

HALF YEAR REPORT
For the Period Ended December 31, 2020



ZAHIDJEE TEXTILE MILLS LIMITED

Zahidjee Textile Mills Limited

Half Yearly Report
December 31, 2020

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Company Information

Board of Directors

Mr. Muhammad Sharif
Chairman
 Mr. Muhammad Zahid
Chief Executive
Directors
 Mr. Ahmad Zahid
 Miss Mehreen Zahid
 Mr. Sajjad Hussain Shah
 Mr. Faisal Masood Afzal
 Brig (R) Wali Muhammad

Bankers of the Company

Allied Bank Limited
 Askari Bank Limited
 Bank Al-Falah Limited
 BankIslami Pakistan Limited
 Faysal Bank Limited
 JS Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan
 Samba Bank Limited
 The Bank of Punjab
 United Bank Limited

Audit Committee

Mr. Faisal Masood Afzal
 (Chairman)
 Mr. Sajjad Hussain Shah
 Miss Mehreen Zahid

HR & Remuneration Committee

Brig (R) Wali Muhammad
 (Chairman)
 Miss Mehreen Zahid
 Mr. Muhammad Sharif
 Mr. Muhammad Zahid

Company Secretary

Mr. Nasir Hameed

Chief Financial Officer

Mr. Anwar-ul-Haq

Share Registrar

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

Registered Office

2-H, Gulberg-II, Jail Road, Lahore
 Tel: 042-35777291-5

Auditors

RSM Avais Hyder Liaquat Nauman
 Chartered Accountants

Export Office

20, Bilal Road, Civil Lines
 Faisalabad
 Tel: 041-2409223-4

Mills

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

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors take immense pleasure in presenting their report, along-with the operational and financial results of the Company, for the half year ended December 31, 2020.

Financial Results

The Summary of key Financial numbers is presented below:

	December 31	
	2020	2019
	(Rupees in '000')	
Sales	7,668,734	7,385,452
Gross profit	913,581	993,821
Profit before taxation	678,203	672,730
Provision for taxation	91,710	44,826
Profit after taxation	586,493	627,905
Earnings per share – Basic and diluted	3.06	3.28

The Company has successfully managed to increase its sales volume, despite challenging economic factors and Covid-19 pandemic. The costs of production have increased in the current period on account of increase in cost of raw materials and general inflation factor in other costs. All these factors led to a decrease in Gross Profit to Rs. 913.581 million from Rs. 993.821 million of preceding year. However, the management left no stone unturned to mitigate the challenges and achieved sales of Rs. 7.66 billion as compared to Rs. 7.38 billion during corresponding period of last year, thus registered an increase of 3.8% in gross sales. Whereas, the company earned a net profit after tax of Rs. 586.493 million as compared to Rs. 627.905 million during last year's corresponding period.

The net profit translated into Earnings per Share (EPS) of Rs. 3.06 as against Rs. 3.28 of the corresponding period.

Future Prospects

The Overall, economic and business environment continued to be very challenging for all businesses in Pakistan. However, Government's initiatives and support to revive the Economy owing to the COVID-19 pandemic is showing progressive results. Despite these factors, the Company performed with great spirit and maintained its position in the domestic and foreign markets.

Consolidated Financial Statements:

Zahidjee Towers (Pvt) Limited is the subsidiary company of Zahidjee Textile Mills Ltd. Therefore, the Company has annexed consolidated interim financial information in addition to its unconsolidated interim financial information, in accordance with the requirements of International Financial Reporting Standards.

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



MUHAMMAD SHARIF
Director



MUHAMMAD ZAHID
Chief Executive Officer

Dated: February 25, 2021
Lahore

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والے نصف سال کے لئے، کمپنی کے عملی اور مالی نتائج کی قانونی آڈیٹرز کی نظر ثانی کردہ جامع رپورٹ پیش کرتے ہوئے انتہائی خوشی محسوس کر رہے ہیں

مالی نتائج:

اہم مالیاتی فیروں کا خلاصہ ذیل میں پیش کیا گیا ہے

31 دسمبر		
2020	2019	
(روپے ہزاروں میں)		
7,668,734	7,385,452	فروخت
913,581	993,821	مجموعی منافع
678,203	672,730	منافع قبل از ٹیکس
91,710	44,826	ٹیکسیشن
586,493	627,905	منافع بعد از ٹیکس
3.06	3.28	فی شیئر آمدن

چیلینجنگ معاشی عوامل اور کوڈ-19 وبائی امراض کے باوجود، کمپنی اپنی فروخت کے حجم میں اضافہ کرنے میں کامیاب رہی۔ موجودہ مدت میں خام مال کی قیمت میں اضافہ اور منسگائی کے باعث پیداواری لاگت میں اضافہ ہوا ہے۔ ان سارے عوامل کی وجہ سے مجموعی منافع 913,581 ملین روپے ہا جو کے پچھلے سال 993,821 ملین روپے تھا۔ تاہم، انتظامیہ نے چیلنجز کے خاتمے کے لئے اپنی پوری کوشش کی اور 7.66 بلین روپے کی فروخت حاصل کی۔ جو کہ گزشتہ سال کی اسی مدت کے دوران 7.38 بلین روپے ہے اور 3.8 فیصد کا اضافہ ہوا ہے جب کہ کمپنی نے ٹیکس کے بعد خالص منافع 627,905 ملین روپے کمایا جو کہ گزشتہ سال کی اسی مدت کے دوران 586,493 ملین روپے ہے۔ جس کی وجہ سے فی شیئر آمدنی 3.06 روپے ہو گئی ہے۔ جو کہ گزشتہ سال کی اسی مدت کے دوران 3.28 روپے تھی۔

مستقبل کا نقطہ نظر:

مجموعی طور پر پاکستان میں تمام کاروباروں کے لیے کاروباری اور معاشی ماحول مشکل رہا۔ وبائی امراض کی وجہ سے معیشت کو دوبارہ بحال کرنے کے لئے حکومت کے اقدامات اور مدد سے ترقی پسند نتائج برآمد ہو رہے ہیں۔ ان عوامل کے باوجود، کمپنی نے بڑے جذبے کے ساتھ کارکردگی کا مظاہرہ کیا اور ملکی اور غیر ملکی منڈیوں میں اپنی پوزیشن برقرار رکھی۔

مجموعی مالی سٹیمینٹس:

