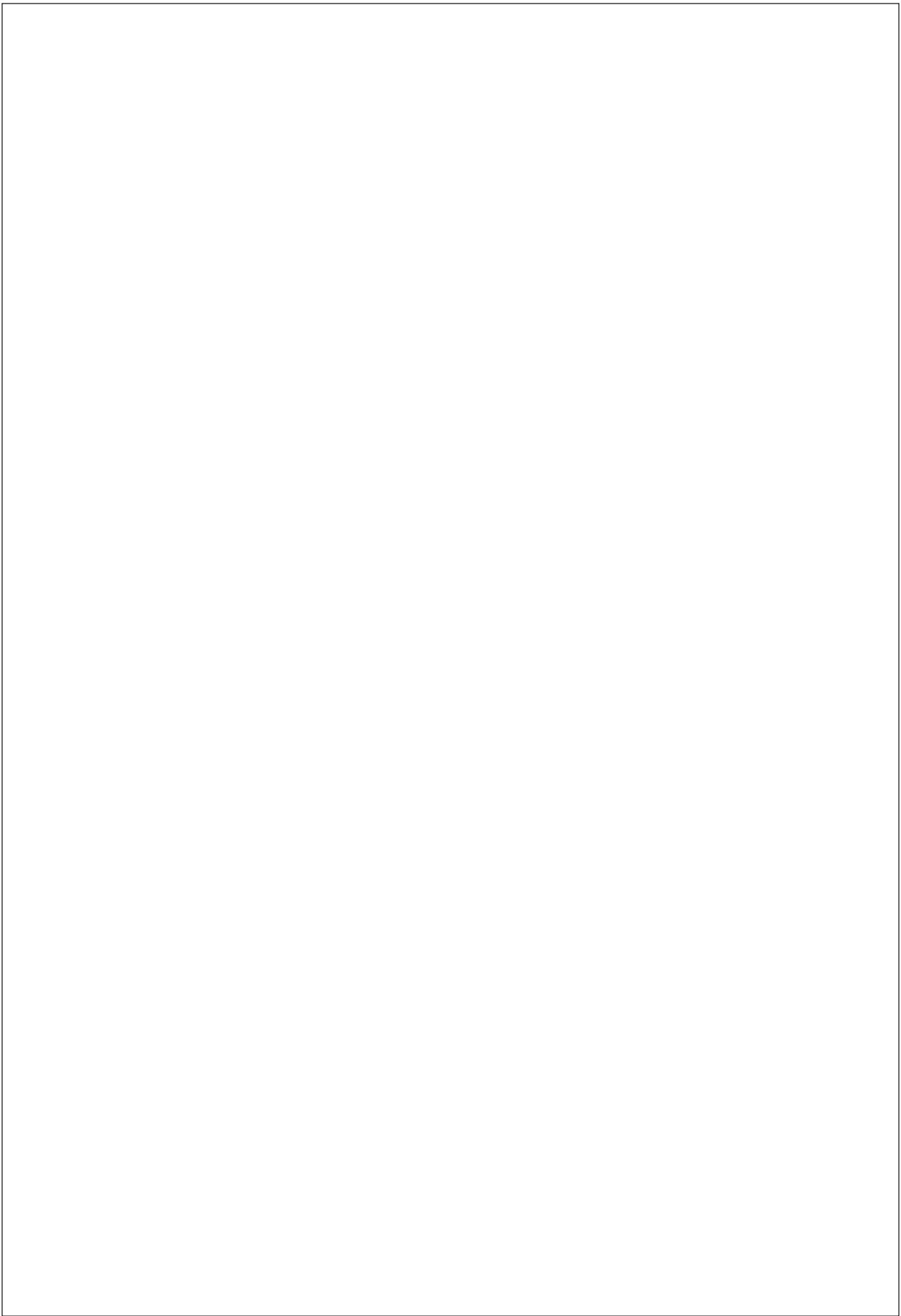




Zephyr Textiles Limited

Accounts For the Half Year Ended
December 31, 2023



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Company Information

BOARD OF DIRECTORS:	Ms. Tehniyat Mussaid Mr. Mussaid Hanif Mr. Arbab Muhammad Khan Mr. Rana Kamal Ud Din Ms. Sabah Burhan Ms. Sarah Naviwala Ms. Nuzhat Kamran	Chairperson CEO
AUDIT COMMITTEE:	Ms. Nuzhat Kamran Mr. Rana Kamal Ud Din Ms. Tehniyat Mussaid	Chairperson/Member Member Member
HR & REMUNERATION COMMITTEE:	Ms. Nuzhat Kamran Mr. Arbab Muhammad Khan Ms. Sabah Burhan	Chairperson/Member Member Member
CHIEF FINANCIAL OFFICER:	Mr. Naveed Aleem	
COMPANY SECRETARY:	Mr. Abdul Jabbar	
AUDITORS:	BDO Ebrahim & Co.	Chartered Accountants
LEGAL ADVISOR:	Ahmad Law Firm Advocate High Court Suit No. 7, Block No. 9, Shabbir Town, Executive Suits, 2.5 Km Raiwind Road, Lahore-54000, Pakistan	
BANKERS TO THE COMPANY:	Habib Bank Limited Askari Bank Limited United Bank Limited Habib Metropolitan Bank Limited Bank Al Habib Limited	National Bank of Pakistan MCB Bank Limited The Bank of Punjab Faysal Bank Limited Meezan Bank Limited
MILLS:	1 km, Balloki Bhai Pheru Road Bhai Pheru. Phone : 0494 - 512007-9, 513103-5 Fax : 0494 - 512011 63 km, Gulshan Adda, Jumber Khurd, District Kasur.	(Weaving unit & Power plant) (Towel unit)
REGISTERED & HEAD OFFICE:	3rd Floor, IEP Building, 97 B/D-I, Gulberg III, Lahore E-mail: info@zephyr.com.pk Website: www.zephyrtextiles.com Phone : 042 35782905 - 15 Fax : 042 35753202	

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

Directors' Report to the members

The Directors of Zephyr Textiles Limited are pleased to present the Reviewed interim financial statements for the half year ended December 31, 2023. These interim financial statements are presented in accordance with the requirements of the Companies Act, 2017.

Operating Financial Results

During the first half year ended December 31, 2023, the Company earned a gross profit of PKR 585.862 million on sales of PKR 3,975.718 million compared to gross profit of PKR 413.818 million on sales of PKR 3,661.790 million for the corresponding period of previous financial year. During the period under review, the Company recorded a net profit of PKR 270.049 million compared to net profit of PKR 23.680 million in the corresponding period last year.

Financial Highlights	Half year ended 31 December		Increase/ (Decrease) %	Quarter ended 31 December		Increase/ (Decrease) %
	2023 (Rupees)	2022 (Rupees)		2023 (Rupees)	2022 (Rupees)	
Sales - net	3,975,718,425	3,661,790,470	8.57%	1,643,844,731	1,688,259,684	(4.44)%
Gross Profit	585,862,368	413,818,265	41.57%	233,973,689	149,336,209	36.27%
Profit before tax	314,331,126	70,575,804	345.38%	89,438,317	(31,067,466)	387.88%
Profit after tax	270,048,914	23,679,509	1040.43%	68,908,034	(59,081,223)	210.24%
Gross Profit (%)	14.74%	11.30%		14.23%	8.85%	
Profit after tax (%)	6.79%	0.65%		4.19%	(3.50)%	

The topline increased by PKR 314 million (8.57%) from PKR 3.662 billion in the corresponding period last year to PKR 3.976 billion in the current period under review. Gross profit increased by 41.57% whereas net profit increased by 1040.43% in current period of six months as compared to corresponding period of last year six months. The reason of exceptional gross margin is switching to value added export business from local market. Export market absorbs increasing cost of productions whereas local market don't. Increasing trend of USD is also helpful to the export industry to make higher margins and to cope with increasing cost of production. Extra-ordinary increase in profit after tax is due to gain on sale of fabric looms. These looms were being used for local fabric business and sold for quitting local grey fabric market and entering in export garment market.

