

HALF YEAR REPORT

FOR THE PERIOD ENDED
DECEMBER 31, 2023



ZAHIDJEE



ZAHIDJEE TEXTILE MILLS LIMITED

Contents

Company Information	1
Directors' Report to the Members - English	2
Directors' Report to the Members - Urdu	3
Unconsolidated Financial Statements	
Statement of financial position	4
Statement of profit or loss	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of cash flows	8-9
Notes to the Financial Statements	10-17

COMPANY INFORMATION

Board of Directors

Mr. Ahmad Zahid	Chairman
Mr. Muhammad Zahid	Chief Executive
Mrs. Mehreen Fahad	Director
Mr. Muhammad Ali	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

Shahab-ud-Din Khan

Company Secretary

Mr. Muhammad Ilyas

Auditors

RSM Avasi 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
Al baraka Bank Pakistan Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office

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

Plant site

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

Export Office

131-A, Scotch Corner, Upper Mall Scheme,
Lahore.
Tel: 042-35777291-5

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, 2023.

Economic Review

Pakistan's economy is currently going through a fragile phase, tainted by the global recessionary outlook and domestic economic challenges, amidst unfavorable political backdrop. The CPI based inflation continued double-digit growth, and rising energy costs and financial cost dented the margins of manufactures.

Industry Review

Textile exports have started feeling the pinch of global slowdown as is visible in the latest numbers released by Pakistan Bureau of Statistics (PBS), for the half year ended December 31, 2023. Sluggish demand, low domestic cotton availability have led to most of the textile companies either shutting down for short term or reducing their production to 50%.

Financial Results

The Summary of key Financial numbers is presented below:

	December 31	
	2023	2022
	(Rupees in '000')	
Sales	18,240,612	16,294,551
Gross profit	865,801	2,318,751
Profit before taxation	516,036	1,703,268
Provision for taxation	111,936	72,946
Profit after taxation	<u>404,099</u>	<u>1,630,322</u>
Earnings per share – Basic and diluted	<u>2.11</u>	<u>8.52</u>

Despite various challenges, your company has been able to achieve considerable growth in terms of sales. Turnover increased by 11.94 %, securing the top line of Rs. 18.2 billion against Rs. 16.2 billion for the Same Period Last Year, which is due to the acceleration in the sale price of yarn on account of global increase in cotton rate during the period under review, Due to increase in financial cost and inflation impact of Raw Material, the net Profit closed to Rs. 404 million from Rs.1.630 billion of corresponding period Dec 31, 2022

The net profit translated into Earnings per Share (EPS) of Rs. 2.11 as against Rs. 8.52 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 27, 2024
Lahore


MUHAMMAD ZAHID
Chief Executive Officer

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2023 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 اس وقت ایک نازک دور سے گزر رہی ہے، جس میں عالمی کساد کے نقطہ نظر اور غیر موافق سیاسی پس منظر کے درمیان داخلی معاشی چیلنجز شامل ہیں۔ سی پی آئی پر مبنی افراط زر کی شرح میں دو ہندسوں میں اضافہ جاری رہا، جس کی وجہ سے سیلاب کے بعد سپلائی کے جھٹکے اور توانائی کی بڑھتی ہوئی لاگت اور مالی لاگت نے مینوفیکچررز کے مارجن کو نقصان پہنچایا۔

مصنعتی جائزہ

ادارہ برائے شاریات پاکستان (پی پی ایس) کی جانب سے 31 دسمبر 2023 کو ختم ہونے والے ششماہی کے تازہ ترین اعداد و شمار کے مطابق ٹیکسٹائل کی برآمدات نے عالمی سطح پر سست روی کا سامنا کرنا شروع کر دیا ہے۔ سست طلب، کم مقامی کپاس کی دستیابی کی وجہ سے زیادہ تر ٹیکسٹائل کمپنیاں یا تو مختصر مدت کے لیے بند ہو گئیں یا اپنی پیداوار 50 فیصد تک کم ہو گئیں۔

مالی نتائج:

اہم مالیاتی نمبروں کا خلاصہ ذیل میں پیش کیا گیا ہے

31 دسمبر		تفصیل
2023	2022	
(روپے ہزاروں میں)		
18,240,612	16,294,551	فروخت
865,801	2,318,751	مجموعی منافع
516,036	1,703,268	منافع قبل از ٹیکس
111,936	72,946	ٹیکسیشن
404,099	1,630,322	منافع بعد از ٹیکس
2.11	8.52	فی شیئر آمدن

مختلف چیلنجوں کے باوجود، آپ کی کمپنی فروخت کے لحاظ سے کافی ترقی حاصل کرنے میں کامیاب رہی ہے۔ کاروبار میں 11.94 فیصد اضافہ ہوا، جس نے روپے کی ٹاپ لائن حاصل کی۔ 18.2 ارب روپے کے مقابلے بچھلے سال اسی مدت کے لیے 16.2 بلین جو کہ زیر نظر مدت کے دوران کپاس کی عالمی شرح میں اضافے کی وجہ سے یارن کی فروخت کی قیمت میں تیزی کی وجہ سے ہے مالیاتی لاگت میں اضافے اور خام مال کی افراط زر کے اثرات کی وجہ سے خالص منافع 1.630 روپے پر بند ہوا۔ 404 ملین 1.630 بلین 31 دسمبر 2022 کو ختم ہوا۔

جس کی وجہ سے فی شیئر آمدنی 2.11 روپے ہو گئی ہے۔ جو کہ گذشتہ سال کی اسی مدت کے دوران 8.52 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 اور کمپنی پر اعتماد کے لئے ان کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



محمد زاہد

(چیف ایگزیکٹو آفیسر)

مورخہ: 27 فروری، 2024

مقام: لاہور

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2023

	Note	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	16,380,584,867	13,608,051,037
Long term security deposits		20,475,784	20,475,784
		16,401,060,651	13,628,526,821
CURRENT ASSETS			
Stores, spares and loose tools		228,815,450	330,043,463
Stock in trade		5,911,734,626	4,388,063,736
Trade debts		3,775,644,505	3,765,446,396
Loans, advances and deposit		559,338,446	668,578,920
Prepayments		13,304,696	918,170
Other receivables		69,567,125	46,547,194
Short term investment	4	127,088,683	100,660,852
Tax refunds due from Government		363,161,808	212,142,170
Cash and bank balances	5	4,090,710,425	3,682,132,733
		15,139,365,764	13,194,533,634
CURRENT LIABILITIES			
Trade and other payables		3,259,039,718	2,059,707,731
Interest / mark up payable		273,645,480	92,636,667
Short term borrowings		4,971,629,797	3,047,299,701
Unclaimed dividend		8,039,833	9,313,318
Current portion of long term finance		857,396,302	706,279,169
Provision for taxation - income tax		209,769,326	468,315,445
		9,579,520,456	6,383,552,031
		21,960,905,959	20,439,508,424
NON - CURRENT LIABILITIES			
Long term finance		4,760,154,214	3,353,601,788
Deferred liability			
Staff retirement gratuity		21,985,109	21,985,109
Deferred taxation	6	1,294,956,919	1,301,530,462
		6,077,096,242	4,677,117,359
CONTINGENCIES AND COMMITMENTS			
	7	-	-
Net worth		15,883,809,717	15,762,391,065
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		3,684,231,591	3,884,399,416
Revenue reserves	9	9,919,108,623	9,597,522,146
		15,883,809,717	15,762,391,065
		15,883,809,717	15,762,391,065

The annexed notes from 1 to 18 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, 2023

	Note	Quarter ended December 31,		Half year ended December 31,	
		2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Sales	10	8,629,547,076	7,775,920,365	18,240,612,123	16,294,551,280
Cost of sales	11	8,429,404,552	7,177,261,313	17,374,811,522	13,975,799,894
Gross profit		200,142,524	598,659,052	865,800,601	2,318,751,386
Trading profit	12	187,375	-	187,375	-
Other income	13	351,694,911	114,059,662	563,235,255	267,754,930
		552,024,810	712,718,714	1,429,223,231	2,586,506,316
Distribution cost		62,587,374	145,412,295	109,715,304	281,150,833
Administrative expenses		74,354,660	66,989,314	147,665,641	133,229,907
Other operating expenses		2,741,424	23,977,749	27,159,765	97,263,657
Finance cost		360,254,305	177,684,342	628,646,987	371,594,121
		499,937,763	414,063,700	913,187,697	883,238,518
Profit for the year before taxation:		52,087,047	298,655,014	516,035,534	1,703,267,798
Provision for taxation	14	(19,575,413)	24,023,859	111,936,250	72,945,574
Profit for the year		71,662,460	274,631,155	404,099,284	1,630,322,224
Earnings per share - Basic and diluted		0.37	1.43	2.11	8.52

