



ZEPHYR
TEXTILES LIMITED

Zephyr Textiles Limited

**Accounts For 1st Quarter
Ended September 30, 2022**

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Company Information

| | | |
|---|--|---------------------------|
| BOARD OF DIRECTORS: | Mr. Mussaid Hanif | CEO |
| | Mr. Arbab Muhammad Khan | |
| | Mr. Rana Kamal Ud Din | |
| | Ms. Tehniyat Mussaid | Chairperson |
| | Ms. Sabah Burhan | |
| | Ms. Sarah Naviwala | |
| | Ms. Nuzhat Kamran | |
| AUDIT COMMITTEE: | Ms. Nuzhat Kamran | Chairperson/Member |
| | Mr. Rana Kamal Ud Din | Member |
| | Ms. Tehniyat Mussaid | Member |
| HR & REMUNERATION COMMITTEE: | Ms. Nuzhat Kamran | Chairperson/Member |
| | Mr. Arbab Muhammad Khan | Member |
| | Ms. Sabah Burhan | Member |
| CHIEF FINANCIAL OFFICER: | Mr. Naveed Aleem | |
| COMPANY SECRETARY: | Mr. Abdul Jabbar | |
| AUDITORS: | Azhar Zafar & Company | Chartered Accountants |
| LEGAL ADVISOR: | Ahmad Law Firm Advocate High Court Suit No. 7, Block No. 9, Shabbir Town, Executive Suits, 2.5 Km Raiwind Road, Lahore-54000, Pakistan | |
| BANKERS TO THE COMPANY: | Habib Bank Limited | National Bank of Pakistan |
| | Allied Bank Limited | MCB Bank Limited |
| | Askari Bank Limited | The Bank of Punjab |
| | United Bank Limited | Faysal Bank Limited |
| | Habib Metropolitan Bank Limited | Meezan Bank Limited |
| | Bank Al Habib Limited | Silk Bank Limited |

| | | |
|---------------|-----------------------------------|------------------------------|
| MILLS: | 1 km, Balloki Bhai Pheru Road | (Weaving unit & Power plant) |
| | Bhai Pheru. | |
| | Phone : 0494 - 512007-9, 513103-5 | |
| | Fax : 0494 - 512011 | |
| | 63 km, Gulshan Adda, | (Towel Unit) |
| | Jumber Khurd, District Kasur. | |

| | |
|--------------------------------------|---|
| REGISTERED & HEAD OFFICE: | 3rd Floor, IEP Building, 97 B/D-I, Gulberg III, Lahore E-mail: info@zephyr.com.pk Website: www.zephyrtextiles.com Phone : 042 35782905 - 15 Fax : 042 35753202 |
|--------------------------------------|---|

Note: Zephyr's Company Information & Financial Statements are also available at the above website.

Directors' Report to the Members

Directors of Zephyr Textiles Limited are pleased to present the un-audited interim financial statements for the first quarter ended September 30, 2022. These interim financial statements are presented in accordance with the requirements of the Companies Act, 2017.

Operating and Financial Results

During the quarter ended September 30, 2022, the company earned a gross profit of PKR 209.538 million on sales of PKR 1,918.586 million compared to gross profit of PKR 233.800 million on sales of PKR 2,118.775 million for the corresponding period of previous financial year. Similarly, net profit decreased by 4.25% as compared to corresponding period last year.

| Financial Highlights Description | Quarter ended September 30, 2022 (Rupees) | Quarter ended September 30, 2021 (Rupees) |
|---------------------------------------|---|---|
| Sales - net | 1,918,586,497 | 2,118,775,113 |
| Gross Profit | 209,537,767 | 233,800,350 |
| Operating Profit for the period | 136,543,948 | 138,769,695 |
| Financial charges | 34,900,678 | 32,788,787 |
| Profit for the period before taxation | 101,643,270 | 105,980,908 |
| Taxation current | 18,882,538 | 19,543,846 |
| Profit for the period after taxation | 82,760,732 | 86,437,062 |
| Earning Per Share | 1.39 | 1.45 |