Related Party Transaction

The Company acquired 46.29 acres of land, having fair value of PKR 231.47 million, adjacent to the factory from its three directors after getting approval from members of the Company in extra ordinary general meeting held on April 13, 2023. Acquisition of further 9.84 acres, having value of PKR 72.750 million is also in process after approval from board of directors in its meeting held on September 5, 2023 at its registered office. The board accorded this acquisition due to strategic importance of this land for the smooth operations and future expansion of the towel manufacturing facility situated at Jumber. The fair market value of this land is higher than the land acquired in last year due to its location near to the Multan Road. The transfer of land is under process and will be completed soon.

Current and Future Outlook

The textile industry is facing numerous challenges that are making it increasingly difficult to compete both locally and globally. These hurdles include reduced global demand, surging inflation, high cost of production, expensive imports and raw materials, uncertain currency fluctuations, costly bank financing, delayed tax refunds and elevated government taxation. As a result many small to medium-sized textile units are being forced to shut down. On the other hand, some larger and vertically integrated production units are establishing resilience in this challenging environment. Despite these challenges, the management of the

Company remains optimistic about achieving profitability by prioritizing cost saving measures. The government must also prioritize export oriented textile sector to achieve sustainable growth. The provision of regionally competitive energy tariffs for electricity and gas is essential to achieve the desired goals.

The Company has already commenced work on a knit garment unit which is expected to start production in next financial year with an estimated capacity of 5,000 garments per day. This will enable the Company to get into the knit garments export market in Europe and USA and enhance the profitability. This production facility will be backed by existing dyeing and finishing production facility which will also be increased to 25 metric tons per day, from current 20 metric tons per day, by the end of financial year 2025. The Company has also increased its solar plant capacity from 450 kwh to 960 kwh at its towel manufacturing unit. Now further installation of 358 kwh solar plant is also in process at its weaving unit. This shows the Company's commitment towards environment protection and cheap, continuous and safe energy availability.

Acknowledgement

The board places on record its profound gratitude for its esteemed shareholders, banks, financial institutions, customers and vendors, whose cooperation, continued support and patronage have empowered the Company to make progress towards consistent improvement. During the period under review, relations between the management and employees remained cordial and we wish to put on record our appreciation for the dedication, perseverance and steadiness of the employees of the Company.

For and on behalf of the Board of Directors

mussaid

Mussaid Hanif
Chief Executive

Lahore
February 23, 2024



Arbab Muhammad Khan
Director

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF ZEPHYR TEXTILES LIMITED

Report on review of interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Zephyr Textiles Limited (the "Company") as at December 31, 2023 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 condensed interim financial statements for the six-month 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 interim financial statements based on our review.

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.

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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2023 and December 31, 2022 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Imran.

Lahore

DATED: February 28, 2024

UDIN: RR2023101314GfVMwneQ

BDO EBRAHIM & CO.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

ZEPHYR TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT DECEMBER 31, 2023

		December 31, 2023 (Unaudited) (Rupees)	June 30, 2023 Audited (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	2,349,996,995	2,420,908,614
Operating fixed assets	8	104,159,411	110,024,981
Right of use asset	9	201,540,366	75,202,086
Capital work in progress		2,655,696,772	2,606,135,681
Intangible assets		2,112,139	2,716,222
Long term advances and deposits		25,766,724	25,602,294
		2,683,575,635	2,634,454,197
CURRENT ASSETS			
Stores, spares and loose tools	10	294,583,404	261,019,771
Stock in trade	11	1,425,859,568	1,456,787,939
Loans and advances	12	39,112,654	80,868,194
Trade debts	13	415,277,508	557,182,004
Trade deposits and prepayments	14	29,582,758	13,516,245
Tax refunds due from Government	15	339,323,516	521,469,078
Taxation-net	16	6,651,345	-
Other receivables		91,900,531	85,275,159
Short term investments		215,866,983	107,975,933
Cash and bank balances		232,843,493	156,348,980
		3,091,001,760	3,240,443,303
TOTAL ASSETS		5,774,577,395	5,874,897,500
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	18.1	625,000,000	625,000,000
Issued, subscribed and paid up capital	18.2	594,287,290	594,287,290
Accumulated profit		1,649,672,475	1,361,643,813
Surplus on revaluation of property, plant and equipment	17	505,086,611	574,060,494
		2,749,046,376	2,529,991,597
NON CURRENT LIABILITIES			
Long term financing	19	59,318,683	64,111,427
Lease liabilities	21	9,722,029	21,388,890
Deferred liabilities	20	243,256,302	227,434,587
Deferred grant		2,508,683	2,954,065
		314,805,697	315,888,969
CURRENT LIABILITIES			
Trade and other payables	22	1,112,954,903	1,602,937,009
Contract liabilities		26,502,856	17,880,030
Mark-up accrued	23	58,674,018	52,271,856
Short term borrowings	24	1,476,881,503	1,312,657,119
Taxation-net	14	-	7,486,163
Unclaimed dividend		829,907	829,907
Current portion of long term liabilities	25	34,882,135	34,954,850
		2,710,725,322	3,029,016,934
TOTAL EQUITY AND LIABILITIES		5,774,577,395	5,874,897,500
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.

ansarai
CHIEF EXECUTIVE

R. B.
DIRECTOR

D. D.
CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Sales - net	27 3,975,718,425	3,661,790,470	1,643,844,734	1,688,259,684
Cost of sales	28 (3,389,856,057)	(3,247,972,205)	(1,409,871,045)	(1,538,923,475)
Gross profit		585,862,368	413,818,265	233,973,689
Distribution cost		(210,524,831)	(233,537,445)	(176,417,006)
Administrative expenses		(68,279,599)	(55,462,757)	(39,363,964)
Other operating expense		(21,439,298)	(19,447,994)	(9,825,212)
Other income		176,125,052	44,561,809	158,243,308
		(124,118,676)	(263,886,387)	(67,362,874)
Operating profit		461,743,692	149,931,878	166,610,815
Finance costs	29 (147,412,566)	(79,356,074)	(77,172,498)	(44,455,396)
Profit before taxation		314,331,126	70,575,804	89,438,317
Taxation	30 (44,282,212)	(46,896,295)	(20,530,283)	(28,013,757)
Profit / (loss) after taxation		270,048,914	23,679,509	68,908,034
Earnings / (loss) per share - basic and diluted (Rupees)	31	4.54	0.40	1.16
				(0.99)

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.

anshul
CHIEF EXECUTIVE

Biju
DIRECTOR

Danesh Dinesh
CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended		Quarter ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees)	(Rupees) (Restated)	(Rupees)	(Rupees) (Restated)
Profit / (loss) for the period	270,048,914	23,679,509	68,908,034	(59,081,223)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	<u>270,048,914</u>	<u>23,679,509</u>	<u>68,908,034</u>	<u>(59,081,223)</u>

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.