The annexed notes from 1 to 18 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, 2023

	Quarter ended December 31,		Half year ended December 31,	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Profit for the period	71,662,460	274,631,155	404,099,284	1,630,322,224
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	71,662,460	274,631,155	404,099,284	1,630,322,224

The annexed notes from 1 to 18 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, 2023

	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, 2022 (Audited)	1,914,210,990	366,258,513	4,076,646,922	4,442,905,435	300,000,000	8,034,231,054	8,334,231,054	14,691,347,479
Transactions with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	1,630,322,224	1,630,322,224	1,630,322,224
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	1,630,322,224	1,630,322,224	1,630,322,224
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(148,439,767)	(148,439,767)	-	148,439,767	148,439,767	-
Adjustment of deferred tax for the period	-	-	140,192,127	140,192,127	-	-	-	140,192,127
Balance as at December 31, 2022 (Unaudited)	1,914,210,990	366,258,513	4,068,399,282	4,434,657,795	300,000,000	9,621,571,946	9,921,571,946	16,270,440,731
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	(416,947,562)	(416,947,562)	(416,947,562)
Other comprehensive income	-	-	-	-	-	(416,947,562)	(416,947,562)	(416,947,562)
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(92,897,762)	(92,897,762)	-	92,897,762	92,897,762	-
Adjustment of deferred tax for the period	-	-	(91,102,104)	(91,102,104)	-	-	-	(91,102,104)
Balance as at June 30, 2023 (Audited)	1,914,210,990	366,258,513	3,884,399,416	4,250,657,929	300,000,000	9,297,522,146	9,597,522,146	15,762,391,065
Transactions with owners								
Dividend paid (Rs. 1 per share of Rs. 10 each)	-	-	-	-	-	(191,421,099)	(191,421,099)	(191,421,099)
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	404,099,284	404,099,284	404,099,284
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	-	404,099,284	404,099,284	404,099,284
Incremental depreciation on revalued assets for the year - net of deferred tax	-	-	(108,908,292)	(108,908,292)	-	108,908,292	108,908,292	-
Adjustment of deferred tax for the period	-	-	(91,259,533)	(91,259,533)	-	-	-	(91,259,533)
Balance as at December 31, 2023 (Unaudited)	1,914,210,990	366,258,513	3,684,231,591	4,050,490,104	300,000,000	9,619,108,623	9,919,108,623	15,883,809,717

The annexed notes from 1 to 18 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, 2023

	Un-Audited Dec-31 2023 Rupees	Un-Audited Dec-31 2022 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	516,035,534	1,703,267,798
Adjustment for:		
Depreciation of property, plant and equipment	509,685,653	561,507,018
(Gain) on disposal of operating assets - net	(1,603,539)	(1,082,360)
(Gain) on disposal of short term investments - net	(11,914,209)	-
Balances written Off - net	(8,227,511)	(9,508)
Fair value (Gain) / Loss on short term investments	(49,188,203)	7,237,084
Finance cost	628,646,987	371,594,121
Operating cash flows before working capital changes	1,583,434,712	2,642,514,154
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	101,228,012	(37,528,329)
Stock in trade	(1,523,670,890)	(681,196,374)
Trade debts	(10,198,109)	323,526,778
Loans, advances and deposit	(108,405,192)	(204,493,339)
Prepayments	(12,386,526)	(15,144,907)
Other receivables	(23,019,931)	(18,972,068)
Tax refunds due from Government	123,628	(204,030,789)
Increase in current liabilities		
Trade and other payables	1,198,058,502	1,298,059,352
	(378,270,506)	460,220,324
Cash generated from operating activities	1,205,164,206	3,102,734,478
Finance cost paid	(447,638,174)	(388,444,855)
Income tax paid	(402,459,755)	(103,111,091)
Net cash generated from operating activities	355,066,277	2,611,178,531

