

**CONDENSED INTERIM FINANCIAL STATEMENTS  
DECEMBER 31, 2013**



**ZAHIDJEE TEXTILE MILLS LIMITED**

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**ZAHIDJEE TEXTILE MILLS LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS- DECEMBER 31, 2013

**Company  
Information****Board of Directors**

Mr. Muhammad Zahid  
Chairman / Chief Executive

Mst. Huma Zahid  
Mst. Fauzia Shahani  
Mst. Shaista Balquees  
Mr. Muhammad Amjad  
Mr. Muhammad Nawaz  
Mr. Muhammad Jamshaid

**Bankers of the Company**

Allied Bank Limited  
Faysal Bank Limited  
United Bank Limited  
National Bank of Pakistan  
The Bank of Punjab

**Audit Committee**

Mst. Huma Zahid  
(Chairman)  
Mst. Shaista Balquees  
Mr. Muhammad Amjad

**Registered Office**

20, Bilal Road,  
Civil Lines,  
Faisalabad

**Company Secretary/  
Chief Financial Officer**

Mr. Shahab-Ud-Din Khan

**Mills**

28-KM, Sheikhpura Road,  
Faisalabad

32-KM, Tandlian wala Road,  
Faisalabad

**Auditors**

Avais Hyder Liaquat Nauman  
Chartered Accountants

**Share Registrar**

Consulting One (Private) Limited  
478-D Peoples Colony No.1  
Faisalabad  
Tel: + 92-41-8541165/8541965  
Fax: + 92-41-8542765

**ZAHIDJEE TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM FINANCIAL STATEMENTS - DECEMBER 31, 2013**  
**DIRECTORS' REPORT TO THE MEMBERS**

It is real sources of pleasure for me to present before you un-audited condensed interim financial statements of the company for the half year ended Dec 31, 2013.

**FINANCIAL RESULTS**

The salient features of the company's financial performance are given hereunder for your appraisal.

	<u>Half year ended December 31,</u>	
	<u>2013</u>	<u>2012</u>
	Rupees	Rupees
Sales	<b>3,085,868,398</b>	1,967,767,637
Gross Profit	<b>417,378,393</b>	292,603,746
Pre tax profit	<b>246,934,756</b>	178,688,118
After tax profit	<b>170,069,468</b>	120,953,377
Earnings per share - Basic and diluted	<b>3.47</b>	2.96

There is significant hike in net profit for the half year compared to corresponding period. This is mainly due to increase in sales volume and strict monitoring of operating expenses. The sales volume increased due to splendid market strategy coupled with high quality standards of production.

Profit before tax is Rs. 246,934,756/- as compared the profit of Rs. 178,688,118/- of the corresponding period of last year.

**GENERAL MARKET CONDITIONS**

The period under review was a hard hit era for the entire industry in general and textile industry in particular. Law and order situation was not conducive for the smooth sail of business activities. Acute shortage of electricity together with continuous closure of gas in the month of December virtually rendered it impossible to cope with the global pace. All these quandaries devastatingly shook the confidence of industrialists consequently investment level was curtailed rather flight of capital was also reported.

It is pertinent to mention that investors have now started heaving sigh of relief due to revolutionary steps taken by the present Government in the sector of power and gas. Moreover foreign investment practically from CHINA and TURKEY has brought healthy impacts over the industrialists. It is anticipated that rough waves are over and the novel will commence with a note of prosperity.

The Board also wishes to place on record its appreciation for the hard work and dedication shown by the Workers, Managers, Company's Directors, Shareholders and Bankers.

For and on behalf of  
the Board

Dated: February 28, 2014  
Faisalabad.

**MUHAMMAD ZAHID**  
Chief Executive Officer

## **4 Auditors' Report on Review of Interim Financial Information to the Members**

### Introduction

We have reviewed the accompanying condensed interim balance sheet of Zahidjee Textile Mills Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2013.

### 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 information 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 information as at December 31, 2013 and for the six months period then ended is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