ansarai

CHIEF EXECUTIVE

Biju
DIRECTOR

Danesh Dinesh
CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended	
	December 31, 2023	December 31, 2022
	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	314,331,126	70,575,804
Adjustments for items not involving movement of funds:		
Depreciation - PPE and RoU	99,738,676	94,285,352
Amortization	604,083	745,356
(Gain) / loss on sale of PPE	(143,463,922)	10,195,727
(Gain) / loss on re-measurement of short term investments	(210,918)	120,525
Dividend income	(9,367,541)	(29,419)
Provision for staff gratuity	28,362,042	24,659,156
Allowance for ECL	2,421,221	15,316,376
Capital loss from investments	-	1,031
Financial charges	119,893,858	79,356,074
Net cash flow before working capital changes	97,977,499	224,650,178
(Increase)/ decrease in current assets		
Stores, spares and loose tools	(33,563,633)	(20,067,931)
Stock in trade	30,928,371	87,599,582
Trade debts	139,483,275	(48,737,848)
Loans and advances	41,755,540	6,089,293
Trade deposits and prepayments	(16,066,513)	1,962,015
Tax refunds due from the Government	174,659,399	66,857,850
Other receivables	(6,625,372)	4,246,666
Short term investment	(107,680,132)	(26,304,485)
	222,890,935	71,645,142
Increase / (decrease) in current liabilities		
Trade and other payables	(440,064,678)	78,428,834
Contract liabilities	8,622,826	(21,235,100)
Unclaimed dividend	-	68,409
	(431,441,852)	57,262,143
Cash flows generated from operations		
Income taxes paid	203,757,708	424,133,267
Gratuity paid	(51,872,932)	(48,058,983)
Financial charges paid	(66,832,829)	(21,175,576)
	(113,491,696)	(63,650,192)
	(232,197,457)	(132,884,751)
Net cash (used in) generated from operating activities	(28,439,749)	291,248,516
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to operating fixed assets - net	(72,929,396)	(229,299,584)
Additions to capital work in progress	(186,553,096)	(28,669,629)
Proceeds from sale of operating fixed assets	207,966,961	16,709,694
Dividend received	9,367,541	29,419
Long term deposits	(164,430)	(255,735)
Net cash used in investing activities	(42,312,420)	(241,485,835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short term financing - Net	164,224,384	152,951,000
Repayment of long term financing	(5,310,841)	(165,602,801)
Principal paid on lease liabilities	(11,666,861)	(11,666,764)
Dividend paid	-	(29,714,391)
Net cash generated from / (used in) financing activities	147,246,682	(54,032,956)
Net decrease in cash and cash equivalents	76,494,513	(4,270,275)
Unrealised gain on cash and cash equivalent	1,125,674	-
Cash and cash equivalents at the beginning of the period	155,223,306	64,697,152
Cash and cash equivalents at the end of the period	232,843,493	60,426,877

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.

ansarai
CHIEF EXECUTIVE

Reba
DIRECTOR

Danesh Dinesh
CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Note	Issued, subscribed and paid-up capital	Surplus on revaluation of fixed assets	Accumulated profits	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at July 01, 2022	594,287,290	368,175,679	1,140,570,712	2,103,033,681
Transaction with owners:				
Final cash dividend 2022:				
Rs. 0.50 Per share	-	-	(29,714,391)	(29,714,391)
Total comprehensive income for the period ended December 31, 2022				
Profit for the period	-	-	23,679,509	23,679,509
Current period incremental depreciation (net of tax)	-	(1,747,413)	1,747,413	-
Balance as at December 31, 2022 - unaudited	594,287,290	366,428,266	1,136,283,243	2,096,998,799
Balance as at July 01, 2023 - audited	594,287,290	574,060,494	1,361,643,813	2,529,991,597
Total comprehensive income for the period ended December 31, 2023				
Profit for the period	-	-	270,048,914	270,048,914
Reversal of surplus on disposal of PPE	-	(45,679,686)	-	(45,679,686)
Deferred tax impact due to rate change and disposal - net	-	(5,314,449)	-	(5,314,449)
Current period incremental depreciation - net of tax	-	(17,979,748)	17,979,748	-
Balance as at December 31, 2023 - unaudited	594,287,290	505,086,611	1,649,672,475	2,749,046,376

The annexed notes from 1 to 40 form an integral part of these condensed interim financial statements.

ansarai

CHIEF EXECUTIVE

10

Biju
DIRECTOR

Danesh Dinesh
CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 LEGAL STATUS AND NATURE OF BUSINESS

Zephyr Textiles Limited ("the Company") was incorporated in Pakistan on February 26, 1999 as a private limited Company under the Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently on October 04, 2004 it was converted into a public limited Company and its shares are quoted on Pakistan Stock Exchange Limited (PSX). The Company is principally engaged in the manufacturing, dying and trading of woven cloth which also includes towels.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 3rd Floor, IEP Building, 97B/D-1, Gulberg III, Lahore, Punjab. The manufacturing facility of the Company is located as follows:

Manufacturing facilities	Office address
Weaving unit and power plant	1 KM, Balloki Bhai Pheru Road, Bhai Pheru.
Towel unit	63 KM, Gulshan Adda, Jamber Khurd, District Kasur.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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;

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where 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.

These condensed interim financial statements are unaudited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2023 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2022.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for staff retirement benefits - gratuity which is carried at present value of defined benefit obligation and certain items of property, plant and equipment at revalued amounts. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

3.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4 MATERIAL ACCOUNTING POLICY INFORMATION AND CHANGES THERE IN

4.1 The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2023.

4.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements.

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they will impact the accounting policy information disclosed in the annual financial statements.

The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments had no effect on the interim condensed financial statements of the Company as they relate to disclosures of accounting policies in the annual financial statements rather than interim financial statements. The amendments are expected to be applicable for the accounting policy disclosures in the annual financial statements of the Company.

4.2.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

4.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5 TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2023, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2024 is 29%. Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

6 ESTIMATES

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

	Note	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
7 OPERATING FIXED ASSETS			
Fixed assets	7.1	<u>2,349,996,995</u>	<u>2,420,908,614</u>
7.1 Fixed assets			
Opening net book value (NBV)		2,420,908,614	2,049,896,162
Additions (at cost) during the period/year	7.1.1	<u>133,144,212</u>	<u>332,681,039</u>
Disposals (at NBV) during the period/year	7.1.2	<u>2,554,052,826</u>	<u>2,382,577,201</u>
Depreciation charged during the period/year		<u>(110,182,725)</u>	<u>(27,839,438)</u>
Revaluation during the period/year		<u>(93,873,106)</u>	<u>(182,540,222)</u>
Closing net book value (NBV)		<u>-</u>	<u>248,711,073</u>
		<u>(204,055,831)</u>	<u>38,331,413</u>
		<u>2,349,996,995</u>	<u>2,420,908,614</u>

7.1.1 Details of additions (at cost) during the period / year are as follows:

Free hold land	7.1.3	50,473,059	188,544,101
Building		-	73,041,972
Plant and machinery		74,108,363	42,689,147
Furniture and fittings		-	672,601
Vehicles		7,468,590	6,953,910
Electrical installation		-	18,870,340
Office and IT equipments		<u>1,094,200</u>	<u>1,908,968</u>
		<u>133,144,212</u>	<u>332,681,039</u>

7.1.2 Details of disposals (at NBV) during the period / year are as follows:

Plant and machinery		110,068,150	26,625,364
Vehicles		<u>114,575</u>	<u>1,214,074</u>
		<u>110,182,725</u>	<u>27,839,438</u>

7.1.3 The free hold land has been purchased from the directors of the Company during the period for which members' approval has been obtained.