Un-Audited Dec-31 2023 Rupees	Un-Audited Dec-31 2022 Rupees
--	--

(b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in:

Property, plant and equipment	(3,295,390,945)	(548,629,704)
Proceeds from disposal of operating assets	14,775,000	2,250,000
Proceeds from disposal of short term investment	47,175,821	-

Net cash (used in) investing activities	<u>(3,233,440,124)</u>	<u>(546,379,704)</u>
---	------------------------	----------------------

(c) CASH FLOWS FROM FINANCING ACTIVITIES

Long term finance obtained	1,876,294,824	35,000,000
Repayment of long term finance	(322,252,282)	(579,382,256)
Increase / (Decrease) in short term borrowings - net	1,924,330,096	(876,167,983)
Dividend paid	(191,421,099)	(191,421,099)

Net cash generated / (used in) from financing activities	<u>3,286,951,539</u>	<u>(1,611,971,338)</u>
--	----------------------	------------------------

Net increase in cash and cash equivalents (a+b+c)	408,577,692	452,827,489
---	-------------	-------------

Cash and cash equivalents at the beginning of the period	3,682,132,733	2,772,922,754
--	---------------	---------------

Cash and cash equivalents at the end of the period	<u><u>4,090,710,425</u></u>	<u><u>3,225,750,243</u></u>
--	-----------------------------	-----------------------------

The annexed notes from 1 to 18 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, 2023**

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 2-H Jail Road, Gulberg II, 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** The Company's spinning projects comprises 50,400 spindles are under implementation out of which project of 20,160 spindles is under implementation in first phase.
- 1.3** 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.
- 1.4** 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 and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives 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 financial statements for the year ended June 30, 2023.

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, 2023 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, 2024 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 financial statements for the year ended June 30, 2023.

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 financial statements for the year ended June 30, 2023.

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 financial statements for the year ended June 30, 2023.

- 2.5.2** Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2023.

	Note	Un-Audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets		10,783,255,612	11,286,875,280
Capital work in progress		5,255,447,554	1,989,774,625
Non operating lands		16,203,950	16,203,950
Advance against purchase of land		271,847,312	271,847,312
Advances for capital expenditure		53,830,439	43,349,870
		<u>16,380,584,867</u>	<u>13,608,051,037</u>
3.1 Operating assets			
Book value at beginning of period / year		11,286,875,280	12,290,234,384
Additions during the period / year	3.1.1	19,237,447	128,181,702
Disposal during the period / year		(13,171,462)	(2,040,130)
Depreciation charge during the period / year		(509,685,653)	(1,129,500,676)
		<u>10,783,255,612</u>	<u>11,286,875,280</u>
3.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follow			
Plant and machinery		18,275,207	103,141,497
Electric installations		17,240	485,000
Factory equipment		-	63,500
Office equipment		945,000	1,463,250
Electric appliances		-	25,500
Furniture and fittings		-	112,475
Vehicles		-	22,890,480
		<u>19,237,447</u>	<u>128,181,702</u>
3.2 Capital work in progress			
Civil work		2,913,375,692	732,803,168
Plant and machinery		2,342,071,862	1,256,971,457
		<u>5,255,447,554</u>	<u>1,989,774,625</u>
4. Short term investments			
Investment in ordinary shares	4.1	<u>127,088,683</u>	<u>100,660,852</u>

	Un-Audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
4.1	Financial assets at fair value through profit or loss	
	Quoted securities	
	Habib Metropolitan Bank Limited	
	2,022,854 (2022: 2,022,854) Ordinary shares of Rs.10/- each	
	64,653,968	78,992,449
	JS Bank Limited	
	100,000 (2022: 100,000) Ordinary shares of Rs.10/- each	
	-	400,000
	Askari Bank Limited	
	1,680,000 (2022: 1,680,000) Ordinary shares of Rs.10/- each	
	-	29,282,400
	Bank of Punjab	
	1,029,375 (2022: 1,029,375) Ordinary shares of Rs.10/- each	
	-	5,579,212
	MCB	
	88,000 (2022: 88,000) Ordinary shares of Rs.10/- each	
	13,246,512	10,822,240
	<u>77,900,480</u>	<u>125,076,301</u>
	Adjustment in fair value	
	49,188,203	(24,415,449)
	<u>127,088,683</u>	<u>100,660,852</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.

