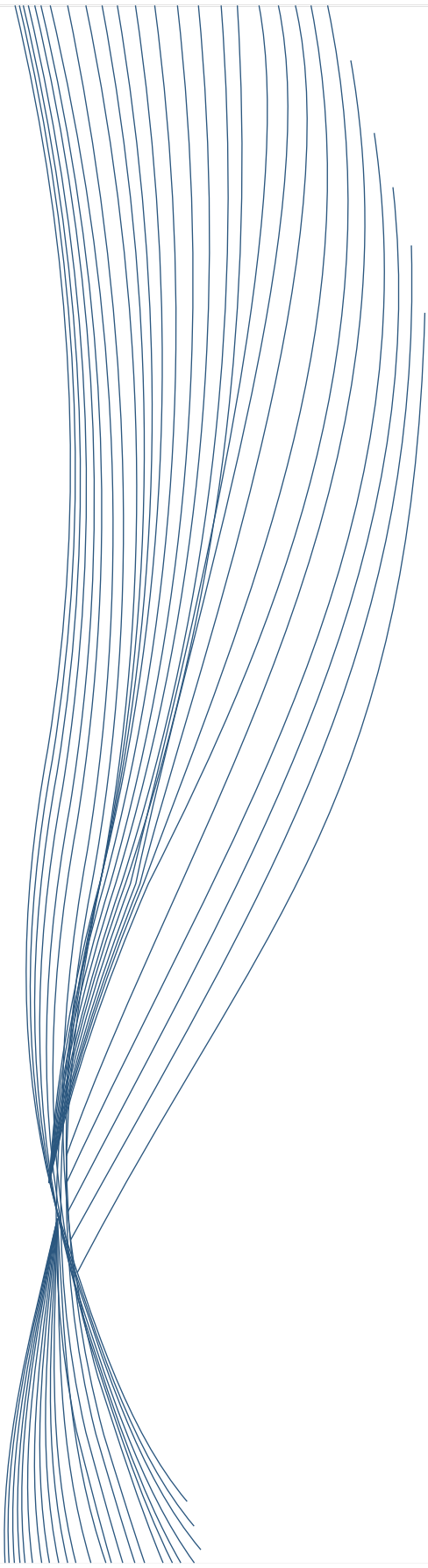
ZEPHYR
TEXTILES LIMITED



Zephyr Textiles Limited

Accounts For 1st Quarter
Ended September 30, 2026

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ZEPHYR
TEXTILES LIMITED

Company Information

BOARD OF DIRECTORS:	Mr. Mussaid Hanif	CEO
	Mr. Arbab Muhammad Khan	
	Mr. Sheikh Muhammad Iqbal	
	Ms. Tehniyat Mussaid	Chairperson
	Ms. Sabah Burhan	
	Ms. Sarah Naviwala	
	Ms. Ayesha Naweed	
AUDIT COMMITTEE:	Ms. Ayesha Naweed	Chairperson/Member
	Ms. Sarah Naviwala	Member
	Ms. Tehniyat Mussaid	Member
HR & REMUNERATION COMMITTEE:	Ms. Ayesha Naweed	Chairperson/Member
	Mr. Arbab Muhammad Khan	Member
	Ms. Sabah Burhan	Member
CHIEF FINANCIAL OFFICER:	Mr. Naveed Aleem	
COMPANY SECRETARY:	Mr. Abdul Jabbar	
AUDITORS:	BDO Ebrahim & Co.	Chartered Accountants
LEGAL ADVISOR:	Khalid Law Associates Office No. 42, 4th Floor CM Center, 1-Mozang Road Lahore-54000, Pakistan	
BANKERS TO THE COMPANY:	Habib Bank Limited	National Bank of Pakistan
	Askari Bank Limited	The Bank of Punjab
	United Bank Limited	Meezan Bank Limited
	Habib Metropolitan Bank Limited	Bank Islami Pakistan Limited
	Bank Al Habib Limited	
MILLS:	1 km, Balloki Bhai Pheru Road Bhai Pheru. Phone : 0494 - 512007-9, 513103-5 Fax : 0494 - 512011	(Weaving unit & Power plant)
	63 km, Gulshan Adda, Jumber Khurd, District Kasur.	(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: The Company's Information & Financial Statements are also available at the above website.