7.1.4 Fair value measurement (revalued property, plant and equipment)

Fair value measurement of free hold land, building on free hold land and plant and machinery was based on the valuations carried out on June 30, 2023 by M/s Tristar International Consultant (Private) Limited an independent valuer not connected with the Company and is on the panel of Pakistan Bankers Association and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations.

7.1.5 Valuation techniques used to derive level 3 fair values

Valuations for buildings on freehold land and plant and machinery are based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, conditions and obsolescence. Land was valued on the basis of fair market value. The fair value measurement of the assets are categorized as Level 3.

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
		Rupees	Rupees
8 RIGHT OF USE ASSETS (RoU)			
Opening net book value (NBV)		110,024,981	115,845,812
Addition (at cost) during the period/year	8.1	-	6,525,000
Depreciation charge for the period/year		(5,865,570)	(12,345,831)
		<u>104,159,411</u>	<u>110,024,981</u>

8.1 Details of additions (at cost) during the period/year are as follows:

Line rent - spun poles	8.1.1	<u>-</u>	<u>6,525,000</u>
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8.1.1 The Company has a lease contract with the National Highway Authority for the use of spun poles. Lease liability against this right-of-use asset has been paid off at the start of the contract.

9 CAPITAL WORK IN PROGRESS

Plant and machinery	9.1.1	112,979,451	74,042,086
Building	9.1.2	210,315	-
Others	9.1.3	88,350,600	1,160,000
		<u>201,540,366</u>	<u>75,202,086</u>

9.1 Movement of carrying amount is as follows:

9.1.1 Plant and machinery

Opening balance at start of the period / year		74,042,086	39,466,414
Additions (at cost) during the period / year		99,152,181	46,975,285
Transferred to operating fixed assets during the period / year		(60,214,816)	(12,399,613)
Closing balance at the end of the period / year		<u>112,979,451</u>	<u>74,042,086</u>

Note	December 31, 2023 (Unaudited) Rupees		June 30, 2023 (Audited) Rupees
9.1.2 Building			
Opening balance at start of the period / year	-		125,462
Additions (at cost) during the period / year	210,315		72,916,510
Transferred to operating fixed assets during the period / year	-		(73,041,972)
Closing balance at the end of the period / year	<u>210,315</u>	<u>210,315</u>	-

9.1.3 This mainly includes an amount of Rs. 72.750 million (June 30, 2023: Nil) which has been given to Mr. Khitab Muhammad Khan a relative of the director and shareholder for the purchase of land as approved by the Board of Directors of the Company in their meeting held on September 05, 2023.

10 STOCK IN TRADE

Raw materials:			
in hand		282,375,260	410,786,050
Work in process	28 & 10.4	86,210,386	114,052,797
Finished goods	10.1	1,068,345,509	943,020,679
Less: Provision for slow moving and obsolete stock	10.2	<u>(11,071,587)</u>	<u>(11,071,587)</u>
		<u>1,425,859,568</u>	<u>1,456,787,939</u>

10.1 It includes stock in transit Rs. 133.453 million (June 30, 2023: Rs. 113.189 million) which was still on the way to port at the period end.

10.2 Provision for slow moving and obsolete stock :

Opening balance		11,071,587	-
Provision made during the period / year		-	11,071,587
	10.3	<u>11,071,587</u>	<u>11,071,587</u>

10.3 This represents a provision created against doubtful stock which was placed for processing/sale at third-party premises, however, due to conflict the customer has confiscated the stock. The Company has filed a case against the customer. However, on prudence basis a provision has been made in the books of account.

10.4 Stock in trade includes stocks amounting to Rs. 49.634 million (June 30, 2023: Rs. 127.116 million) which is placed at third party premises for toll manufacturing or other processing purposes.

10.5 Stock-in-trade up to a maximum amount of Rs. 1,425.859 million (June 30, 2023: Rs. 1,456.787 million) are under hypothecation of commercial banks as security for short term borrowings.

11 LOANS AND ADVANCES

Unsecured - considered good			
To employees	11.1	17,097,515	26,856,435
To suppliers		14,714,244	35,959,250
		<u>31,811,759</u>	<u>62,815,685</u>

	Note	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
Considered doubtful Suppliers		10,322,242	7,584,680
Less: Allowance for expected credit losses (ECL)	11.2	(10,322,242)	(7,584,680)
Against letter of credits		7,300,895	18,052,509
		<u>39,112,654</u>	<u>80,868,194</u>

11.1 These advances are provided for general purposes in accordance with the terms of their employment, which is not past due. These advances are unsecured, interest free and payable on demand. This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.

11.2 Movement of allowance for ECL is as follows:

Balance at start of the period / year	7,584,680	-
Allowance charge during the period / year	2,737,562	7,584,680
Balance at the end of the period / year	<u>10,322,242</u>	<u>7,584,680</u>

12 TRADE DEBTS

Secured - Considered good - against letter of credit	261,821,627	259,603,079
Unsecured		
Considered good	153,455,881	297,578,925
Considered doubtful	21,579,436	19,158,215
	<u>175,035,317</u>	<u>316,737,140</u>
	<u>436,856,944</u>	<u>576,340,219</u>
Less: Allowance for expected credit losses (ECL)	<u>(21,579,436)</u>	<u>(19,158,215)</u>
	<u>415,277,508</u>	<u>557,182,004</u>

12.1 Movement of allowance for ECL is as follows:

Opening balance at start of the period / year	19,158,215	544,911
Allowance charge during the period / year	2,421,221	18,613,304
Closing balance at the end of the period / year	<u>21,579,436</u>	<u>19,158,215</u>

13 TAX REFUNDS DUE FROM GOVERNMENT

Sales tax refundable - net	400,196,574	574,855,973
Less: Provision for sales tax refund due from government	<u>(100,648,813)</u>	<u>(100,648,813)</u>
	<u>299,547,761</u>	<u>474,207,160</u>
Income tax refund	<u>39,775,755</u>	<u>47,261,918</u>
	<u>339,323,516</u>	<u>521,469,078</u>

13.1 Movement of provision is as follows:

Balance at start of the period / year	100,648,813	-
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	Note	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
Provision made during the period / year	13.2	-	100,648,813
Balance at the end of the period / year		<u>100,648,813</u>	<u>100,648,813</u>

13.2 This represents a provision made against disallowed/deferred / missing claims/inputs which are not reconciled with the FBR system (Starr). The Company has processed and submitted manual claims and also planning to pursue the matter with FTO. However, on a prudence basis, a provision has been made for old outstanding balances.

14 TAXATION-NET

Advance taxes and taxes withheld		51,872,932	101,131,766
Adjustments for prior year	30	2,171,860	(10,298,033)
Provision for the period / year	30	<u>(47,393,447)</u>	<u>(98,319,896)</u>
Closing balance		<u>6,651,345</u>	<u>(7,486,163)</u>

15 SHORT TERM INVESTMENTS

Investment - at fair value through profit or loss			
Listed entities		285,027	202,364
Mutual funds		210,581,956	102,773,569
At amortised cost			
Term deposits receipts	15.1	<u>5,000,000</u>	<u>5,000,000</u>
		<u>215,866,983</u>	<u>107,975,933</u>

15.1 This represents investment in Term Deposit Receipts (TDRs) with the Bank of Punjab, having a maturity period of less than one year and maturing on April 04, 2024. These carry mark-up at the rate 19.5% (June 30, 2023: 19.5%) per annum.