Global economic activity is experiencing a broad-based and sharper than expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions. Russia's invasion of Ukraine, and the lingering COVID-19 pandemic related restrictions in China weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

The Company performed satisfactorily in first quarter of current financial period although there is 9.45% decrease in revenue due to above mentioned global economic condition and domestic issues like scarce and costly fuel and power, hyper-inflation, political instability and severe flooding due to climate change. There is a question mark on new orders for next quarter due to the global slowdown. Availability of raw material is also serious concern after the cotton crop damage from devastating flood. Many textile factories have shut down due to cotton and electricity shortages. The situation might improve in mid third quarter of the current financial period if we are able to counter the above challenges and global textile demand improves.

The directors would like to record their appreciation for the continued commitment and hard work being carried out by the employees of the Company.

For and on behalf of the Board of Directors



MUSSAID HANIF
Chief Executive

Lahore
October 27, 2022



ARBAB MUHAMMAD KHAN
Executive Director

Statement of Financial Position

As at September 30, 2022 (Un-Audited)

| | Note | Un-Audited Sep 30, 2022 (Rupees) | Audited June 30, 2022 (Rupees) |
|---|------|--|--------------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL | | | |
| Authorized share capital | | | |
| 62,500,000 ordinary shares of Rs. 10 each | | 625,000,000 | 625,000,000 |
| Issued, subscribed and paid-up share capital | | | |
| 59,428,729 ordinary shares of Rs. 10 each | | 594,287,290 | 594,287,290 |
| UNAPPROPRIATED PROFIT | | 1,292,001,988 | 1,204,612,208 |
| SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT | | 256,102,768 | 260,731,816 |
| | | 2,142,392,046 | 2,059,631,314 |
| LONG TERM LOANS | | | |
| | | 76,031,588 | 78,687,008 |
| DEFERRED LIABILITIES | | | |
| | | 257,755,902 | 253,815,825 |
| CURRENT LIABILITIES | | | |
| Short term finances - Secured | | 1,390,527,119 | 1,294,906,119 |
| Current portion of long term liabilities | | 63,172,640 | 183,304,248 |
| Creditors, accrued and other liabilities | | 1,196,483,915 | 1,288,956,362 |
| Unclaimed dividend | | 760,698 | 761,498 |
| Accrued mark up | | 15,029,702 | 16,604,711 |
| | | 2,665,974,074 | 2,784,532,938 |
| CONTINGENCIES AND COMMITMENTS | 4 | - | - |
| | | 5,142,153,610 | 5,176,667,085 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property plant & equipment | 5 | 2,123,667,153 | 2,165,741,974 |
| Capital work in progress | | 59,839,443 | 39,591,876 |
| Intangible assets | | 3,672,334 | 3,924,394 |
| | | 2,187,178,930 | 2,209,258,244 |
| Long term advances and deposits | | 24,783,801 | 24,783,801 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 262,632,264 | 252,184,855 |
| Stock in trade | | 1,334,245,635 | 1,341,658,731 |
| Trade debts | | 620,042,403 | 661,414,117 |
| Loans and advances | | 84,372,391 | 90,558,985 |
| Trade deposits, prepayments and balances with statutory authorities | | 469,659,940 | 474,236,111 |
| Other receivables | | 63,051,825 | 56,453,074 |
| Short term investment | | 1,313,114 | 1,422,015 |
| Cash and bank balances | | 94,873,307 | 64,697,152 |
| | | 2,930,190,879 | 2,942,625,040 |
| | | 5,142,153,610 | 5,176,667,085 |

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Statement of Profit and Loss Account