**Date February 28, 21014**  
**Place Faisalabad**

**Avais Hyder Liaquat Nauman**  
**Chartered Accountants**  
**Engagement partner: Hamid Masood**

**ZAHIDJEE TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT DECEMBER 31, 2013**

	Note	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	3	2,233,571,818	1,945,242,447
Intangible assets		5,101,473	5,781,669
Long term security deposits		4,336,693	4,254,785
		<u>2,243,009,984</u>	<u>1,955,278,901</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		122,855,753	117,870,495
Stock in trade		1,888,844,397	1,054,012,187
Trade debts		516,099,220	440,858,825
Loans and advances		252,631,295	126,704,235
Prepayments		1,166,834	255,388
Other receivables		20,756,454	19,714,330
Short term investment	4	50,712,950	34,914,460
Tax refunds due from Government - sales tax		57,168,485	51,928,726
Cash and bank balances		811,762,008	475,128,266
		<u>3,721,997,396</u>	<u>2,321,386,912</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		616,619,956	363,933,949
Interest / markup payable		42,962,800	32,176,249
Short term borrowings		2,359,858,172	1,486,384,632
Provision for taxation - income tax		32,250,331	34,372,727
		<u>3,051,691,259</u>	<u>1,916,867,557</u>
		2,913,316,121	2,359,798,256
<b>NON - CURRENT LIABILITY</b>			
Deferred liability			
Deferred taxation		160,522,068	112,734,263
<b>CONTINGENCIES AND COMMITMENTS</b>			
	5	-	-
Net worth		<u><u>2,752,794,053</u></u>	<u><u>2,247,063,993</u></u>
Represented by			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	6	490,333,000	408,610,840
Reserves			
Capital reserves		382,057,003	366,258,513
Revenue reserves		814,977,820	719,108,034
		<u>1,687,367,823</u>	<u>1,493,977,387</u>
<b>DEPOSIT FROM DIRECTOR</b>			
	7	318,100,000	-
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
		<u>747,326,230</u>	<u>753,086,606</u>
		<u><u>2,752,794,053</u></u>	<u><u>2,247,063,993</u></u>

The annexed notes form an integral part of this condensed interim financial report.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**ZAHIDJEE TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Note	Quarter ended December 31,		Half year ended December 31,	
		2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
Sales	8	1,681,047,332	968,547,997	3,085,868,398	1,967,767,637
Cost of goods sold	9	1,406,469,279	819,789,064	2,668,490,005	1,675,163,891
Gross profit		274,578,053	148,758,933	417,378,393	292,603,746
Other operating income		6,584,194	507,758	14,733,041	599,990
		281,162,247	149,266,691	432,111,434	293,203,736
Distribution cost		42,211,178	16,932,141	59,440,251	34,445,532
Administrative expenses		22,777,161	10,404,070	35,322,225	25,152,438
Other operating expenses		16,654,032	9,406,744	16,708,542	11,394,770
Finance cost		47,601,421	30,490,060	73,705,660	43,522,878
		129,243,792	67,233,015	185,176,678	114,515,618
Profit for the period before taxation		151,918,455	82,033,676	246,934,756	178,688,118
Provision for taxation	12.1	62,776,377	39,212,489	76,865,288	57,734,741
Profit for the period		89,142,078	42,821,187	170,069,468	120,953,377
Earnings per share - Basic and diluted		1.82	1.05	3.47	2.96

The annexed notes form an integral part of this condensed interim financial report.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**ZAHIDJEE TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	<u>Quarter ended December 31,</u>		<u>Half year ended December 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Rupees	Rupees	Rupees	Rupees
Profit for the period	89,142,078	42,821,187	170,069,468	120,953,377
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Fair value reserve on available for sale investment				
Increase in fair value	15,798,490	2,629,710	15,798,490	3,216,338
Items that will not be subsequently reclassified to profit or loss				
Incremental depreciation on revalued assets for the period	7,522,478	7,801,539	7,522,478	7,801,539
Other item				
Surplus realised on disposal of property, plant and equipment	-	1,062,107	-	1,062,107
	23,320,968	11,493,356	23,320,968	12,079,984
Total comprehensive income for the period	<u>112,463,046</u>	<u>54,314,543</u>	<u>193,390,436</u>	<u>133,033,361</u>

The annexed notes form an integral part of this condensed interim financial report.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**



**ZAHIDJEE TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	Half year ended December 31,	
	2013	2012
	Rupees	Rupees
<b>(a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	246,934,756	178,688,118
Adjustments for :		
Depreciation of property, plant and equipment	34,351,153	34,382,379
Ammortization on intangible assets	680,196	-
Balances written off - net	12,778	22,038
Loss on disposal of operating assets	24,035	1,968,094
(Gain) on disposal of operating assets	-	(47,163)
Finance cost	73,705,660	43,522,878
Operating cash flows before working capital changes	355,708,578	258,536,344
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(4,985,258)	(18,667,194)
Stock in trade	(834,832,210)	(1,001,432,954)
Trade debts	(75,253,173)	74,889,546
Loans and advances	(133,888,329)	(50,342,683)
Prepayments	(911,446)	(2,329,965)
Other receivables	(1,042,124)	(395,297)
Tax refunds due from Government - sales tax	(5,239,759)	(6,790,360)
Increase in current liabilities		
Trade and other payables	252,686,007	203,078,358
	(803,466,292)	(801,990,549)
Cash (used in) operating activities	(447,757,714)	(543,454,205)
Finance cost paid	(62,919,109)	(36,302,768)
Income tax paid	(21,476,508)	(26,651,136)
Net cash (used in) operating activities	(532,153,331)	(606,408,109)
<b>(b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(323,404,559)	(75,627,728)
Addition in intangible assets	-	(1,125,000)
Proceeds from disposal of operating assets	700,000	3,010,547
Addition in long term security deposits	(81,908)	-
Net cash (used in) investing activities	(322,786,467)	(73,742,181)