16 CASH AND BANK BALANCES

Cash in hand		2,164,746	5,160,495
Cash at banks - local currency			
Current accounts		161,183,115	103,011,117
Saving accounts	16.1	-	1,092,573
Cash at banks - foreign currency			
Current accounts		68,416,333	46,579,328
Saving accounts	16.2	<u>1,079,299</u>	<u>505,467</u>
	16.3	<u>232,843,493</u>	<u>156,348,980</u>

16.1 This carries mark up at the rate ranging from 5.48% to 19.50% (June 30, 2023: 5.48% to 18.50%) per annum.

16.2 This carries mark up at the rate 3.56% (June 30, 2023: 3.48%) per annum.

16.3 This includes balance in dormant bank accounts amounting to Rs. 0.0030 million.

	Note		December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT				
Surplus arising on revaluation			543,191,572	608,570,450
Less: Related deferred tax liability	17.1		38,104,961	34,509,956
			<u>505,086,611</u>	<u>574,060,494</u>
17.1 Related deferred tax liability				
Opening balance at start of the period / year			34,509,956	18,316,266
Deferred tax impact for the period / year			-	18,518,314
Deferred tax impact for rate change and disposal net			5,314,449	-
Tax effect on incremental depreciation			(1,719,444)	(2,324,624)
Closing balance at the end of the period / year			<u>38,104,961</u>	<u>34,509,956</u>
18 SHARE CAPITAL				
18.1 Authorized share capital				
62,500,000 (June 30, 2023: 62,500,000) ordinary shares of Rs. 10/- each			<u>625,000,000</u>	<u>625,000,000</u>
18.2 Issued, subscribed and paid up share capital				
51,901,483 (June 30, 2023: 51,901,483) ordinary shares of Rs. 10/- each fully paid in cash			519,014,830	519,014,830
7,527,246 (June 30, 2023: 7,527,246) ordinary shares of Rs. 10/- each issued as fully paid bonus shares			<u>75,272,460</u>	<u>75,272,460</u>
			<u>594,287,290</u>	<u>594,287,290</u>
19 LONG TERM FINANCING				
Secured:				
Banking Companies			47,282,085	50,660,031
Bank of Punjab L.T.F.F			22,658,278	24,073,076
Bank of Punjab SBP Renewable energy scheme	19.1		69,940,363	74,733,107
Less: Current portion shown under current liabilities			<u>10,621,680</u>	<u>10,621,680</u>
			<u>59,318,683</u>	<u>64,111,427</u>
19.1 Opening balance at start of the period / year				
Repayments during the period / year			24,073,076	31,892,765
Deferred grant recognized - period / year	19.2		(1,932,894)	(3,865,787)
Unwinding of discount on liability			-	(6,735,267)
Closing balance at the end of the period / year			<u>518,096</u>	<u>2,781,365</u>
			<u>22,658,278</u>	<u>24,073,076</u>

19.2 The Company obtained a term finance facility under the 'SBP renewable energy scheme' introduced by the State Bank of Pakistan at the rate ranging of 6% from Bank of Punjab (BOP). ICAP issued the guidance for accounting of said financing through circular No. 11/2020 dated August 17, 2020 and based on that circular, referring to the requirement of IAS-20, the Company recognized the Deferred Grant amounting to Rs. 6.735 million and respective loan has been recognized at the fair value. This also includes prior year grant and loans at fair value which was not recorded. The net impact was not material to statement of profit or loss, therefore, this has been recorded in the current period.

19.3 There is no material change in the terms and conditions of the long term financing - secured as disclosed in the annual audited financial statements as at and for the year ended June 30, 2023.

	Note	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
20 DEFERRED LIABILITIES			
Deferred tax liabilities	20.1	121,611,662	117,236,588
Staff retirement benefits	20.2	121,644,640	110,197,999
		<u>243,256,302</u>	<u>227,434,587</u>

20.1 Deferred tax liabilities

Taxable temporary differences

Deferred tax related to accelerated depreciation	93,638,221	94,162,073
Deferred tax related to revaluation surplus	38,104,961	34,509,956
Deferred tax related to RoU	9,091,554	9,603,530

Deductible temporary differences

Deferred tax related to actuarial gain	-	(1,097,752)
Deferred tax related to gratuity	(11,443,207)	(13,703,377)
Deferred tax related to lease liabilities	(2,885,237)	(3,903,588)
Deferred tax related to doubtful debts	(1,883,561)	(1,672,225)
Deferred tax related to doubtful advances	(900,977)	(662,029)
Deferred tax related provision of stock in trade	(966,383)	-
Deferred tax related provision of stores and spares	(1,143,709)	-
	<u>121,611,662</u>	<u>117,236,588</u>

20.1.1 Owing to uncertainty relating to future taxable profits, against which the Company can utilize its deferred tax asset, the Company has not recognized any deferred tax asset related minimum tax credits amounting to Rs. 31.331 million (June 30, 2023: Rs. 31.331 million). Expiry of minimum tax and excess of corporate alternative tax carried forward is as follows:

Expiry tax year	Nature		
2029	Alternative corporate tax-2019	14,240,620	14,240,620
2026	Minimum tax-2021	5,936,958	5,936,958
2027	Minimum tax-2022	11,154,088	11,154,088
		<u>31,331,666</u>	<u>31,331,666</u>

		Note	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
20.2 Staff retirement benefits				
Balance sheet liability at the beginning of the year			169,572,420	134,674,090
Amount recognized during the period / year			28,362,042	52,583,470
Amount paid during the period / year			(66,832,829)	(30,261,785)
Unrecognised actuarial (gain)/loss			-	12,576,645
			131,101,633	169,572,420
Less: Current portion of gratuity payable	22		(9,456,993)	(59,374,421)
Present value of defined benefit obligation			<u>121,644,640</u>	<u>110,197,999</u>

21 LEASE LIABILITIES

Against right of use assets				
Lease liabilities			44,722,223	68,055,556
Payments / adjustments during the period / year			(15,534,104)	(31,067,820)
Interest expense during the period / year			3,867,243	7,734,487
Less: Current portion			<u>(23,333,333)</u>	<u>(23,333,333)</u>
			<u>9,722,029</u>	<u>21,388,890</u>
21.1 Maturity analysis-contractual undiscounted cash flow				
Less than one year			23,333,328	23,333,328
One to five year			9,722,236	21,388,900
More than five year			-	-
Total undiscounted lease liability			<u>33,055,564</u>	<u>44,722,228</u>

21.2 When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate which is 13.8% per annum.

21.3 The above liabilities were obligations under leases with lessor for lease of generator.

21.4 The lease agreement less than one year or low value are not classified under IFRS-16 leases.

22 TRADE AND OTHER PAYABLES

Creditors		441,002,814	969,673,650
Accrued liabilities		270,758,231	246,634,499
Tax deduction at source		50,860,018	34,867,962
Workers' Profit Participation Fund		81,896,927	61,813,284
Workers' Welfare Fund		24,602,099	18,936,018
Payable against purchase of land	22.1	186,589,686	170,699,040
Gas infrastructure development cess payable	22.2	40,938,135	40,938,135
Other payables	22.3	6,850,000	-
Current portion of gratuity payable	20.2	<u>9,456,993</u>	<u>59,374,421</u>
		<u>1,112,954,903</u>	<u>1,602,937,009</u>

	Note	December 31, 2023 (Unaudited) Rupees	June 30, 2023 (Audited) Rupees
22.1 Payable against purchase of land			
To directors of the Company			
Mussaid Hanif		140,323,978	108,667,728
Arbab Muhammad Khan		40,554,326	29,460,576
Sabah Burhan		5,711,382	13,502,382
To family members of the directors			
Others		-	19,068,354
		186,589,686	170,699,040

22.2 Pursuant to the order of Honorable Supreme Court of Pakistan in August, 2020 and its subsequent dismissal of review petition in November 2020, the Company is making accrual of levy as per GIDC monthly billing by Sui Northern Gas Pipeline Limited (SNGPL).