زادرجی ٹاورز (پرائیویٹ) لمیٹڈ زادرجی ٹیکسٹائل ملز لمیٹڈ کی ذیلی ادارہ ہے لہذا، اس کمپنی نے بین الاقوامی مالیاتی رپورٹنگ کے معیارات کے تقاضوں کے مطابق، الگ انہیرم فنانشل معلومات کے ساتھ ساتھ مجموعی انہیرم فنانشل معلومات بھی منسلک کی ہیں۔

اظہار تشکر:

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

بورڈ آف ڈائریکٹرز کی جانب سے

Muhammad Farid

محمد شریف

(ڈائریکٹر)

Muhammad Farid

محمد زاہد

(چیف ایگزیکٹو آفیسر)

مورخہ: 25 فروری، 2021

مقام: لاہور



RSM Avas Hyder Liaquat Nauman
Chartered Accountants

478-D, Peoples Colony No. 1
Faisalabad - Pakistan

T: +92 (41) 854 1165, 854 1965
F: +92 (41) 854 2765

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Zahidjee Textile Mills Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Zahidjee Textile Mills Limited ("the Company") as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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AUDIT | TAX | CONSULTING

Other Offices at:
Lahore : 92 (42) 358 72731-3
Karachi : 92 (21) 356 55975-6
Islamabad : 92 (51) 235 6041-2
Quetta : 92 (81) 282 9809
Peshawar : 92 (91) 527 8310-527 7205
Kabul : 93 (799) 058155

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's review report is Hamid Masood.

RSM AVAIS HYDER LIAQUAT NAUMAN *phw*
CHARTERED ACCOUNTANTS

PLACE: FAISALABAD

DATED:

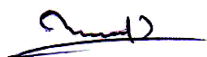
Unconsolidated Condensed Interim Financial Statements

For The Half Year Ended December 31, 2020

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2020

	Note	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	3	6,392,749,020	6,613,186,162
Intangible assets		-	330,203
Investment in subsidiary	4	359,200,000	359,200,000
Long term security deposits		4,476,224	4,476,224
		6,756,425,244	6,977,192,589
CURRENT ASSETS			
Stores, spares and loose tools		219,640,767	155,356,386
Stock in trade		3,599,293,798	2,926,873,525
Trade debts		1,477,964,270	1,729,035,469
Loans, advances and deposits		239,682,383	249,325,964
Prepayments		10,023,439	187,967
Other receivables		103,680,861	84,617,550
Short term investment	5	106,997,877	56,790,569
Tax refunds due from Government		127,356,977	177,558,960
Cash and bank balances		183,898,216	63,840,188
		6,068,538,588	5,443,586,578
CURRENT LIABILITIES			
Trade and other payables		1,173,498,408	887,327,709
Interest / markup payable		46,953,144	59,198,537
Short term borrowings		2,584,361,814	2,980,917,815
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		222,269,514	210,628,546
Provision for taxation - income tax		114,180,740	195,763,444
		4,142,468,241	4,335,040,672
		8,682,495,591	8,085,738,495
NON - CURRENT LIABILITIES			
Long term finance		1,158,891,767	1,137,357,078
Deferred liability			
Deferred taxation	6	459,851,280	481,265,653
		1,618,743,047	1,618,622,731
CONTINGENCIES AND COMMITMENTS			
	7	-	-
Net worth		7,063,752,544	6,467,115,764
Represented by			
SHARE CAPITAL AND RESERVES			
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		1,130,731,436	1,157,269,154
Revenue reserves	9	3,652,551,605	3,029,377,107
		7,063,752,544	6,467,115,764
		7,063,752,544	6,467,115,764

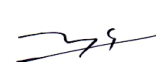
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

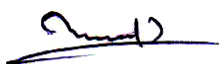


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	Quarter ended December 31,		Half year ended December 31,	
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
Sales	10	3,786,706,060	3,672,305,602	7,668,733,916	7,385,452,155
Cost of goods sold	11	3,297,945,396	3,334,490,408	6,755,153,183	6,391,630,793
Gross profit		488,760,664	337,815,194	913,580,733	993,821,362
Trading profit / (loss)	12	1,865,431	(922,926)	2,548,564	(922,926)
Other income		38,596,724	2,245,447	53,195,301	6,137,308
		529,222,819	339,137,715	969,324,598	999,035,744
Distribution cost		35,053,057	47,460,994	70,605,580	71,838,232
Administrative expenses		26,622,584	32,654,306	53,517,252	64,319,358
Other operating expenses		32,119,276	3,253,531	56,181,868	35,625,593
Finance cost		56,952,060	97,516,808	110,816,624	154,522,362
		150,746,977	180,885,639	291,121,324	326,305,545
Profit / (loss) for the period before taxation		378,475,842	158,252,076	678,203,274	672,730,199
Provision for taxation	13	37,338,518	(5,532,904)	91,710,020	44,825,607
Profit / (loss) for the period		341,137,324	163,784,980	586,493,254	627,904,592
Earnings per share - Basic and diluted		1.78	0.86	3.06	3.28

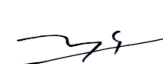
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CHIEF EXECUTIVE OFFICER



DIRECTOR

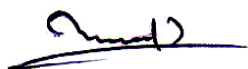


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	<u>Quarter ended December 31,</u>		<u>Half year ended December 31,</u>	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Profit / (loss) for the period	341,137,324	163,784,980	586,493,254	627,904,592
Other comprehensive income	-	-	-	-
Items that will not be subsequently reclassified to profit or loss :				
Incremental depreciation on revalued assets				
net of deferred tax	13,191,403	14,951,914	28,796,675	34,774,101
Related deferred tax	3,415,680	4,224,680	7,884,932	9,824,614
	16,607,083	19,176,594	36,681,607	44,598,715
Total comprehensive income for the period	<u>357,744,407</u>	<u>182,961,574</u>	<u>623,174,861</u>	<u>672,503,307</u>

The annexed notes 1 to 17 form an integral part of these condensed interim 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, 2020