5. Cash and bank balances

Cash in hand	21,939,290	50,477,872
Cash at banks		
In current accounts	251,950,387	185,017,061
In PLS accounts	196,776,361	94,688,675
In Deposit accounts	3,620,044,387	3,351,949,125
	<u>4,090,710,425</u>	<u>3,682,132,733</u>

5.1 It represents the investment in Term deposit receipts carrying profit at the rates ranging from 18% to 19.75% per annum.

	Un-Audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
6. DEFERRED TAXATION		
Opening balance	1,301,530,462	1,385,918,367
Deferred tax related to		
Incremental depreciation on revalued assets	(50,046,411)	(100,434,978)
Provision / (Reversal) of deferred tax on surplus	91,259,533	(49,090,023)
(Reversal) / Provision during the period	(47,786,665)	65,137,096
	<u>1,294,956,919</u>	<u>1,301,530,462</u>

6.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	<u>1,294,956,919</u>	<u>1,301,530,462</u>

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2023 except the following:

	Un-Audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
Contingencies		
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	135,104,000	112,788,000
Faisalabad Electric Supply Company Limited for supply of electricity.	72,747,000	72,747,000
Excise and taxation department against imposition of infrastructure cess	357,126,000	203,826,000
Commitments		
Under letters of credit for:		
Plant and machinery	152,010,703	2,209,209,712
Raw material and spare parts	1,033,621,810	2,855,342,849
Under contracts for purchase of land	304,023,750	304,023,750
Under contracts for civil work	589,429,789	722,317,922

8. SHARE CAPITAL

8.1 Authorised capital

Un-Audited December 31, 2023	Audited June 30, 2023		Un-Audited December 31, 2023	Audited June 30, 2023
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, 2023	Audited June 30, 2023		Un-Audited December 31, 2023	Audited June 30, 2023
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, 2023 Rupees	Audited June 30, 2023 Rupees
9. Revenue reserves		
General reserves	300,000,000	300,000,000
Unappropriated profit	9,619,108,623	9,297,522,146
	<u>9,919,108,623</u>	<u>9,597,522,146</u>

	Quarter ended December 31,		Half year ended December 31,	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
10. Sales				
Export				
Cloth / made ups	753,627,234	1,411,208,775	1,621,845,060	2,440,315,647
Local				
Yarn	8,762,386,355	7,247,205,532	18,429,971,117	15,496,819,719
Cloth	8,230,374	268,539	13,915,624	1,822,547
Waste and left over	779,011,986	457,778,401	1,385,775,089	883,505,276
Conversion receipts	5,839,255	7,661,874	10,120,580	47,028,959
	9,555,467,970	7,712,914,346	19,839,782,410	16,429,176,501
Less : Sales tax	(1,557,599,392)	(1,294,336,859)	(3,002,017,672)	(2,409,428,565)
	8,751,495,812	7,829,786,262	18,459,609,798	16,460,063,583
Add: Export rebate / duty drawback	7,274,512	7,207,119	8,488,069	7,207,119
	8,758,770,324	7,836,993,381	18,468,097,867	16,467,270,702
Less: Commission and claims	129,223,248	61,073,016	227,485,744	172,719,422
	<u>8,629,547,076</u>	<u>7,775,920,365</u>	<u>18,240,612,123</u>	<u>16,294,551,280</u>

11. Cost of sales				
Cost of goods manufactured (Note 11.1)	8,726,599,516	7,684,100,365	17,434,501,357	14,595,477,482
Finished goods				
Opening stock	580,953,297	711,692,149	818,458,425	598,853,613
Closing stock	(878,148,260)	(1,218,531,201)	(878,148,260)	(1,218,531,201)
	(297,194,962)	(506,839,052)	(59,689,835)	(619,677,588)
	<u>8,429,404,554</u>	<u>7,177,261,313</u>	<u>17,374,811,522</u>	<u>13,975,799,894</u>