However, due to stay order granted by the High Court of the Sindh, the Company is not paying the levy. Due to non-payment of the levy, SNGPL is charging surcharge on unpaid amount. As of December 31, 2023, the surcharge charged to the Company is Rs. 160.733 million against which the Company is not making any accrual and is confident based on the advice of its legal counsel, that no liability will be raised to the Company relating to this surcharge.

22.3 This amount represents security deposits received from dealers through which looms have been sold. However, no separate bank account is maintained. The fund is utilised for the Company business purposes.

23 ACCRUED MARK-UP

Long term financing		999,762	1,060,063
Short term borrowings		57,674,256	51,211,793
		58,674,018	52,271,856

24 SHORT TERM BORROWINGS

Secured			
From banking companies and financial institutions			
Running finances	24.1	1,222,000,000	1,290,000,000
Unsecured			
From related party			
Loan from directors	24.2	-	22,657,119
Temporary bank overdraft	24.3	254,881,503	-
		1,476,881,503	1,312,657,119

24.1 The Company has total credit facilities of Rs. 1,522 million (June 30, 2023: 1,522 million) at the year end. Whereas the Company has availed credit facilities of Rs. 1,222 million (June 30, 2023: Rs. 1,272 million) and unavailed credit facilities of Rs. 300 million (June 30, 2023: Rs. 150 million) at the period end. and carries mark-up ranging from one month KIBOR plus 1% to one months KIBOR plus 1.5% per annum and SBP plus 1% per annum on utilized limits. These facilities are secured against first pari passu charge and joint pari passu charge over present and future current assets of the Company.

24.2 This amount represents loan obtained from two directors (June 30, 2023: Rs. 22.657 million) which is interest free loan and repayable on demand.

24.3 This represents temporary credit balances, which occurred due to outstanding cheques at the period end, issued in anticipation of deposits. This amount has been fully adjusted subsequently.

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
Note	Rupees	Rupees

25 CURRENT PORTION OF LONG TERM LIABILITIES

Current portion of deferred grant		927,122	999,837
Current portion of lease liability	21	23,333,333	23,333,333
Current portion of long term financing	19	10,621,680	10,621,680
		<u>34,882,135</u>	<u>34,954,850</u>

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingent liabilities

26.1.1 There has been no change in the contingencies as compared to those disclosed in the audited annual financial statements of the Company for the year ended June 30, 2023.

26.1.2 Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rs. 128.398 million (June 30, 2023: Rs. 128.398 million).

26.2 Commitments

Commitments as on December 31, 2023 were as follows:

- Contracts for capital expenditure are Rs. 5.6 million (June 30, 2023: Rs. 1.1 million).
- Against letters of credit amounting to Rs. 84.825 million (June 30, 2023: Rs. 85.347 million).
- Contracts against sale of Rs. 303.204 million (June 30, 2023: Rs. 734.119 million).
- Contract against the purchase of land of Nil (June 30, 2023: Rs. 52.050 million).
- Commitments for lease payments has been made under the relevant note.
- Foreign bills purchased by banks amounting to Rs. 197.901 million (June 30, 2023: Rs. 190.779 million).

----- (Unaudited) -----				
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
27 SALES				
Exports sales	2,821,377,660	2,022,080,417	888,883,435	687,418,218
Sales discount	(1,808,344)	(4,282,982)	(865,254)	(3,201,008)
	2,819,569,316	2,017,797,435	888,018,181	684,217,210
Local sales	1,117,378,432	1,617,314,772	742,973,196	994,071,132
Total sales	3,936,947,748	3,635,112,207	1,630,991,377	1,678,288,342
Export rebate	38,770,677	26,678,263	12,853,357	9,971,342
	3,975,718,425	3,661,790,470	1,643,844,734	1,688,259,684
28 COST OF SALES				
Raw materials consumed	1,825,837,855	1,851,237,088	882,772,740	922,816,047
Other overheads:				
Salaries, wages and other benefits	412,375,377	331,910,428	220,136,913	174,011,780
Freight	11,318,742	9,636,677	3,235,480	5,221,867
Loading and unloading	5,039,828	4,154,321	2,180,283	2,209,768
Store material consumed	507,811,499	377,154,463	246,118,585	214,312,598
Processing and conversion charges	82,163,960	24,102,205	38,938,367	11,817,326
Fuel and power	506,760,705	413,871,047	207,688,253	236,774,486
Insurance expense	6,174,899	5,858,809	2,822,900	3,336,550
Rent expense	450,000	580,000	225,000	195,000
Repair and maintenance	5,589,421	3,735,971	2,943,202	2,510,801
Vehicle running and maintenance	8,275,098	6,550,046	4,167,931	3,547,723
Communication charges	434,346	450,200	245,072	196,777
Travelling, conveyance and entertainment	4,393,184	3,986,157	2,269,944	1,625,878
Fee and subscription	6,927,264	5,968,142	4,076,202	3,015,795
Printing and stationary	207,690	1,521,207	94,860	1,470,707
Other manufacturing expense	1,624,142	1,255,054	880,121	725,974
Depreciation expense	90,731,760	87,734,632	45,631,202	49,473,697
Provision against stores and spares	4,953,167	-	4,953,167	-
Other expenses	6,269,539	5,813,906	-	-
	1,661,500,621	1,284,283,265	786,607,482	710,446,727
Opening work in process	114,052,797	161,794,567	66,790,515	118,214,930
Closing work in process	(86,210,386)	(84,878,440)	(88,147,070)	(84,878,440)
	27,842,411	76,916,127	(21,356,555)	33,336,490
Cost of goods manufactured	3,515,180,887	3,212,436,480	1,648,023,667	1,666,599,264
Opening stock of finished goods	943,020,679	959,192,932	681,285,992	795,981,418
Closing stock of finished goods	(1,068,345,509)	(923,657,207)	(919,438,614)	(923,657,207)
	(125,324,830)	35,535,725	(238,152,622)	(127,675,789)
	3,389,856,057	3,247,972,205	1,409,871,045	1,538,923,475

	----- (Unaudited) -----			
	Half year ended		Quarter ended	
	December 31, 2023	2022	December 31, 2023	2022
	Rupees	Rupees	Rupees	Rupees
29 FINANCE COSTS				
Mark-up on long term loans	2,554,187	4,260,109	1,254,266	1,541,362
Mark-up on short term loans	117,339,671	58,050,216	60,941,776	36,936,790
Mark-up on delayed realization	1,149,545	1,235,265	523,849	466,212
Bank charges and commission	16,667,497	10,351,086	10,819,159	2,647,388
Mark-up on WPPP	4,552,548	1,442,133	1,051,479	806,189
Interest expense on lease	5,149,118	4,017,265	2,581,969	2,057,455
	<u>147,412,566</u>	<u>79,356,074</u>	<u>77,172,498</u>	<u>44,455,396</u>
30 TAXATION				
Current tax				
Current period (note 14 & 30.1)	47,393,447	38,249,552	20,540,772	19,367,014
Prior year adjustment	(2,171,860)	10,298,033	(2,171,860)	10,298,033
Deferred tax	(939,375)	(1,651,290)	(939,375)	(1,651,290)
	<u>44,282,212</u>	<u>46,896,295</u>	<u>17,429,537</u>	<u>28,013,757</u>

30.1 This includes an amount of Rs. 4.591 million (June 30,2023: Rs. 13.617 million) for provision of super tax made under section 4C of Income Tax Ordinance, 2001.