	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, 2019 (Audited)	1,914,210,990	366,258,513	1,228,748,321	1,595,006,834	300,000,000	2,105,446,506	2,405,446,506	5,914,663,967
Transactions with owners								
Dividend paid (Rs. 0.85 per share of Rs. 10 each)	-	-		-	-	162,708,296	162,708,296	162,708,296
Total comprehensive income for the period								
Profit for the period	-	-		-	-	627,904,592	627,904,592	627,904,592
Other comprehensive income Items that will not be subsequently reclassified to profit or loss	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the period	-	-	(44,595,715)	(44,595,715)	-	34,771,101	34,771,101	(9,824,614)
Related deferred tax	-	-	9,824,614	9,824,614	-	9,824,614	9,824,614	19,649,228
	-	-	(34,771,101)	(34,771,101)	-	44,595,715	44,595,715	9,824,614
Adjustment of deferred tax for the period	-	-	235,451	235,451	-	-	-	235,451
Balance as at December 31, 2019 (Unaudited)	1,914,210,990	366,258,513	1,194,212,671	1,560,471,184	300,000,000	2,615,238,517	2,915,238,517	6,389,920,691
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	69,513,836	69,513,836	69,513,836
Other comprehensive income Items that will not be subsequently reclassified to profit or loss	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the period	-	-	(44,624,391)	(44,624,391)	-	34,585,665	34,585,665	(10,038,726)
Related deferred tax	-	-	10,038,726	10,038,726	-	10,038,726	10,038,726	20,077,452
	-	-	(34,585,665)	(34,585,665)	-	44,624,391	44,624,391	10,038,726
Adjustment of deferred tax for the period	-	-	(2,357,852)	(2,357,852)	-	-	-	(2,357,852)
Balance as at June 30, 2020 (Audited)	1,914,210,990	366,258,513	1,157,269,154	1,523,527,667	300,000,000	2,729,376,744	3,029,376,744	6,467,115,401
Total comprehensive income for the period								
Profit for the period	-	-		-	-	586,493,254	586,493,254	586,493,254
Incremental depreciation on revalued assets for the period	-	-	(36,681,607)	(36,681,607)	-	28,796,675	28,796,675	(7,884,932)
Related deferred tax	-	-	7,884,932	7,884,932	-	7,884,932	7,884,932	15,769,864
	-	-	(28,796,675)	(28,796,675)	-	36,681,607	36,681,607	7,884,932
Adjustment of deferred tax for the period	-	-	2,258,957	2,258,957	-	-	-	2,258,957
Balance as at December 31, 2020 (Unaudited)	1,914,210,990	366,258,513	1,130,731,436	1,496,989,949	300,000,000	3,352,551,605	3,652,551,605	7,063,752,544

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.



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, 2020

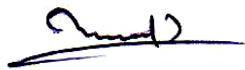
	Half year ended December 31,	
	2020 Rupees	2019 Rupees
(a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period before taxation	678,203,274	672,730,199
Adjustments for :		
Depreciation of property, plant and equipment	262,685,339	251,923,404
Amortization on intangible assets	330,203	396,244
Balances written off	49,197	174,183
Balances written back	(101)	(697,649)
Loss on disposal of operating assets	6,962,615	44,557
Fair value adjustment of short term investment	(24,089,774)	(546,171)
Finance cost	110,816,624	154,522,362
Operating cash flows before working capital changes	1,034,957,377	1,078,547,129
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(64,284,381)	(5,503,543)
Stock in trade	(672,420,273)	(573,332,571)
Trade debts	251,022,002	(304,028,580)
Loans, advances and deposits	(99,756,599)	48,038,786
Prepayments	(9,835,473)	24,451,716
Other receivables	(19,063,311)	(43,705,388)
Tax refunds due from Government	(6,132,293)	(26,783,161)
Increase / (Decrease) in current liabilities		
Trade and other payables	306,449,008	110,083,380
	(314,021,320)	(770,779,361)
Cash generated from operating activities	720,936,057	307,767,768
Finance cost paid	(123,062,017)	(144,960,037)
Income tax paid	(39,106,783)	(101,798,987)
Net cash generated from operating activities	558,767,257	61,008,744
(b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(56,722,671)	(745,772,687)
Proceeds from disposal of operating assets	7,511,320	13,872
Increase in short term investment	(26,117,534)	-
Net cash (used in) investing activities	(75,328,885)	(745,758,815)

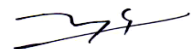
	Half year ended December 31, 2020 Rupees	2019 Rupees
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(c) CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing obtained	110,653,328	469,219,961
Long term financing repaid	(77,477,671)	(106,089,825)
Increase in short term borrowings - net	(396,556,001)	491,970,825
Dividend paid	-	(162,708,296)
Net cash generated from financing activities	<u>(363,380,344)</u>	<u>692,392,665</u>
Net increase in cash and cash equivalents (a+b+c)	120,058,028	7,642,594
Cash and cash equivalents at the beginning of the period	63,840,188	83,459,305
Cash and cash equivalents at the end of the period	<u><u>183,898,216</u></u>	<u><u>91,101,899</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim 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, 2020

1. STATUS AND ACTIVITIES

- 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 currently 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 and 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 were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.3** These condensed interim financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2. SIGNIFICANT 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, 2020.

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

2.2.1 Standards, interpretations and amendments to published approved accounting standards that are effective:

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, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.2.2 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, 2021 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, 2020.

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, 2020.

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, 2020.

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, 2020.

	Un-audited December 31, 2020	Audited June 30, 2020
Note	Rupees	Rupees

3. PROPERTY, PLANT AND EQUIPMENT

Operating assets	3.1	5,727,927,708	5,987,525,496
Capital work in progress	3.2	427,888,059	388,727,413
Non operating land		16,203,950	16,203,950
Advance against purchase of land		220,729,303	220,729,303
		<u>6,392,749,020</u>	<u>6,613,186,162</u>

	Note	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
3.1 Operating assets			
Book value at beginning of period / year		5,987,525,496	5,670,179,524
Additions during the period / year	3.1.1	17,562,025	843,077,724
Disposal during the period / year		(14,474,474)	(7,514,928)
Depreciation charge during the period / year		(262,685,339)	(518,216,824)
		<u>5,727,927,708</u>	<u>5,987,525,496</u>

3.1.1 Additions to operating assets, including transfer from capital work in progress, during the period / year were as follows

Building on freehold land	-	18,098,471
Plant and machinery	11,084,172	809,511,853
Electric installations	1,907,203	7,161,256
Factory equipment	140,175	4,637,193
Office equipment	880,703	307,489
Electric appliances	494,062	2,116,871
Furniture and fittings	266,210	1,244,591
Vehicles	2,789,500	-
	<u>17,562,025</u>	<u>843,077,724</u>

3.2 Capital work in progress

Civil work	378,881,074	352,628,863
Plant and machinery	49,006,985	36,098,550
	<u>427,888,059</u>	<u>388,727,413</u>

4. INVESTMENT IN SUBSIDIARY

Zahidjee Towers (Private) Limited

35,920,000 (June 30, 2020: 35,920,000) ordinary shares of Rs. 10/- each fully paid in cash. Ownership interest 54.39% (June 30, 2020: 54.39%).