DIRECTORS' REPORT – FIRST QUARTER ENDED SEPTEMBER 30, 2026

The Directors are pleased to present the un-audited condensed interim financial statements of the Company for the first quarter ended September 30, 2026, together with comparative figures for the corresponding quarter ended September 30, 2025.

FINANCIAL PERFORMANCE

Particulars	Q1 FY2026-27	Q1 FY2025-26	Change
Net sales	2,330.91	1,961.93	+18.8%
Cost of sales	2,093.43	1,728.23	+21.1%
Gross profit	237.48	233.70	+1.6%
Operating profit	72.41	85.34	–15.2%
Finance cost	44.24	54.05	–18.2%
Profit before levy & taxation	28.17	31.29	–10.0%
Profit after levy & taxation	3.53	9.41	–62.5%
Earnings per share (Rs.)	0.06	0.16	–62.5%

REVIEW OF OPERATIONS

Net sales increased by 18.8% to Rs. 2,330.91 million, reflecting improved business volume. Gross profit, however, rose by only 1.6% to Rs. 237.48 million as cost of sales increased faster than revenue, resulting in a lower gross margin of approximately 10.2% compared with 11.9% in the corresponding period. Operating profit declined by 15.2% to Rs. 72.41 million, mainly due to higher operating expenses, notwithstanding improved other operating income.

Finance cost decreased by 18.2% to Rs. 44.24 million, providing some relief. Nevertheless, profit after levy and taxation stood at Rs. 3.53 million against Rs. 9.41 million last year, while earnings per share decreased to Rs. 0.06 from Rs. 0.16. The Company also recorded net cash used in operating activities of approximately Rs. 32.02 million, due to slow recovery of trade debts.

TEXTILE INDUSTRY – OUTLOOK AND PROSPECTS

Pakistan's textile sector continues to offer opportunities through value-added exports, product diversification, operational efficiency and access to international markets. Textile exports increased by 5.26% to approximately US$5.03 billion during July–September 2026 compared with US$4.78 billion in the corresponding period last year. Ready-made garments, knitwear and towels were among the categories supporting this growth. However, elevated energy and input costs, taxation, liquidity constraints and intense regional competition continue to challenge export margins.

The Company will focus on improving product mix and capacity utilisation, controlling conversion and overhead costs, enhancing energy efficiency, strengthening procurement and inventory controls, and accelerating receivable collections. Management will continue to pursue quality, timely deliveries and sustainable customer relationships while carefully monitoring market demand, raw-material prices, exchange-rate movements and policy developments.

ACKNOWLEDGEMENT

The Board appreciates the dedication and hard work of the employees and acknowledges the continued support of customers, suppliers, financial institutions and other stakeholders.

For and on behalf of the Board

Mussaid Hanif
Chief Executive

Arbab Muhammad Khan
Executive Director

Lahore
October 30, 2026

ZEPHYR
TEXTILES LIMITED

Statement of Financial Position

As at September 30, 2026 (Un-Audited)

	Note	Un-Audited September 30, 2026 (Rupees)	Audited June 30, 2026 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property plant & equipment		**2,891,710,352**	2,924,822,232
Right of use assets		**-**	-
Capital work in progress		**-**	-
Intagible assets		**-**	-
		2,891,710,352	2,924,822,232
Long term and deposits		**25,474,124**	25,474,124
CURRENT ASSETS			
Stores, spares and loose tools		**301,148,375**	281,850,880
Stock in trade		**1,869,090,362**	1,968,624,524
Loans and advances		**116,096,161**	120,536,830
Trade debts		**1,461,814,054**	1,141,624,126
Trade deposits and prepayments		**23,615,237**	17,786,564
Tax refunds due from Governments		**450,017,911**	414,179,749
Other receivables		**168,796,299**	146,495,216
Short term investments		**2,794,946**	2,791,621
Cash and bank balances		**52,282,469**	108,328,908
		4,445,655,814	4,202,218,418
Non current asset held for sale		**30,275,000**	30,275,000
		7,393,115,290	7,182,789,774
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 AND CONRIBUTION FROM SPONSOR		**1,562,048,898**	1,553,233,197
CONRIBUTION FROM SPONSOR		**47,000,000**	44,000,000
SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT		**346,850,996**	352,137,473
		2,550,187,184	2,543,657,960
LONG TERM LOANS		**102,866,097**	116,511,727
DEFERRED LIABILITIES		**320,182,057**	309,399,904
LEASE LIABILITIES		**13,578,238**	-
DEFERRED GRANT		**4,047,111**	4,047,111
CURRENT LIABILITIES			
Creditors, accrued and other liabilities		**2,171,916,989**	1,996,800,390
Contract liabilities		**34,148,671**	34,135,220
Accrued mark up		**19,578,887**	15,970,912
Short term finances - Secured		**2,110,482,972**	2,087,656,452
Unclaimed dividend		**829,907**	829,907
Current portion of long term liabilities		**65,297,177**	73,780,191
		4,402,254,603	4,209,173,072
CONTIGENCIES AND COMMITMENTS	**4**	**-**	-
		7,393,115,290	7,182,789,774