31 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED - RESTATED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

Profit after taxation - in Rs. 270,048,914 23,679,509 68,908,034 (59,081,223)

Weighted average number of
ordinary shares

	Half year ended	Quarter ended	
	December 31, 2023	December 31, 2023	December 31, 2022
Earnings per share - basic and diluted -Rs.	<u>59,428,729</u>	<u>59,428,729</u>	<u>59,428,729</u>
	<u>4.54</u>	<u>0.40</u>	<u>1.16</u>
			<u>(0.99)</u>

32 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows:

Name of parties and basis of relationship	Notes	----- (Un-audited) -----	
		Half year ended December 31, 2023	2022
Key management personnel			
Remuneration and other benefits		2,700,000	2,700,000
Directors of the Company			
Payable of free hold land	22.1	186,589,686	160,182,048
Payment to director - for land		11,728,500	4,978,653
Short term loan obtained		-	10,000,000
Short term loan paid		22,657,119	7,049,000
Family member of the directors of the Company			
Advance against purchase of free hold land	9.1.3	72,750,000	-
Purchase of land		5,531,250	19,068,354
Payment to director - for land		24,599,604	-

32.1 The balances with related parties have also been disclosed in the relevant notes to the condensed interim financial statements.

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2)

Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

34 FINANCIAL INSTRUMENTS BY CATEGORY

	Carrying value			Fair value				
	Financial assets at amortized cost	FVTPL - equity instrument	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
On-Balance sheet financial instruments								
As at December 31, 2023								
Financial assets measured at fair value								
Investments classified as FVTPL	-	210,866,983	-	210,866,983	210,866,983	-	-	210,866,983
Financial assets at amortised cost								
Loan and advances	17,097,515	-	-	17,097,515	-	-	-	-
Long-term deposits	25,766,724	-	-	25,766,724	-	-	-	-
Trade debts	415,277,508	-	-	415,277,508	-	-	-	-
Trade deposits	22,448,024	-	-	22,448,024	-	-	-	-
Other receivables	91,900,531	-	-	91,900,531	-	-	-	-
Short term investments - secured	5,000,000	-	-	5,000,000	-	-	-	-
Cash and bank balances	232,843,493	-	-	232,843,493	-	-	-	-
	810,333,795	210,866,983	-	1,021,200,778	210,866,983	-	-	210,866,983
Financial liabilities at amortised cost								
Long term financing - secured	-	-	69,940,363	69,940,363	-	-	-	-
Trade and other payables	-	-	1,112,954,903	1,112,954,903	-	-	-	-
Lease liability	-	-	33,055,564	33,055,564	-	-	-	-
Accrued markup	-	-	58,674,018	58,674,018	-	-	-	-
Short-term borrowings - secured	-	-	1,222,000,000	1,222,000,000	-	-	-	-
	-	-	2,496,624,848	2,496,624,848	-	-	-	-

	Carrying value				Fair value			
	Financial assets at amortized cost	FVTPL - equity instrument	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2023								
Financial assets measured at fair value								
Investments classified as FVTPL	-	102,975,933	-	102,975,933	102,975,933	-	-	102,975,933
Financial assets at amortised cost								
Loan and advances	26,856,435	-	-	26,856,435	-	-	-	-
Long-term deposits	25,602,294	-	-	25,602,294	-	-	-	-
Trade debts	557,182,004	-	-	557,182,004	-	-	-	-
Trade deposits	10,639,865	-	-	10,639,865	-	-	-	-
Other receivables	85,275,159	-	-	85,275,159	-	-	-	-
Short term investments - secured	5,000,000	-	-	5,000,000	-	-	-	-
Cash and bank balances	156,348,980	-	-	156,348,980	-	-	-	-
	866,904,737	102,975,933	-	969,880,670	102,975,933	-	-	102,975,933
Financial liabilities at amortised cost								
Long term financing - secured	-	-	74,733,107	74,733,107	-	-	-	-
Trade and other payables	-	-	1,602,937,009	1,602,937,009	-	-	-	-
Lease liability	-	-	44,722,228	44,722,228	-	-	-	-
Accrued markup	-	-	52,271,856	52,271,856	-	-	-	-
Short-term borrowings - secured	-	-	1,290,000,000	1,290,000,000	-	-	-	-
	-	-	3,064,664,200	3,064,664,200	-	-	-	-

34.1 The Company has revalued certain fixed assets at fair value and classified under property, plant and equipment. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the condensed interim financial statements.

35 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2023.

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2023.

36 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All other significant transactions and events that have affected the Company's financial position and performance during the period have been adequately disclosed in the notes to these financial statements.

37 CORRESPONDING FIGURES

37.1 Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year except followings for better or correct presentation:

Item description	From	To	Amount Rupees
Commission and claims	Sales	Distribution cost	85,749,749
Gas infrastructure development cess payable	Gas infrastructure development cess payable	Accrued liabilities	8,273,977

Accordingly, quarter ended December 31, 2022 figures have also been reclassified.

37.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2023 and the corresponding figures in the condensed interim statement of profit or loss and the condensed interim comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended December 31, 2023.

38 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

There are no significant reportable events after the condensed interim statement of financial position.

39 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements were authorized for issue on February 23, 2024 by the Board of Directors of the Company.

40 GENERAL

Amounts have been rounded off to the nearest rupees unless otherwise stated.

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CHIEF EXECUTIVE

Ritika

DIRECTOR

Waseem Akbar

CHIEF FINANCIAL OFFICER

موجودہ اور مستقبل کا نقطہ نظر

لیکن اسکی صنعت کو متعدد چالنجرز کا سامنا ہے جس کی وجہ سے مقامی اور عالمی سطح پر مقابلہ کرنا بے حد مشکل ہوتا جا رہا ہے۔ ان رکاوٹوں میں غالب طلب میں کمی، بڑھتی ہوئی افراطی، بلند پیداواری لائگت، مہنگی درآمدات اور خام مال، غیر لیقینی کرنی کا انتارچ ڈھاوا، مہنگی بنک فناںگ، لیکن کسی کی واپسی میں تاخیر اور حکومتی لیکنوں میں بے پناہ اضافہ شامل ہیں۔ اس کے نتیجے میں متعدد چھوٹے سے درمیانے درجے کے لیکن اسکی بیشتر یونیٹس بند ہونے پر مجبور ہو رہے ہیں۔ دوسری طرف، کچھ بڑے اور عمودی طور پر مر بوط پیداواری یونیٹس ہی اس مشکل ماحول میں کچھ پیدا کر رہے ہیں۔ ان تمام چالنجرز کے باوجود کمپنی کی انتظامیہ لائگت میں بچت کے اقدامات کو ترجیح دے کر منافع کے حصول کے بارے میں پر امید ہے۔ حکومت کو پائیدار ترقی کے حصول کے لیے برآمدات پر میں لیکن اسکی کو بھی ترجیح دینی چاہیے۔ مطلوب اہداف کے حصول کے لیے بھی اور گیس کے لیے علاقائی سطح پر مسالیقی تو انکی کے نزخوں پر فراہمی ضروری ہے۔