<u>359,200,000</u>	<u>359,200,000</u>
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- 4.1** The principal object of Zahidjee Towers (Private) Limited is to provide all kinds of services related to the business of Hotels, Restaurants, Resorts, Motels. Registered office of the subsidiary is situated at 20 Bilal Road, Civil Lines, Faisalabad in the province of Punjab.

No provision for impairment has been made against investment in subsidiary as diminution in value is assessed to be temporary.

	Note	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
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5. SHORT TERM INVESTMENT

Investment in ordinary shares	5.1	86,997,877	56,790,569
Investment in term deposits receipts		20,000,000	-
		<u>106,997,877</u>	<u>56,790,569</u>

	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
5.1 Financial assets at fair value through profit or loss		
Quoted security		
Habib Metropolitan Bank Limited 2,022,854 (June 30 ,2020: 2,022,854)		
Ordinary shares of Rs.10/- each	56,255,569	72,984,572
JS Bank Limited 100,000 (June 30 ,2020: 100,000)		
Ordinary shares of Rs.10/- each	535,000	397,445
Askari Bank Limited 320,000 (June 30 ,2020: Nil)		
Ordinary shares of Rs.10/- each	6,117,534	-
	62,908,103	73,382,017
Adjustment in fair value	24,089,774	(16,591,448)
	<u>86,997,877</u>	<u>56,790,569</u>

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

	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
6. DEFERRED TAXATION		
Opening balance	481,265,653	394,642,812
(Reversal) of deferred tax related to		
Incremental depreciation on revalued assets	(7,884,932)	(19,863,340)
(Reversal) / Provision of deferred tax on surplus	(2,258,957)	2,122,401
(Reversal) / provision during the period	(11,270,484)	104,363,780
	<u>459,851,280</u>	<u>481,265,653</u>

6.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	468,778,669	579,865,356
Deferred tax asset:		
Carried forward losses / tax credits	(8,927,389)	(98,599,703)
	<u>459,851,280</u>	<u>481,265,653</u>

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies and commitments since the date of published audited financial statements for the year ended June 30, 2020, except the followings;

	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
Contingencies		
Bank guarantees issued in favour of :		
Sui Northern Gas Pipelines Limited for supply of gas.	98,955,000	98,955,000
Faisalabad Electric Supply Company Limited for supply of electricity.	21,342,760	21,342,760
Indemnity bonds issued in favour of collector of customs / sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.	305,324,444	402,418,776
Commitments		
Under letters of credit for:		
Plant and machinery	70,149,204	7,562,277
Raw material and spare parts	2,553,320,309	378,250,710
Under contracts for purchase of land	38,961,044	38,961,044
Under contracts for civil work	90,700,872	90,700,872

8. SHARE CAPITAL

8.1 Authorised capital

December 31, 2020 Number of shares	June 30, 2020	December 31, 2020 Rupees	June 30, 2020 Rupees
<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

December 31, 2020 Number of shares	June 30, 2019		December 31, 2020 Rupees	June 30, 2019 Rupees
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, 2020 Rupees	Audited June 30, 2020 Rupees
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9. Revenue reserves

General reserves	300,000,000	300,000,000
Unappropriated profit	3,352,551,605	2,729,377,107
	<u>3,652,551,605</u>	<u>3,029,377,107</u>

10. SALES

	Quarter ended December 31,		Half year ended December 31,	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Export				
Cloth / made ups	394,523,034	693,037,227	977,250,345	1,318,879,069
Local				
Yarn	3,714,946,166	3,265,514,658	7,323,382,685	6,667,858,609
Cloth	45,899,765	49,376,373	98,954,585	72,072,225
Waste and left over	171,820,859	161,816,071	357,875,031	339,576,464
Conversion receipts	54,840,801	3,561,774	87,232,435	11,005,710
	3,987,507,591	3,480,268,876	7,867,444,736	7,090,513,009
Less : Sales tax	(579,381,445)	(529,880,794)	(1,143,132,996)	(1,028,134,163)
	3,802,649,180	3,643,425,309	7,701,562,085	7,381,257,915
Add: Export rebate / duty drawback	12,673,197	57,587,635	23,720,015	58,160,133
	3,815,322,377	3,701,012,944	7,725,282,100	7,439,418,048
Less: Commission and claims	28,616,317	28,707,342	56,548,184	53,965,893
	<u>3,786,706,060</u>	<u>3,672,305,602</u>	<u>7,668,733,916</u>	<u>7,385,452,155</u>

11. COST OF GOODS SOLD

	Note	Quarter ended December 31,		Half year ended December 31,	
		2020	2019	2020	2019
		Rupees	Rupees	Rupees	Rupees
Cost of goods manufactured	11.1	3,223,717,322	3,367,439,226	6,378,091,697	6,467,921,673
Finished goods					
Opening stock		305,732,800	275,130,778	608,566,212	231,788,716
Closing stock		(231,504,726)	(308,079,596)	(231,504,726)	(308,079,596)
		74,228,074	(32,948,818)	377,061,486	(76,290,880)
		<u>3,297,945,396</u>	<u>3,334,490,408</u>	<u>6,755,153,183</u>	<u>6,391,630,793</u>

11.1 Cost of goods manufactured

Raw material consumed	11.1.1	2,452,957,302	2,501,334,183	4,924,302,125	4,934,973,100
Packing material consumed		99,807,667	72,073,283	103,950,360	73,478,098
Salaries, wages and benefits		156,740,378	211,472,560	340,405,926	389,370,397

Retirement benefits	6,239,257	6,438,105	13,293,531	13,564,879
Stores and spares consumed	65,690,521	38,564,054	168,892,488	121,536,983
Fuel and power	226,555,660	396,835,435	451,609,989	645,443,119
Repairs and maintenance	80,454,009	38,938,595	98,173,002	43,713,986
Insurance	3,703,712	2,195,458	7,906,689	10,724,802
Depreciation	126,174,496	113,321,823	259,999,494	247,687,168
Other	11,272,877	3,760,607	13,248,759	5,499,470
	<u>3,229,595,879</u>	<u>3,384,934,103</u>	<u>6,381,782,363</u>	<u>6,485,992,002</u>

Work in process

Opening stock

Closing stock

126,859,788	108,606,411	129,047,679	108,030,960
(132,738,345)	(126,101,288)	(132,738,345)	(126,101,288)
(5,878,557)	(17,494,877)	(3,690,666)	(18,070,328)
<u>3,223,717,322</u>	<u>3,367,439,226</u>	<u>6,378,091,697</u>	<u>6,467,921,673</u>