For the 1st quarter ended September 30, 2022 (Un-Audited)

| | Jul - Sep 2022 (Rupees) | Jul - Sep 2021 (Rupees) |
|--|-------------------------------|-------------------------------|
| SALES | 1,918,586,497 | 2,118,775,113 |
| COST OF SALES | 1,709,048,730 | 1,884,974,763 |
| GROSS PROFIT | 209,537,767 | 233,800,350 |
| OPERATING EXPENSES | | |
| Distribution Costs | 88,766,019 | 93,102,151 |
| Administrative Cost | 27,410,510 | 23,194,947 |
| | 116,176,529 | 116,297,098 |
| | 93,361,238 | 117,503,252 |
| Other Operating Expenses | 37,269,295 | 8,409,129 |
| | 56,091,943 | 109,094,123 |
| Other Operating Income | 80,452,005 | 29,675,572 |
| OPERATING PROFIT | 136,543,948 | 138,769,695 |
| Finance Cost | 34,900,678 | 32,788,787 |
| PROFIT BEFORE TAXATION | 101,643,270 | 105,980,908 |
| Taxation | 18,882,538 | 19,543,846 |
| PROFIT AFTER TAXATION | 82,760,732 | 86,437,062 |
| EARNING PER SHARE-BASIC & DILUTED | 1.39 | 1.45 |

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Statement of Comprehensive Income

For the 1st quarter ended September 30, 2022 (Un-Audited)

| | Jul - Sep 2022 (Rupees) | Jul - Sep 2021 (Rupees) |
|--|-------------------------------|-------------------------------|
| Profit for the period after taxation | 82,760,732 | 86,437,062 |
| Other comprehensive income | | |
| Other comprehensive income for the period | - | - |
| Total comprehensive income for the period | 82,760,732 | 86,437,062 |

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Statement of Cash Flows

For the 1st quarter ended September 30, 2022 (Un-Audited)

| | Jul - Sep 2022 (Rupees) | Jul - Sep 2021 (Rupees) |
|---|-------------------------------|-------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit for the period before taxation | 101,643,270 | 105,980,908 |
| Adjustments for: | | |
| Depreciation & amortization | 47,113,912 | 45,036,005 |
| Gain on sale of fixed assets | (3,644,049) | - |
| Dividends, capital gains & other (income)/loss | - | (114,093) |
| Provision for staff gratuity | 14,158,603 | 10,920,726 |
| Financial charges | 34,900,678 | 32,788,787 |
| | 92,529,144 | 88,631,425 |
| | 194,172,414 | 194,612,333 |
| (Increase)/Decrease in current assets | | |
| Stores, spares and loose tools | (10,447,409) | (9,733,128) |
| Stock in trade | 7,413,096 | 395,440,975 |
| Trade debts | 41,371,714 | (167,539,909) |
| Loans and advances | 6,186,594 | (1,329,254) |
| Trade deposits, prepayments & other receivables | (1,966,892) | 72,927,648 |
| | 42,557,103 | 289,766,332 |
| Increase/(Decrease) in current liabilities | | |
| Creditors, accrued and other liabilities | (90,897,438) | (138,854,728) |
| | 145,832,079 | 345,523,937 |
| Cash flow from operations | | |
| Financial charges paid | (36,475,687) | (37,773,436) |
| Taxes paid | (22,609,992) | (20,059,195) |
| Gratuity paid | (8,327,789) | (7,230,013) |
| | (67,413,468) | (65,062,644) |
| Net cash flow from operating activities | (A) 78,418,611 | 280,461,293 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Long term advances, deposits and deferred costs | - | (933,000) |
| Sale proceeds of fixed assets | 5,512,775 | - |
| Dividends received | - | 114,093 |
| Proceeds from sale of short term investment | 108,901 | (55,891,075) |
| Fixed capital expenditure | (26,698,104) | (76,368,578) |
| | (21,076,428) | (133,078,560) |
| Net cash flow from investing activities | (B) | |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short term finances - secured | 95,621,000 | (15,700,000) |
| Long term finances - secured | (122,787,028) | (44,997,655) |
| | (27,166,028) | (60,697,655) |
| Net cash flow from financing activities | (C) | |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (A+B+C) 30,176,155 | 86,685,078 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 64,697,152 | 78,873,188 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 94,873,307 | 165,558,266 |