کمپنی نے پہلے ہی ایک نئی گارمنٹس یونٹ پر کام شروع کر دیا ہے جس سے اگلے مالی سال میں روزانہ کی بنیاد پر 5000 گارمنٹس کی تجھیمیہ صلاحیت کے ساتھ پیداوار اور شروع ہونے کی توقع ہے۔ اس سے کمپنی کو یورپ اور امریکہ میں نئی گارمنٹس ایکسپورٹ مارکیٹ میں داخل ہونے اور اپنے منافع میں اضافہ کرنے میں مدد حاصل ہوگی۔ اس پیداواری سہولت کو موجودہ ڈائیکنگ اور فنگ پر ڈکشن کی سہولت فراہم کی جائے گی، جسے مالی سال 2025ء کے اختتام تک موجودہ پیداوار کو 20 میلرکٹن یومیہ سے 25 میلرکٹن تک بڑھادیا جائے گا۔ کمپنی نے اپنے تو یہ میتوں کی پرکھ گیونٹ پر موجود شمشی تو انکی کے پلانٹ کی صلاحیت میں 450 کلووات سے 960 کلووات تک کا اضافہ کیا ہے۔ مزید برآس کمپنی اپنے یونگ یونٹ پر بھی 358 کلووات کے ششی تو انکی کے پلانٹ کی بھی تنصیب جاری رکھئے ہوئے ہے۔ یہ ماحولیات کے تحفظ اور سستی، مسلسل اور محفوظ تو انکی کی دستیابی کے لیے کمپنی کے عزم کو ظاہر کرتی ہے۔

اعتراف

بورڈ اپنے معزز حصہ داران، بنکوں، مالیاتی اداروں، صارفین اور سلائرز کا تہذیل سے مشکور ہے جن کے تعاون، مسلسل صمیحت اور سرپرستی نے کمپنی کو مسلسل بہتری کی طرف پیش رفت کرنے کا اختیار دیا ہے۔ زیر جائزہ مدت کے دوران انتظامیہ اور ملازمین کے درمیان تعلقات خوبگوار ہے۔ اور ہم کمپنی کے ملازمین کی لگن اور ثابت قدمی کے لیے اپنی تعریف کو ریکارڈ پر رکھنا چاہتے ہیں۔

محترم ارباب محمد خان
ایگریکٹو ڈائریکٹر

محترم مساعد حنفی
چیف ایگریکٹو
لاہور
23 فوری 2024ء

اراکین کے لیے ڈائریکٹر کی رپورٹ

زیفر ٹیکسٹائلز لیمیٹڈ کے ڈائریکٹر کی رپورٹ کے لیے 31 دسمبر 2023ء کو اختتام پذیر نصف سال کے لیے نظر ثانی شدہ عبوری مالیاتی گوشوارے پیش کرنا باعث فخر و امتیاز ہے۔ یہ عبوری مالیاتی گوشوارے کمپنیز ایکٹ 2017 کی ضروریات کے مطابق پیش کیے جاتے ہیں۔

عملی مالیاتی نتائج

31 دسمبر 2023ء کو اختتام پذیر نصف سال کے دوران کمپنی نے 3,975.718 ملین روپے کی فروخت پر 585.862 ملین روپے کا مجموعی منافع حاصل کیا۔ جبکہ گذشتہ برس کی اسی مدت کے دوران 3,661.790 ملین روپے کی فروخت پر 413.818 ملین روپے کا مجموعی منافع حاصل کیا گیا۔ زیر جائزہ مدت کے دوران کمپنی نے 270.049 ملین روپے خالص منافع ریکارڈ کیا۔ جو کہ گذشتہ برس کی اسی مدت میں 23.680 ملین روپے خالص منافع تھا۔

نامیاں مالیاتی تفصیل	اختتام پذیر نصف سال		اختتام پذیر نصف سال		اضافہ/(کی) %
	2022 (روپے)	2023 (روپے)	2022 (روپے)	2023 (روپے)	
خالص فروخت	1,688,259,684	1,643,844,731	8.57%	3,661,790,470	3,975,718,425
مجموعی منافع	149,336,209	233,973,689	41.57%	413,818,265	585,862,368
نفع قبل از جگہ	(31,067,466)	89,438,317	345.38%	70,575,804	314,331,126
نفع بعد از جگہ	(59,081,223)	68,908,034	1040.43%	23,679,509	270,048,914
مجموعی منافع (%)	8.85%	14.23%		11.30%	14.74%
نفع بعد از جگہ (%)	(3.50)%	4.19%		0.65%	6.79%

منافع میں تاپ لائن اضافہ 314 ملین روپے ہے۔ گذشتہ برس 3.662 ارب روپے خالص فروخت کے مقابلے میں زیر جائزہ مدت میں 3.976 ارب روپے کی خالص فروخت میں 8.57 فیصد کا اضافہ ہے۔ مجموعی منافع میں 41.57 فیصد کا اضافہ ہوا ہے۔ جبکہ خالص منافع میں گذشتہ برس کے چھ ماہ کی اسی مدت کے مقابلے میں موجودہ چھ ماہ میں 1040.43 فیصد اضافہ ہوا ہے۔ غیر معمولی مجموعی مارجن کی وجہ مقامی مارکیٹ سے ولیوو ایڈیشن ایکسپورٹ کاروبار کی طرف منتقل ہونا ہے۔ ایکسپورٹ مارکیٹ پیداوار کی بڑھتی ہوئی لگات کو جذب کر لیتی ہے جبکہ مقامی مارکیٹ ایسا نہیں کر سکتی۔ امریکی ڈالر کا بڑھتا ہوا راجحان برآمدی صنعت کے لیے زیادہ مارجن بنانے اور بڑھتی ہوئی پیداوار کی بڑھتی ہوئی لگات سے منہش کے لیے بھی مددگار ثابت ہوا ہے۔ بعد از جگہ منافع میں غیر معمولی اضافہ کپڑے بنانے والی لومز کی فروخت سے ہوا ہے۔ یہ لومز مقامی کپڑے کے کاروبار کے لیے استعمال کی جا رہی تھیں۔ اور مقامی کورے کپڑے کی مارکیٹ کو چھوڑ کر ایکسپورٹ کا رہنمیں کے کاروبار میں قدم جمانے کے لیے ان لومز کو فروخت کر دیا گیا ہے۔

متعلقہ پارٹی ٹرانزیکشن

کمپنی نے 13 اپریل 2023ء کو منعقد ہونے والے اپنے غیر معمولی اجلاس عام میں کمپنی کے معزز ممبران سے منظوری حاصل کرنے کے بعد، اپنے تین ڈائریکٹر سے قیصری سے ملحقہ 46.46 اراضی حاصل کی، جس کی قیمت 47.147 ملین روپے تھی۔ کمپنی کے جسٹرڈ آفس میں مورخہ 5 ستمبر 2023ء کو منعقد ہونے والے یورڈ آف ڈائریکٹر کے اجلاس میں، ڈائریکٹر کی منظوری کے بعد میرید 9.84 ایکڑ اراضی جس کی قیمت 72.750 ملین روپے ہے، اس اراضی کا حصول بھی زیر عمل ہے۔ بورڈ نے جبکہ میں واقع اپنے تولیہ میونیپکل نگر یونٹ کے لیے مستقبل میں توسعہ اور اس کے ہموار آپریشنز کے منصوبوں کو زیر نظر رکھتے ہوئے اراضی کے اس حصول کی منظوری دی۔ ملٹان روڈ کے قریب واقع ہونے کی وجہ سے اس اراضی کی مارکیٹ ولیوو گذشتہ سال حاصل کی گئی اراضی سے زیادہ ہے۔ اراضی کی متعلقی کامل جاری ہے اور جلد مکمل کر لیا جائے گا۔

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