11.1 Cost of goods manufactured

Raw material consumed (Note 11.1.1)	7,541,582,621	6,459,923,885	13,901,688,038	11,846,783,064
Packing material consumed	115,834,738	120,337,218	148,744,907	126,761,665
Salaries, wages and benefits	383,764,362	241,415,307	652,651,906	529,650,026
Retirement benefits	10,728,507	-	13,959,012	10,355,547
Stores and spares consumed	70,166,283	49,072,194	352,327,638	270,455,428
Fuel and power	333,104,052	323,664,295	1,801,021,756	1,249,650,438
Repairs and maintenance	9,017,648	6,116,350	43,530,662	29,314,373
Insurance	6,327,585	5,728,649	12,092,015	11,387,293
Depreciation	251,924,950	381,515,534	500,712,256	547,380,971
Other	1,820,973	1,927,230	3,907,143	4,635,234
	8,724,271,719	7,589,700,662	17,430,635,333	14,626,374,039
Work in process				
Opening stock	282,106,510	353,851,924	283,644,737	228,555,664
Closing stock	(279,778,713)	(259,452,221)	(279,778,713)	(259,452,221)
	2,327,797	94,399,703	3,866,024	(30,896,557)
	<u>8,726,599,516</u>	<u>7,684,100,365</u>	<u>17,434,501,357</u>	<u>14,595,477,482</u>

	Quarter ended December 31,		Half year ended December 31,	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
11.1.1 Raw material consumed				
Opening Stock	3,828,753,645	2,402,537,123	2,878,817,974	2,952,252,684
Purchases including purchase expenses	8,466,636,629	7,179,758,374	15,776,677,717	12,016,901,992
	<u>12,295,390,274</u>	<u>9,582,295,497</u>	<u>18,655,495,691</u>	<u>14,969,154,676</u>
Closing stock	(4,753,807,653)	(3,122,371,612)	(4,753,807,653)	(3,122,371,612)
	<u><u>7,541,582,620</u></u>	<u><u>6,459,923,885</u></u>	<u><u>13,901,688,038</u></u>	<u><u>11,846,783,064</u></u>

12. TRADING PROFIT

Sale of polyester / cotton	37,475,086	-	37,475,086	-
Cost of sales	(37,287,711)	-	(37,287,711)	-
	<u>187,375</u>	<u>-</u>	<u>187,375</u>	<u>-</u>

13. Other income

Income from financial assets:				
Profit on deposits	258,819,597	78,616,400	436,292,647	196,761,470
Gain on sale of short term Investment	11,914,209	-	11,914,209	-
Adjustment in fair value of short term investment- net	49,188,203	-	49,188,203	-
Income from Non financial assets:				
Gain on disposal of vehicle	1,711,031	8,719	1,603,539	1,082,360
Other	30,061,871	35,434,543	64,236,657	69,911,100
	<u>351,694,911</u>	<u>114,059,662</u>	<u>563,235,255</u>	<u>267,754,930</u>

	Quarter ended December 31,		Half year ended December 31,	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees Restated

14. PROVISION FOR TAXATION

Current				
for the period	160,847,611	112,674,804	209,769,326	161,596,519
for prior period	-	586,613	-	586,613
Deferred	(180,423,024)	(89,237,558)	(97,833,076)	(89,237,559)
	<u>(19,575,413)</u>	<u>24,023,859</u>	<u>111,936,250</u>	<u>72,945,574</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. Significant transactions with related parties are as follows:-

Relationship	Nature of transaction	Un-Audited December 31, 2023 Rupees	Un-Audited December 31, 2022 Rupees
Key management personnel	Remuneration	52,400,000	20,096,531
Director	Short term loan		
	Repaid	-	80,885,000
	Obtained	-	150,770,000

16. Date of authorisation for issue

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

17. General

- (a) There is no unusual item included in these 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.
- (c) The figure of corresponding period have been rearranged wherever necessary to reflect more appropriate presentation in the financial statements.

18. Figures have been rounded off to nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED

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