11.1.1 Raw material consumed

Opening stock	1,857,411,099	1,804,164,715	2,189,259,633	2,264,422,626
Purchases including purchase expenses	3,830,596,931	3,440,563,457	5,970,093,220	5,413,944,463
	<u>5,688,008,030</u>	<u>5,244,728,172</u>	<u>8,159,352,853</u>	<u>7,678,367,089</u>
Closing stock	(3,235,050,728)	(2,743,393,989)	(3,235,050,728)	(2,743,393,989)
	<u>2,452,957,302</u>	<u>2,501,334,183</u>	<u>4,924,302,125</u>	<u>4,934,973,100</u>

12. TRADING (LOSS) / PROFIT

Sale of polyester / cotton	27,683,132	35,492,754	254,856,411	35,492,754
Cost of sales	(25,817,701)	(36,415,680)	(252,307,847)	(36,415,680)
	<u>1,865,431</u>	<u>(922,926)</u>	<u>2,548,564</u>	<u>(922,926)</u>

13. PROVISION FOR TAXATION

Current				
for the period	56,241,940	48,267,398	114,180,740	103,964,596
for prior period	(11,200,236)	(3,908,509)	(11,200,236)	(3,908,509)
Deferred	(7,703,186)	(49,891,793)	(11,270,484)	(55,230,480)
	<u>37,338,518</u>	<u>(5,532,904)</u>	<u>91,710,020</u>	<u>44,825,607</u>

14. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of subsidiary, directors and key management personnel. Significant transactions with related parties are as follows:-

Relationship	Nature of transaction	Half year ended December 31,	
		2020 Rupees	2019 Rupees
Key management personnel	Remuneration	21,480,000	18,723,000
	Short term loan	(275,578,973)	(85,051,141)
	(Repaid)		
	Obtained	108,000,000	-

15. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 25, 2021 by the Board of Directors of the Company.

16. GENERAL

16.1 Provisions for taxation and workers' profit participation fund made in these condensed interim financial statements are subject to adjustment in annual financial statements.

16.2 There is no unusual item included in these condensed interim financial statements which is affecting assets, liabilities, equity, profit, other comprehensive income or cash flows of the Company.

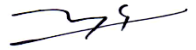
17. Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

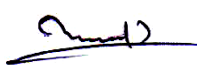
**Consolidated Condensed
Interim Financial Statements**

For The Half Year Ended December 31, 2020

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2020

	Note	(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	6,957,348,446	7,178,010,588
Intangible assets		-	330,203
Investment property	5	93,143,337	94,917,829
Long term security deposits		4,476,224	4,476,224
		7,054,968,007	7,277,734,844
CURRENT ASSETS			
Stores, spares and loose tools		219,640,767	155,356,386
Stock in trade		3,599,293,798	2,926,873,525
Trade debts		1,477,964,270	1,729,035,469
Loans, advances and deposit		244,899,130	252,004,445
Prepayments		10,023,439	187,967
Other receivables		103,680,861	83,817,550
Short term investment	6	106,997,877	56,790,569
Tax refunds due from Government		131,409,271	181,811,574
Cash and bank balances		187,051,234	68,852,324
		6,080,960,647	5,454,729,809
CURRENT LIABILITIES			
Trade and other payables		1,175,294,482	888,820,253
Interest / mark up payable		46,953,144	59,198,537
Short term borrowings		2,601,361,814	2,997,917,815
Unclaimed dividend		1,204,621	1,204,621
Current portion of long term finance		222,269,514	210,628,546
Provision for taxation - income tax		114,699,837	196,728,764
		4,161,783,412	4,354,498,536
		8,974,145,242	8,377,966,117
NON - CURRENT LIABILITIES			
Long term finance		1,158,891,767	1,137,357,078
Deferred liability			
Deferred taxation	7	459,851,280	481,265,653
		1,618,743,047	1,618,622,731
CONTINGENCIES AND COMMITMENTS			
Net worth	8	-	-
		7,355,402,195	6,759,343,386
Represented by :			
Share capital	9	1,914,210,990	1,914,210,990
Capital reserve			
Merger reserve		366,258,513	366,258,513
Surplus on revaluation of property, plant and equipment		1,130,731,436	1,157,269,154
Revenue reserves		3,647,156,093	3,024,295,953
		7,058,357,032	6,462,034,610
Non-controlling interest		297,045,163	297,308,776
		7,355,402,195	6,759,343,386

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


CHIEF EXECUTIVE OFFICER

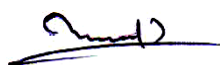

DIRECTOR


CHIEF FINANCIAL OFFICER

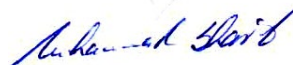
ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Note	Quarter ended December 31,		Half year ended December 31,	
		2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Sales	10	3,786,706,060	3,672,305,602	7,668,733,916	7,385,452,155
Cost of goods sold	11	3,297,945,396	3,334,490,408	6,755,153,183	6,391,630,793
Gross profit		488,760,664	337,815,194	913,580,733	993,821,362
Trading (loss) / profit	12	1,865,431	(922,926)	2,548,564	(922,926)
Other income		39,789,744	3,355,945	55,595,985	8,338,559
		530,415,839	340,248,213	971,725,282	1,001,236,995
Distribution cost		35,053,057	47,460,994	70,605,580	71,838,232
Administrative expenses		27,728,613	36,870,792	56,029,742	69,485,536
Other operating expenses		32,119,276	3,253,531	56,181,868	35,625,593
Finance cost		56,952,060	97,516,808	110,816,624	154,522,362
		151,853,006	185,102,125	293,633,814	331,471,723
Profit for the period before taxation		378,562,833	155,146,088	678,091,468	669,765,272
Provision for taxation	13	37,318,840	(5,286,412)	92,176,185	45,299,785
Profit for the period		341,243,993	160,432,500	585,915,283	624,465,487
Attributable to:					
Shareholders of the Parent		341,195,341	161,961,566	586,178,896	626,034,063
Non-controlling interest		48,652	(1,529,066)	(263,613)	(1,568,576)
		341,243,993	160,432,500	585,915,283	624,465,487
Earnings per share - Basic and diluted					
Attributable to shareholders of the Parent (Rupees)		1.78	0.84	3.06	3.26