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Statement of Changes in Equity

For the 1st quarter ended September 30, 2022 (Un-Audited)

| Description | Share Capital (Rupees) | Accumulated Profit/(Loss) (Rupees) | Revaluation Surplus (Rupees) | Total Equity (Rupees) |
|--|---------------------------|---------------------------------------|---------------------------------|--------------------------|
| Balance as at June 30, 2021 | 594,287,290 | 1,035,674,899 | 281,076,200 | 1,911,038,389 |
| Net Profit for the period | - | 86,437,062 | - | 86,437,062 |
| Current year incremental depreciation - net of tax | - | 5,058,069 | (5,058,069) | - |
| Balance as at September 30, 2021 | 594,287,290 | 1,127,170,030 | 276,018,131 | 1,997,475,451 |
| Balance as at June 30, 2022 | 594,287,290 | 1,204,612,208 | 281,076,200 | 2,079,975,698 |
| Net Profit for the period | - | 82,760,732 | - | 82,760,732 |
| Current year incremental depreciation - net of tax | - | 4,629,048 | (4,629,048) | - |
| Balance as at September 30, 2022 | 594,287,290 | 1,292,001,988 | 276,447,152 | 2,162,736,430 |

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

Notes to the Financial Statements

For the 1st quarter ended September 30, 2022 (Un-Audited)

- These financial statements have been prepared in accordance with the requirements of International Accounting Standard(IAS) 34 "Interim Financial Reporting".
- These financial statements are un-audited and are being submitted to shareholders as required by Section 237 of the Companies Act, 2017.
- The accounting policies adopted for the preparation of the accounts are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2022.

4. CONTINGENCIES AND COMMITMENTS

4.1 Commitments

Commitments against irrevocable letters of credit for import of machinery and raw material as at September 30, 2022 amounting to Rs. 4.523 million (June 2022 : Rs. 136.685 million)

4.2 Others

There are no other significant activities since June 30, 2022 affecting financial Statements.

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

| | Un-Audited September 30, 2022 (Rupees) | Audited June 30, 2022 (Rupees) |
|---|--|--------------------------------------|
| Additions in fixed assets | 6,450,537 | 319,780,508 |
| Deletions in fixed assets | 5,632,229 | 4,820,137 |
| Additions in capital work in progress | 20,247,567 | 223,031,227 |
| Transfers from capital work in progress | - | 216,533,160 |

6. EARNING PER SHARE - BASIC

| | | |
|--|------------|-------------|
| Profit / (loss) after tax | 82,760,732 | 190,464,604 |
| Weighted average number of ordinary shares | 59,428,729 | 59,428,729 |
| Earning / (loss) per share - basic | 1.39 | 3.20 |

7. DATE OF AUTHORISATION

These accounts have been approved by Board of Directors on October 27, 2022.

8. COMPARATIVE FIGURES

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


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

اراکین کے لیے ڈائریکٹرز کی رپورٹ

زلیفر ٹیکسٹائلز لمیٹڈ کے ڈائریکٹرز ازراہ مُسرت 30 ستمبر 2022ء کو اختتام پذیر سہ ماہی کے لیے غیر پڑتال شدہ مالیاتی گوشوارے پیش کرتے ہیں۔ یہ عبوری مالیاتی گوشوارے کمپنیز ایکٹ، 2017 کی ضروریات کے مطابق پیش کیے جاتے ہیں۔