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED
Statement of Profit & Loss Account
for the 1st Quarter ended September 30, 2026 (Un-Audited)

	Jul-Sept 2026 (Rupees)	Jul-Sept 2025 (Rupees)
SALES	**2,330,909,183**	1,961,927,851
COST OF SALES	**2,093,431,142**	1,728,225,582
GROSS PROFIT	**237,478,041**	233,702,269
OPERATING EXPENSES		
Distribution costs	**146,108,935**	114,035,327
Administrative cost	**33,012,981**	30,356,886
Other operating expenses	**8,086,298**	12,116,052
	187,208,214	156,508,265
	50,269,827	77,194,004
Other operating income	**22,137,855**	8,143,459
OPERATING PROFIT/(LOSS)	**72,407,682**	85,337,463
Finance cost	**44,240,086**	54,047,070
PROFIT BEFORE LEVY AND TAXATION	**28,167,596**	31,290,393
Levy and taxation	**24,638,372**	21,881,713
PROFIT AFTER LEVY AND TAXATION	**3,529,224**	9,408,680
EARNING PER SHARE-BASIC & DILUTED	0.06	0.16

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

ZEPHYR
TEXTILES LIMITED

Statement of Comprehensive Income

for the 1st Quarter ended September 30, 2026 (Un-Audited)

	Jul-Sept 2026 (Rupees)	Jul-Sept 2025 (Rupees)
Profit for the period after levy and taxation	**3,529,224**	9,408,680
Other comprehensive income		
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**3,529,224**	9,408,680

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

ZEPHYR TEXTILES LIMITED

Statement of Cash Flow

for the 1st Quarter ended September 30, 2026 (Un-Audited)

		Jul-Sept 2026 (Rupees)	Jul-Sept 2025 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period before levy and taxation		**28,167,596**	31,290,393
Adjustments for:			
Depreciation & amortization		**45,334,487**	63,445,123
Gain on sale of fixed assets		**-**	-
Dividends, capital gains & other (income)/loss		**(3,325)**	-
Provision for staff gratuity		**28,687,067**	11,585,502
Financial charges		**44,240,086**	54,047,070
		118,258,315	129,077,695
		146,425,911	160,368,088
(Increase)/Decrease in current assets			
Stores, spares and loose tools		**(19,297,495)**	(15,730,159)
Stock in trade		**99,534,162**	(146,727,813)
Trade debts		**(320,189,928)**	306,635,243
Loans and advances		**4,440,669**	(15,026,202)
Trade deposits, prepayments & other receivables		**(37,270,388)**	125,082,833
		(272,782,980)	254,233,902
Increase/(Decrease) in current liabilities			
Creditors, accrued and other liabilities		**175,130,050**	(343,804,763)
Cash flow from operations		**48,772,981**	70,797,227
Financial charges paid		**(40,632,111)**	(38,210,848)
Taxes paid		**(29,736,280)**	(34,756,665)
Gratuity paid		**(15,745,646)**	(5,685,960)
Net 'Principal paid on lease liabilities		**5,316,599**	-
		(80,797,438)	(78,653,473)
Net cash flow from operating activities	**(A)**	**(32,024,457)**	(7,856,246)
CASH FLOW FROM INVESTING ACTIVITIES			
Long term advances, deposits and deferred costs		**25,913**	-
Sale proceeds of fixed assets		**-**	-
Dividends recieved		**-**	-
Proceeds from sale of short term investment		**-**	-
Fixed capital expenditure		**(24,745,771)**	(34,354,210)
Net cash flow from investing activities	**(B)**	**(24,719,858)**	(34,354,210)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term finances - secured		**22,826,520**	85,332,348
Long term finances - secrued		**(22,128,644)**	(2,655,421)
Net cash flow from financing activities	**(C)**	**697,876**	82,676,927
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(A+B+C)**	**(56,046,439)**	40,466,471
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**108,328,908**	27,409,493
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**52,282,469**	67,875,964