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

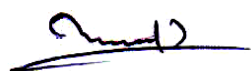


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	<u>Quarter ended December 31,</u>		<u>Half year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Profit for the period	341,243,993	160,432,500	585,915,283	624,465,486
Items that will not be subsequently reclassified to profit or loss				
Incremental depreciation on revalued assets for the period related deferred tax	13,191,403 3,415,680	14,951,914 4,224,680	- 28,796,675 7,884,932	34,771,101 9,824,614
	16,607,083	19,176,594	36,681,607	44,595,715
Total comprehensive income for the period	<u>357,851,076</u>	<u>179,609,094</u>	<u>622,596,890</u>	<u>669,061,202</u>
Attributable to:				
Shareholders of the Parent	357,802,424	181,138,160	622,860,503	670,629,778
Non-controlling interest	48,652	(1,529,066)	(263,613)	(1,568,576)
	<u>357,851,076</u>	<u>179,609,094</u>	<u>622,596,890</u>	<u>669,061,202</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

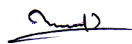


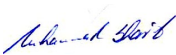
CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANY
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES				REVENUE RESERVES			Total	Non controlling interest
		Merger reserve	Fair value 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, 2019 (Audited)	1,914,210,990	366,258,513	-	1,228,748,321	1,595,006,834	300,000,000	2,101,711,406	2,401,711,406	5,910,929,230	298,437,541
Transactions with owners										
Dividend paid (Rs. 0.35 per share of Rs. 10 each)	-	-	-	-	-	-	(162,708,296)	(162,708,296)	(162,708,296)	-
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	626,034,063	626,034,063	626,034,063	(1,568,576)
Other comprehensive income										
Items that will not be subsequently reclassified to profit or loss										
Incremental depreciation on revalued assets for the period	-	-	-	(44,595,715)	(44,595,715)	-	34,771,101	34,771,101	(9,824,614)	-
Related deferred tax				9,824,614	9,824,614		9,824,614	9,824,614	19,649,228	
Surplus realised on disposal of property, plant and equipment	-	-	-			-				-
Related deferred tax	-	-	-			-				-
	-	-	-	(34,771,101)	(34,771,101)	-	670,629,778	670,629,778	635,858,677	(1,568,576)
Adjustment of deferred tax for the period	-	-	-	235,451	235,451	-	-	-	235,451	-
Balance as at December 31, 2019 (Unaudited)	1,914,210,990	366,258,513	-	1,194,212,671	1,560,471,184	300,000,000	2,609,632,888	2,909,632,888	6,384,315,062	296,868,965
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	70,038,311	70,038,311	70,038,311	439,811
Other comprehensive income										
Items that will not be subsequently reclassified to profit or loss										
Incremental depreciation on revalued assets for the period	-	-	-	(44,624,391)	(44,624,391)	-	34,585,665	34,585,665	(10,038,726)	-
Related deferred tax	-	-	-	10,038,726	10,038,726	-	10,038,726	10,038,726	20,077,452	-
Surplus realised on disposal of property, plant and equipment										
Related deferred tax									0	
	-	-	-	(34,585,665)	(34,585,665)	-	114,662,702	114,662,702	80,077,037	439,811
Adjustment of deferred tax for the period	-	-	-	(2,357,852)	(2,357,852)	-	-	-	(2,357,852)	-
Balance as at June 30, 2020 (Audited)	1,914,210,990	366,258,513	-	1,157,269,154	1,523,527,667	300,000,000	2,724,295,590	3,024,295,590	6,462,034,247	297,308,776
Transactions with owners										
Dividend paid (Rs. 0.35 per share of Rs. 10 each)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	586,178,896	586,178,896	586,178,896	(263,613)
Other comprehensive income										
Items that will not be subsequently reclassified to profit or loss										
Fair value reserve on available for sale investment										
Increase in fair value	-	-	-	-	-	-	-	-	-	-
Incremental depreciation on revalued assets for the period	-	-	-	(36,681,607)	(36,681,607)	-	28,796,675	28,796,675	(7,884,932)	-
Related deferred tax				7,884,932	7,884,932		7,884,932	7,884,932	15,769,864	
Incremental depreciation on of property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	-	-	-	-	-	-
	-	-	-	(28,796,675)	(28,796,675)	-	622,860,503	622,860,503	594,063,828	(263,613)
Adjustment of deferred tax for the period	-	-	-	2,258,957	2,258,957	-	-	-	2,258,957	-
Balance as at December 31, 2020 (Unaudited)	1,914,210,990	366,258,513	-	1,130,731,436	1,496,989,949	300,000,000	3,347,156,093	3,647,156,093	7,058,357,032	297,045,163

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,	
	2020 Rupees	2019 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	678,091,468	669,765,272
Adjustments for :		
Depreciation of property, plant and equipment	262,910,339	254,781,784
Depreciation on investment property	1,774,492	1,899,384
Amortization on intangible assets	330,203	396,244
loss on disposal of operating assets	6,962,615	44,557
Balances written off	49,197	174,183
Balances written back	(101)	(697,649)
Fair value adjustment of short term investment	(24,089,774)	(546,171)
Finance cost	110,816,624	154,522,362
Profit on deposit	(51,864)	(65,959)
Operating cash flows before working capital changes	1,036,793,199	1,080,274,007
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(64,284,381)	(5,503,543)
Stock in trade	(672,420,273)	(573,332,571)
Trade debts	251,022,002	(304,028,580)
Loans and advances	(102,705,552)	48,038,786
Prepayments	(9,835,473)	24,451,716
Other receivables	(19,063,311)	(43,709,472)
Tax refunds due from Government - sales tax	(6,132,293)	(26,783,161)
	(623,419,281)	(880,866,825)
Increase / (decrease) in current liabilities		
Trade and other payables	305,952,538	111,020,880
	(317,466,743)	(769,845,945)
Cash generated from / (used in) operating activities	719,326,456	310,428,062
Income tax paid	(39,408,164)	(102,121,789)
Finance cost paid	(123,062,018)	(144,960,037)
Net cash generated from / (used in) operating activities	556,856,274	63,346,236

Half year ended December 31,	
2020 Rupees	2019 Rupees

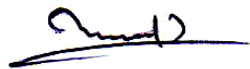
b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in property, plant and equipment	(56,722,671)	(745,772,687)
Proceeds from disposal of operating assets	7,511,320	13,872
Profit on deposit	51,864	65,959
Addition in short term investments	(26,117,534)	-
Net cash (used in) investing activities	<u>(75,277,021)</u>	<u>(745,692,856)</u>

c) CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing obtained	110,653,328	469,219,961
Long term financing repaid	(77,477,671)	(106,089,825)
Increase in short term borrowings - net	(396,556,001)	491,970,825
Dividend paid	-	(162,708,296)
Net cash generated from financing activities	<u>(363,380,344)</u>	<u>692,392,665</u>
Net increase in cash and cash equivalents (a+b+c)	118,198,910	10,046,045
Cash and cash equivalents at the beginning of the period	68,852,324	83,907,182
Cash and cash equivalents at the end of the period	<u><u>187,051,234</u></u>	<u><u>93,953,227</u></u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ZAHIDJEE TEXTILE MILLS LIMITED AND ITS SUBSIDIARY SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. GROUP STATUS AND ACTIVITIES

- 1.1** The Group consists of Zahidjee Textile Mills Limited (the Parent) and Zahidjee Towers (Private) Limited (the Subsidiary).

