	1,725,692,962
Local				
Yarn	9,471,700,391	10,356,321,312	19,219,558,137	20,511,441,366
Cloth	-	10,057,451	-	21,217,150
Waste and left over	710,195,139	703,464,441	1,433,979,329	1,429,331,230
Conversion receipts	118,124,853	45,082,518	129,803,411	135,342,721
	<u>10,300,020,383</u>	<u>11,114,925,722</u>	<u>20,783,340,877</u>	<u>22,097,332,467</u>
Less : Sales tax	<u>(1,583,934,045)</u>	<u>(1,710,010,236)</u>	<u>(3,180,171,488)</u>	<u>(3,382,203,693)</u>
	<u>9,472,940,014</u>	<u>10,265,421,945</u>	<u>18,922,633,920</u>	<u>20,440,821,736</u>
Add: Export rebate / duty drawback	<u>26,257,449</u>	<u>1,217,705</u>	<u>27,890,844</u>	<u>2,274,843</u>
	<u>9,499,197,463</u>	<u>10,266,639,650</u>	<u>18,950,524,764</u>	<u>20,443,096,579</u>
Less: Commission and claims	<u>89,738,513</u>	<u>221,023,373</u>	<u>145,320,054</u>	<u>271,067,672</u>
	<u><u>9,409,458,950</u></u>	<u><u>10,045,616,277</u></u>	<u><u>18,805,204,710</u></u>	<u><u>20,172,028,907</u></u>

11. Cost of sales

Cost of goods manufactured (Note 11.1)	9,064,165,493	10,068,120,344	17,691,055,577	19,376,111,876
Finished goods				
Opening stock	642,626,087	598,962,319	622,311,350	772,168,056
Closing stock	<u>(802,691,652)</u>	<u>(1,105,182,860)</u>	<u>(802,691,652)</u>	<u>(1,105,182,859)</u>
	<u>(160,065,565)</u>	<u>(506,220,541)</u>	<u>(180,380,302)</u>	<u>(333,014,803)</u>
	<u><u>8,904,099,928</u></u>	<u><u>9,561,899,803</u></u>	<u><u>17,510,675,275</u></u>	<u><u>19,043,097,073</u></u>

11.1 Cost of goods manufactured

Raw material consumed (Note 11.1.1)	6,762,943,342	7,886,985,691	13,481,808,132	14,907,307,119
Packing material consumed	142,866,571	136,091,308	147,005,143	159,717,728
Salaries, wages and benefits	383,395,116	374,432,441	734,707,993	719,164,979
Retirement benefits	11,436,084	2,679,145	11,436,084	12,892,224
Stores and spares consumed	126,312,543	121,413,918	326,150,210	355,111,441
Fuel and power	849,739,882	1,315,840,368	1,989,203,557	2,493,100,613
Repairs and maintenance	23,901,816	26,015,655	39,907,070	44,044,510
Insurance	9,759,717	15,866,864	15,436,007	19,622,649
Depreciation	616,228,022	353,932,071	821,485,043	613,310,879
Other	4,001,820	3,379,039	8,071,458	6,900,019
	<u>8,930,584,913</u>	<u>10,236,636,500</u>	<u>17,575,210,697</u>	<u>19,331,172,160</u>
Work in process				
Opening stock	386,099,644	113,338,797	368,363,944	326,794,669
Closing stock	<u>(252,519,064)</u>	<u>(281,854,953)</u>	<u>(252,519,064)</u>	<u>(281,854,953)</u>
	<u>133,580,580</u>	<u>(168,516,156)</u>	<u>115,844,880</u>	<u>44,939,716</u>
	<u><u>9,064,165,493</u></u>	<u><u>10,068,120,344</u></u>	<u><u>17,691,055,577</u></u>	<u><u>19,376,111,876</u></u>

	Quarter ended December 31,		Half year ended December 31,	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
11.1.1 Raw material consumed				
Opening Stock	3,753,051,740	2,149,769,630	5,171,850,795	1,277,122,997
Purchases including purchase expenses	9,668,875,403	8,308,350,705	14,968,941,138	16,201,318,766
	<u>13,421,927,143</u>	<u>10,458,120,335</u>	<u>20,140,791,933</u>	<u>17,478,441,763</u>
Closing stock	(6,658,983,801)	(2,571,134,644)	(6,658,983,801)	(2,571,134,644)
	<u>6,762,943,342</u>	<u>7,886,985,691</u>	<u>13,481,808,132</u>	<u>14,907,307,119</u>