عملی اور مالیاتی نتائج

30 ستمبر 2022ء کو اختتام پذیر سہ ماہی کے دوران کمپنی نے 1,918,586 ملین روپے کی فروخت پر 209,538 ملین روپے کا مجموعی منافع حاصل کیا جو کہ گذشتہ برس اسی مالی مدت کے مقابل میں 2,118,775 ملین روپے کی فروخت پر 233,800 ملین روپے تھا۔ اسی طرح گذشتہ برس کی اسی مدت کے مقابلے میں خالص منافع میں 4.25 فیصد کمی واقع ہوئی۔

| اختتام پذیر سہ ماہی 30 ستمبر، | | نمایاں مالیاتی تفصیل |
|-------------------------------|----------------|----------------------------|
| 2021 (روپے) | 2022 (روپے) | |
| 2,118,775,113 | 1,918,586,497 | خالص فروخت |
| 233,800,350 | 209,537,767 | مجموع منافع |
| 138,769,695 | 136,543,948 | رواں مدت کے لیے عملی منافع |
| 32,788,787 | 34,900,678 | مالیاتی اخراجات |
| 105,980,908 | 101,643,270 | نفع قبل از ٹیکس |
| 19,543,846 | 18,882,538 | موجودہ ٹیکس |
| 86,437,062 | 82,760,732 | نفع بعد از ٹیکس |
| 1.45 | 1.39 | فی حصص آمدنی |

عالمی اقتصادی سرگرمی، ایک وسیع البتہ اور متوقع سُست روی کا سامنا کر رہی ہے۔ اس کے ساتھ ساتھ افراط زر کی شرح کئی دہائیوں کے مقابلے میں بہت زیادہ ہے۔ زندگی کی قیمت کا سُخران، زیادہ تر خطوں میں مالی حالات کو سخت کر رہا ہے، لوکریں پروں کا حملہ آور ہونا، اور چین میں طویل عرصے سے کرونا وائرس (COVID-19) وبائی امراض کی وجہ سے لگائی جانے والی پابندیاں، آوٹ لگ پر بہت زیادہ وزن رکھتی ہیں۔ عالمی شرح نمو 2021ء میں 6.0 فیصد سے 2022ء میں 3.2 فیصد اور 2023ء میں 2.7 فیصد تک سُست رہنے کی پیشنگوئی کی گئی ہے۔ عالمی مالیاتی سُخران اور کرونا وائرس (COVID-19) وبائی مرض کے شدید مرحلے کے علاوہ یہ 2001ء کے بعد سے اب تک سب سے کمزور ترقی کا پروفائل ہے۔

کمپنی نے موجودہ مالیاتی مدت کی پہلی سہ ماہی میں تسلی بخش کارکردگی کا مظاہرہ کیا۔ حالانکہ مذکورہ بالا عالمی معاشی حالت، علاقائی مسائل جیسے، مینگے ایندھن اور بجلی کی قلت، انتہائی مہنگائی، سیاسی عدم استحکام اور موسمیاتی تبدیلی کی بدولت، آنے والے شدید سیلاب کی وجہ سے آمدنی میں 9.45 فیصد کمی واقع ہوئی۔ اگلی سہ ماہی کے لیے نئے فروخت آرڈرز، بوجہ عالمی سُست روی، ایک سوالیہ نشان ہے۔ تباہ کن سیلاب سے کپاس کی فصل کو پہنچنے والے نقصان کے بعد خام مال کی دستیابی بھی سنگین تشویش کا باعث ہے۔ کپاس اور بجلی کی قلت کے باعث متعدد ٹیکسٹائل فیکٹریاں بند ہو چکی ہیں۔ اگر ہم مندرجہ بالا چیلنجز کا مقابلہ کرنے کے قابل ہو جائیں اور عالمی ٹیکسٹائل کی مصنوعات کی مانگ میں بہتری آجائے تو موجودہ مالیاتی مدت کی تیسری سہ ماہی کے وسط میں صورت حال میں بہتری آسکتی ہے۔

ڈائریکٹرز، کمپنی کے ملازمین کے مسلسل عزم اور انتہک محنت کی حوصلہ افزائی کرتے ہیں۔



محترم ارباب محمد خان
ایگزیکٹو ڈائریکٹر



محترم مسعود حنیف
چیف ایگزیکٹو
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- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes



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*Mobile apps are also available for download for android and ios devices

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