The Parent is incorporated in Pakistan 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 currently 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 and M-3 Industrial Estate, Faisalabad, in the province of Punjab.

The Subsidiary is incorporated in Pakistan as a private limited company under the repealed Companies Ordinance, 1984 (Repealed with the enactment of Companies Act 2017 on May 30, 2017). The principal objective of subsidiary is to provide all kinds of services related to the business of Hotels, Restaurants, Resorts, Motels. Registered office of the subsidiary is situated at 20 Bilal Road, Civil Lines, Faisalabad in the province of Punjab.

- 1.2** These condensed interim consolidated financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency.

2. BASIS OF CONSOLIDATION

The financial statements of the Parent and Subsidiary are combined on a line by line basis. The financial statements of the Subsidiary are consolidated from the date on which more than 50% voting rights are transferred to or power to control the Subsidiary is established and are excluded from consolidation from the date of disposal or reduction of control.

All intra-Group balances, transactions and resulting unrealised profits, if any, are eliminated.

Non-controlling is that part of the net results of the operations and net assets of the Subsidiary attributable to interest which are not owned by the Parent.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

- 3.1.1** 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.

- 3.1.2** 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.

- 3.1.3** These condensed interim financial statements does not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Group for the year ended June 30, 2020.

3.2 Changes in accounting standards, interpretations and amendments to published approved accounting standards

3.2.1 Standards, interpretations and amendments to published approved accounting standards that are effective:

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, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

3.2.2 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, 2021 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, 2020.

3.3 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.
- Short term investments measured at fair value.

3.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the published audited consolidated financial statements for the year ended June 30, 2020.

3.5 Estimates, judgments and risk management policies

3.5.1 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.

3.5.2 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.

3.5.3 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, 2020.

	Note	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	5,732,202,708	5,992,025,496
Non-operating land and building		576,528,376	576,528,376
Capital work in progress	4.2	427,888,059	388,727,413
Advance against purchase of land		220,729,303	220,729,303
Advances for capital expenditures		-	-
		<u>6,957,348,446</u>	<u>7,178,010,588</u>

4.1 Operating assets

Book value at beginning of period / year		5,992,025,496	5,670,179,524
Additions during the period / year	4.1.1	17,562,025	848,077,724
Disposal during the period / year		(14,474,474)	(7,514,928)
Depreciation charge during the period / year		(262,910,339)	(518,716,824)
		<u>5,732,202,708</u>	<u>5,992,025,496</u>

**4.1.1 Additions to operating assets, including
transfer from capital work in progress, during the
period / year were as follow**

Building on freehold land	-	23,098,471
Plant and machinery	11,084,172	809,511,853
Electric installations	1,907,203	7,161,256
Factory equipment	140,175	4,637,193
Office equipment	880,703	307,489
Electric appliances	494,062	2,116,871
Furniture and fittings	266,210	1,244,591
Vehicles	2,789,500	
	<u>17,562,025</u>	<u>848,077,724</u>

4.2 Capital work in progress

Civil work	378,881,074	352,628,863
Plant and machinery	49,006,985	36,098,550
	<u>427,888,059</u>	<u>388,727,413</u>

5. INVESTMENT PROPERTY**Land**

Cost	23,938,150	23,938,150
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Building

For the period ended December 31,

Opening net book value as at July 01,	70,979,679	75,975,354
Depreciation charge	(1,774,492)	(4,995,675)
Closing net book value as at December 31,	<u>69,205,187</u>	<u>70,979,679</u>

Closing balance as at December 31,

Cost	76,887,793	76,887,793
Accumulated depreciation	(7,682,606)	(5,908,114)
Net book value	<u>69,205,187</u>	<u>70,979,679</u>
Total	<u>93,143,337</u>	<u>94,917,829</u>
Annual rate of depreciation (%)	5%	5%

- 5.1** The fair value of investment property is Rs.108,560,000/-. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

Un-audited

Audited

December 31, 2020 Rupees	June 30, 2020 Rupees
--------------------------------	----------------------------

6. SHORT TERM INVESTMENT

Investment in ordinary shares	86,997,877	56,790,569
Investment in term deposits receipts	20,000,000	-
	<u>106,997,877</u>	<u>56,790,569</u>
Financial assets at fair value through profit or loss		
Quoted security		
Habib Metropolitan Bank Limited		
2,022,854 (June 20 ,2020: 2,022,854)		
Ordinary shares of Rs.10/- each	56,255,569	72,984,572
JS Bank Limited		
100,000 (June 30 ,2020: 100,000)		
Ordinary shares of Rs.10/- each	535,000	397,445
Askari Bank Limited		
320,000 (June 30 ,2020: Nil)		
Ordinary shares of Rs.10/- each	6,117,534	-
	62,908,103	73,382,017
Adjustment in fair value	24,089,774	(16,591,448)
	-	-
	<u>86,997,877</u>	<u>56,790,569</u>

7. DEFERRED TAXATION

Opening balance	481,265,653	394,642,812
(Reversal) of deferred tax related to		
Incremental depreciation on revalued assets	(7,884,932)	(19,863,340)
Surplus realised on disposal of revalued assets	-	-
(Reversal) / provision of deferred tax on surplus	(2,258,957)	2,122,401
Provision for the period	(11,270,484)	104,363,780
	<u>459,851,280</u>	<u>481,265,653</u>

7.1 It represents the following:

Deferred tax liability:		
Difference between accounting and tax bases of assets	468,778,669	579,865,356
Deferred tax asset:		
Carried forward losses / tax credits	(8,927,389)	(98,599,703)
	<u>459,851,280</u>	<u>481,265,653</u>

8. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies and commitments since the date of published audited financial statements for the year ended June 30, 2020, except the followings;

(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
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Contingencies

Bank guarantees issued in favour of :			
Sui Northern Gas Pipelines Limited for supply of gas.	98,955,000	98,955,000	
Faisalabad Electric Supply Company Limited for supply of electricity.	21,342,760	21,342,760	
Indemnity bonds issued in favour of collector of customs / sales tax, Faisalabad to avail exemption of sales tax and custom duty on imported raw material / machinery.			
	305,324,444	402,418,776	