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

ZEPHYR
TEXTILES LIMITED

Statement of Changes in Equity

for the 1st Quarter ended September 30, 2026 (Un-Audited)

Description	Share Capital (Rupees)	Revaluation Surplus (Rupees)	Accumulated Profit/(Loss) (Rupees)	Total Equity (Rupees)
Balance as at June 30, 2025	**594,287,290**	**373,283,383**	**1,523,646,635**	**2,491,217,308**
Net profit for the period	-	-	9,408,680	9,408,680
Current year incremental depreciation - net of tax	-	(6,873,015)	6,873,015	-
Balance as at September 30, 2025	**594,287,290**	**366,410,368**	**1,539,928,330**	**2,500,625,988**
Balance as at June 30, 2026	**594,287,290**	**352,137,473**	**1,553,233,197**	**2,499,657,960**
Net profit for the period	-	-	3,529,224	3,529,224
Current year incremental depreciation - net of tax	-	(5,286,477)	5,286,477	-
Balance as at September 30, 2026	**594,287,290**	**346,850,996**	**1,562,048,898**	**2,503,187,184**

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

Notes to the Accounts

for the 1st Quarter ended September 30, 2026 (Un-Audited)

1. These financial statements have been prepared in accordance wih the requirements of International Accounting Standard(IAS) 34 "Interim Financial Reporting".

2. These financial statements are un-audited and are being submitted to shareholders as required by Section 237 of the Companies Act, 2017.

3. The accounting policies adopted for the prepartion of the accounts are the same as those applied in the prepartion of the preceding annual published financial statements of the company for the year ended June 30, 2026.

4. **Contigencies and Comitments**

   4.1 Commitments
   Commitments against irrevocable letters of credit for import of machinery and raw material as at September 30, 2026 amounting to Rs.30.486 million (June 2026 : Rs.128.156 million)

   4.2 Others
   There are no other significant activities since June 30, 2026 affecting financial Statements.

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

	Un-Audited September 30, 2026 (Rupees)	Audited June 30, 2026 (Rupees)
Additions in fixed assets	**24,745,771**	305,673,411
Deletions in fixed assets	**-**	45,329,130
Additions in capital work in progress	**-**	218,046,925
Transfers from capital work in progress	**-**	218,046,925

	Un-Audited September 30, 2026 (Rupees)	Un-Audited September 30, 2025 (Rupees)
6. EARNING PER SHARE - BASIC		
Profit / (loss) after tax	**3,529,224**	9,408,680
Weighted average number of ordinary shares	**59,428,729**	59,428,729
Earning / (loss) per share - basic	**0.06**	0.16

7. **DATE OF AUTHORISATION**
   These accounts have been approved by Board of Dirctors on October 30, 2026.

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

ڈائریکٹرز کی رپورٹ – 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی

ڈائریکٹرز کو کمپنی کے 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے 30 ستمبر 2025 کو ختم ہونے والی گزشتہ سال کی اسی سہ ماہی کے تقابلی اعداد و شمار کے ساتھ پیش کرتے ہوئے خوشی ہو رہی ہے۔

مالی کارکردگی

تفصیلات	Q1 FY2026-27	Q1 FY2025-26	تبدیلی
خالص فروخت	2,330.91	1,961.93	+18.8%
فروخت کی لاگت	2,093.43	1,728.23	+21.1%
مجموعی منافع	237.48	233.70	+1.6%
آپریٹنگ منافع	72.41	85.34	– 15.2%
مالیاتی لاگت	44.24	54.05	– 18.2%
لیوی اور ٹیکس سے قبل منافع	28.17	31.29	– 10.0%
لیوی اور ٹیکس کے بعد منافع	3.53	9.41	– 62.5%
فی حصص آمدنی (روپے)	0.06	0.16	– 62.5%