12. TRADING PROFIT

Sale of polyester / cotton	25,333,197	19,325,785	25,333,197	19,325,785
Cost of sales	(25,156,417)	(19,229,156)	(25,156,417)	(19,229,156)
	<u>176,780</u>	<u>96,629</u>	<u>176,780</u>	<u>96,629</u>

13. Other income

Income from financial assets:				
Profit on deposits	9,750,512	99,255,815	230,835,096	387,073,226
Dividend	2,099,135	-	11,948,270	-
Adjustment in fair value of short term investment- net	2,248,906	41,784,554	33,426,200	41,784,554
Income from Non financial assets:				
Gain on disposal of operating assets-net	-	503,996	-	179,675
Other	-	8,460,332	5,087,720	10,618,811
	<u>14,098,553</u>	<u>150,004,697</u>	<u>281,297,286</u>	<u>439,656,266</u>

14. PROVISION FOR TAXATION

Current				
for the period	12,619,710	(174,981,132)	28,557,940	40,152,658
for prior period	(52,271,748)	(61,661,374)	(52,271,748)	(61,661,374)
Deferred	(115,752,529)	34,979,154	(19,246,167)	8,291,565
	<u>(155,404,567)</u>	<u>(201,663,352)</u>	<u>(42,959,975)</u>	<u>(13,217,151)</u>

15. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of directors, associated undertakings and key management personnel. These transactions include remuneration to 38 (2024 : 33) executives amounting to Rs. 53,653,158/- (2024 : Rs. 49,808,000/-). Other significant transactions with related parties are as follows:-

Name of the related party	Relationship	Nature of transaction	Un-Audited December 31, 2025 Rupees	Un-Audited December 31, 2024 Rupees
Aliza Zahid	Related Party	Short term loan obtained	42,000,000	-
Ahmad Zahid	Director	Remuneration	1,700,000	1,700,000
Muhammad Zahid	Chief Executive Officer	Remuneration	1,700,000	1,700,000
		Short term loan obtained	-	94,925,000
		Short term loan repaid	145,825,000	169,400,000
Haji Sharif	Related Party	Short term loan repaid	20,000,000	100,000,000
		Short term loan obtained	110,000,000	-
Muhammad Qasim	Related Party	Short term loan repaid	-	78,000,000
			Un-Audited December 31, 2025 Rupees	Audited June 30, 2025 Rupees

16. SHARIAH COMPLIANCE STATUS DISCLOSURE

Disclosures in relation to the condensed interim statement of financial position - Liability

Long term financing as per Islamic mode	627,760,000	-
Short term financing as per Islamic mode	3,268,000,000	2,657,362,000
Accrued mark-up on conventional loans	75,856,667	92,765,290

Disclosures in relation to the condensed interim statement of financial position - Assets

Bank balances that are Shariah compliant	49,872,452	53,819,340
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	Un-Audited December 31, 2025 Rupees	Un-Audited December 31, 2024 Rupees
Disclosures in relation to the condensed interim statement of Comprehensive Income		
1. Revenue earned from shariah compliant business	18,805,204,710	20,172,028,907
2. Source and detailed breakup of other income		
Earned from shariah compliant transactions		
Profit on deposits	9,023,000	23,824,033
Gain on disposal of operating assets-net	-	179,675
Other	5,087,720	10,618,811
Earned from non-shariah compliant transactions		
Profit on deposits	221,812,096	363,249,194
Dividend	11,948,270	-
Adjustment in fair value of short term investment- net	33,426,200	41,784,554

Relationship with Shariah-compliant financial institutions

<u>Name of institution</u>	<u>Relationship with institution</u>
Dubai Islamic Bank Limited	Bank balance and Borrowings
BankIslami Pakistan Limited	Bank balance and Borrowings
Meezan Bank Limited	Bank balance and Borrowings

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Company.

18. General

- (a) There is no unusual item included in these condensed interim financial statements which is effecting assets, liabilities, equity, profit or cash flows of the company.
- (b) Provisions for taxation, workers' profit participation fund and staff retirement gratuity made in these condensed interim financial statements are subject to adjustment in annual financial statements.

19. Figures have been rounded off to nearest Rupees.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED

Zahidjee House: 131-A,P-Street,Upper Mall, Lahore. Tel: 042-35777291-5 URL: www.zahidjee.com.pk