Commitments

Under letters of credit for raw material and spare parts			
Under letters of credit for:			
Plant and machinery	70,149,204	7,562,277	
Raw material and spare parts	2,553,320,309	378,250,710	
Under contracts for purchase of land			
Under contracts for civil work	38,961,044	38,961,044	
	90,700,872	90,700,872	

9. SHARE CAPITAL**9.1 Authorised capital**

Un-audited December 31, 2020	Audited June 30, 2020		Un-audited December 31, 2020	Audited June 30, 2020	
Number of shares			Rupees	Rupees	
<u>220,000,000</u>	<u>220,000,000</u>		<u>2,200,000,000</u>	<u>2,200,000,000</u>	

9.2 Issued, subscribed and paid up capital

Un-audited December 31, 2020	Audited June 30, 2020		Un-audited December 31, 2020	Audited June 30, 2020	
Number of shares			Rupees	Rupees	
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>	

Quarter ended December 31,		Half year ended December 31,	
2020	2019	2020	2019
Rupees	Rupees	Rupees	Rupees

10. SALES

Export				
Cloth / made ups	394,523,034	693,037,227	977,250,345	1,318,879,069

Local				
Yarn	3,714,946,166	3,265,514,658	7,323,382,685	6,667,858,609
Cloth	45,899,765	49,376,373	98,954,585	72,072,225
Waste and left over	171,820,859	161,816,071	357,875,031	339,576,464
Conversion receipts	54,840,801	3,561,774	87,232,435	11,005,710
	3,987,507,591	3,480,268,876	7,867,444,736	7,090,513,008
Less : Sales tax	(579,381,445)	(529,880,794)	(1,143,132,996)	(1,028,134,163)
	3,802,649,180	3,643,425,309	7,701,562,085	7,381,257,915
Add: Export rebate / duty drawback	12,673,197	57,587,635	23,720,015	58,160,133
	3,815,322,377	3,701,012,944	7,725,282,100	7,439,418,048
Less: Commission and claims	28,616,317	28,707,342	56,548,184	53,965,893
	3,786,706,060	3,672,305,602	7,668,733,916	7,385,452,155

11. COST OF GOODS SOLD

Cost of goods manufactured	3,223,717,322	3,367,439,226	6,378,091,697	6,467,921,674
Finished goods				
Opening stock	305,732,800	275,130,778	608,566,212	231,788,716
Closing stock	(231,504,726)	(308,079,596)	(231,504,726)	(308,079,596)
	74,228,074	(32,948,818)	377,061,486	(76,290,880)
	3,297,945,396	3,334,490,408	6,755,153,183	6,391,630,793

11.1 Cost of goods manufactured

Raw material consumed	2,452,957,302	2,501,334,183	4,924,302,125	4,934,973,100
Packing material consumed	99,807,667	72,073,283	103,950,360	73,478,098
Salaries, wages and benefits	156,740,378	211,472,560	340,405,926	389,370,397
Retirement benefits	6,239,257	6,438,105	13,293,531	13,564,879
Stores and spares consumed	65,690,521	38,564,054	168,892,488	121,536,983
Fuel and power	226,555,660	396,835,435	451,609,989	645,443,119
Repairs and maintenance	80,454,009	38,938,595	98,173,002	43,713,986
Insurance	3,703,712	2,195,458	7,906,689	10,724,802
Depreciation	126,174,496	113,321,823	259,999,494	247,687,168
Other	11,272,877	3,760,607	13,248,759	5,499,470
	3,229,595,879	3,384,934,103	6,381,782,363	6,485,992,002
Work in process				
Opening stock	126,859,788	108,606,411	129,047,679	108,030,960
Closing stock	(132,738,345)	(126,101,288)	(132,738,345)	(126,101,288)
	(5,878,557)	(17,494,877)	(3,690,666)	(18,070,328)
	3,223,717,322	3,367,439,226	6,378,091,697	6,467,921,674

Quarter ended		Half year ended	
December 31,		December 31,	
2020	2019	2020	2019
Rupees	Rupees	Rupees	Rupees

11.1.1 Raw material consumed

Opening stock	1,857,411,099	1,804,164,715	2,189,259,633	2,264,422,626
Purchases including purchase expenses	3,830,596,931	3,440,563,457	5,970,093,220	5,413,944,463
	5,688,008,030	5,244,728,172	8,159,352,853	7,678,367,089
Closing stock	(3,235,050,728)	(2,743,393,989)	(3,235,050,728)	(2,743,393,989)
	2,452,957,302	2,501,334,183	4,924,302,125	4,934,973,100

12. TRADING (LOSS) / PROFIT

Sale of polyester / cotton	27,683,132	35,492,754	254,856,411	35,492,754
Cost of sales	(25,817,701)	(36,415,680)	(252,307,847)	(36,415,680)
	<u>1,865,431</u>	<u>(922,926)</u>	<u>2,548,564</u>	<u>(922,926)</u>

13. PROVISION FOR TAXATION

Current				
for the period	56,275,194	48,517,074	114,699,837	104,441,958
for prior period	(11,253,168)	(3,911,693)	(11,253,168)	(3,911,693)
Deferred	(7,703,186)	(49,891,793)	(11,270,484)	(55,230,480)
	<u>37,318,840</u>	<u>(5,286,412)</u>	<u>92,176,185</u>	<u>45,299,785</u>

14. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

The Group in the normal course of business carries out transactions with various related parties which comprise of directors and key management personnel. Significant transactions with related parties are as follows:-

Relationship	Nature of transaction	Half year ended December 31,	
		2020 Rupees	2019 Rupees
Key management personnel	Remuneration	21,480,000	18,723,000
Directors	Short term loan repaid	(275,578,973)	(85,051,141)
	Short term loan obtained	108,000,000	-

15. DATE OF AUTHORISATION FOR ISSUE

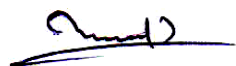
These condensed interim consolidated financial statements were authorised for issue on February 25, 2021 by the Board of Directors of the Parent.

16. GENERAL

16.1 Provision for workers' profit participation fund made in these condensed interim consolidated financial statements is subject to adjustment in the annual consolidated financial statements.

16.2 There is no unusual item included in these condensed interim consolidated financial statements which is affecting equity, liabilities, assets, profit, comprehensive income or cash flows of the Group.

17. Figures have been rounded off to the nearest of Rupees.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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