کاروباری سرگرمیوں کا جائزہ

خالص فروخت 18.8% اضافے کے ساتھ 2,330.91 ملین روپے ہو گئی، جو کاروباری حجم میں بہتری کی عکاسی کرتی ہے۔ تاہم مجموعی منافع صرف 1.6% بڑھ کر 237.48 ملین روپے ہوا، کیونکہ فروخت کی لاگت میں اضافہ آمدنی کے مقابلے میں زیادہ تیز رہا۔ نتیجتاً مجموعی منافع کا مارجن کم ہو کر تقریباً 10.2% رہ گیا، جبکہ گزشتہ سال کی اسی مدت میں یہ 11.9% تھا۔ دیگر آپریٹنگ آمدنی میں بہتری کے باوجود بنیادی طور پر آپریٹنگ اخراجات میں اضافے کے باعث آپریٹنگ منافع 15.2% کم ہو کر 72.41 ملین روپے رہ گیا۔

مالیاتی لاگت 18.2% کم ہو کر 44.24 ملین روپے رہ گئی، جس سے کچھ ریلیف ملا اس کے باوجود، لیوی اور ٹیکس کے بعد منافع گزشتہ سال کے 9.41 ملین روپے کے مقابلے میں 3.53 ملین روپے رہا، جبکہ فی حصص آمدنی 0.16 روپے سے کم ہو کر 0.06 روپے ہو گئی تجارتی وصولیوں کی سست وصولی کے باعث کمپنی کی آپریٹنگ سرگرمیوں میں استعمال ہونے والی خالص نقد رقم تقریباً 32.02 ملین روپے رہی۔

ٹیکسٹائل کی صنعت مستقبل کا منظر نامہ اور امکانات

پاکستان کا ٹیکسٹائل شعبہ ویلیو ایڈڈ برآمدات، مصنوعات میں تنوع عملی کارکردگی میں بہتری اور بین الاقوامی منڈیوں تک رسائی کے ذریعے مواقع فراہم کر رہا ہے۔ جولائی تا ستمبر 2026 کے دوران ٹیکسٹائل برآمدات 5.26% اضافے کے ساتھ تقریباً 5.03 ارب امریکی ڈالر رہیں، جبکہ گزشتہ سال کی اسی مدت میں یہ 4.78 ارب امریکی ڈالر تھیں تیار ملبوسات، نٹ ویئر اور تولیے اس ترقی میں معاون مصنوعات میں شامل تھے۔ تاہم، توانائی اور پیداواری مداخل کی بلند لاگت ٹیکسوں، نقدی کی قلت اور شدید علاقائی مسابقت کے باعث برآمدی منافع کے مارجن کو مسلسل دباؤ کا سامنا ہے۔

کمپنی مصنوعات کے امتزاج اور پیداواری صلاحیت کے استعمال میں بہتری، کنورژن اور بالائی اخراجات پر قابو پانے، توانائی کے مؤثر استعمال، خریداری اور ذخیرے کے کنزول کو مضبوط بنانے اور قابل وصول رقوم کی وصولی تیز کرنے پر توجہ دے گی۔ انتظامیہ مارکیٹ کی طلب خام مال کی قیمتوں، شرح مبادلہ میں اتار چڑھاؤ اور پالیسی میں ہونے والی تبدیلیوں کی محتاط نگرانی کرتے ہوئے معیار، بروقت ترسیل اور صارفین کے ساتھ پائیدار تعلقات کے فروغ کے لیے کام جاری رکھے گی۔

اظہار تشکر

بورڈ ملازمین کی لگن اور محنت کو سراہتا ہے اور صارفین، سپلائرز، مالیاتی اداروں اور دیگر متعلقہ فریقوں کے مسلسل تعاون کا اعتراف کرتا ہے۔

بورڈ کی جانب سے اور اس کی نمائندگی کرتے ہوئے

محترم ارباب محمد خان
ایگزیکٹو ڈائریکٹر

محترم مساعد حنیف
چیف ایگزیکٹو
لاہور
30 اکتوبر، 2026ء



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