**ZAHIDJEE TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	<b>Half year ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>(c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deposit from director	318,100,000	-
Repayment of long term financing	-	(99,982,390)
Increase in short term borrowings - net	873,473,540	863,494,259
Net cash generated from financing activities	<u>1,191,573,540</u>	<u>763,511,869</u>
Net increase in cash and cash equivalents (a+b+c)	336,633,742	83,361,579
Cash and cash equivalents at the beginning of the period	475,128,266	7,980,041
Cash and cash equivalents at the end of the period	<u><u>811,762,008</u></u>	<u><u>91,341,620</u></u>

The annexed notes form an integral part of this condensed interim financial report.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**10 ZAHIDJEE TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	CAPITAL RESERVES			Sub total	REVENUE RESERVES		Sub total	Total
		Fair value reserve	Merger reserve	Share of changes in equity of associate		General reserve	Unappropriated profit		
----- R u p e e s -----									
Balance as at July 01, 2012	340,509,040	-	366,258,513	-	366,258,513	300,000,000	120,644,020	420,644,020	1,127,411,573
<b>Transaction with owners</b>									
Bonus shares issued (one share for each five shares held)	68,101,800	-	-	-	-	-	(68,101,800)	(68,101,800)	-
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	120,953,377	120,953,377	120,953,377
Other comprehensive income									
Items that may be subsequently reclassified to profit or loss									
Fair value reserve on available for sale investment									
Increase in fair value	-	3,216,338	-	-	3,216,338	-	-	-	3,216,338
Items that will not be subsequently reclassified to profit or loss									
Incremental depreciation on revalued assets for the period	-	-	-	-	-	-	7,801,539	7,801,539	7,801,539
Other item									
Surplus realised on disposal of property, plant and equipment	-	-	-	-	-	-	1,062,107	1,062,107	1,062,107
	-	3,216,338	-	-	3,216,338	-	129,817,023	129,817,023	133,033,361
Balance as at December 31, 2012	408,610,840	3,216,338	366,258,513	-	369,474,851	300,000,000	182,359,243	482,359,243	1,260,444,934
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	217,471,788	217,471,788	217,471,788
Other comprehensive income									
Items that may be subsequently reclassified to profit or loss									
Fair value reserve on available for sale investment									
( Decrease) in fair value	-	(3,216,338)	-	-	(3,216,338)	-	-	-	(3,216,338)
Items that will not be subsequently reclassified to profit or loss									
Incremental depreciation on revalued assets for the period	-	-	-	-	-	-	11,803,941	11,803,941	11,803,941
Other item									
Surplus realised on disposal of property, plant and equipment	-	-	-	-	-	-	7,473,062	7,473,062	7,473,062
	-	(3,216,338)	-	-	(3,216,338)	-	236,748,791	236,748,791	233,532,453
Balance as at June 30, 2013	408,610,840	-	366,258,513	-	366,258,513	300,000,000	419,108,034	719,108,034	1,493,977,387
<b>Transaction with owners</b>									
Bonus shares issued (one share for each five shares held)	81,722,160	-	-	-	-	-	(81,722,160)	(81,722,160)	-
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	-	170,069,468	170,069,468	170,069,468
Other comprehensive income									
Items that may be subsequently reclassified to profit or loss									
Fair value reserve on available for sale investment									
Increase in fair value	-	15,798,490	-	-	15,798,490	-	-	-	15,798,490
Items that will not be subsequently reclassified to profit or loss									
Incremental depreciation on revalued assets for the period	-	-	-	-	-	-	7,522,478	7,522,478	7,522,478
	-	15,798,490	-	-	15,798,490	-	177,591,946	177,591,946	193,390,436
Balance as at December 31, 2013	490,333,000	15,798,490	366,258,513	-	382,057,003	300,000,000	514,977,820	814,977,820	1,687,367,823

The annexed notes form an integral part of this condensed interim financial report.

**CHIEF EXECUTIVE OFFICER**

**Director**

**11 ZAHIDJEE TEXTILE MILLS LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE**  
**CONDENSED INTERIM FINANCIAL REPORT (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2013**

**1. STATUS AND ACTIVITIES**

- 1.1** Zahidjee Textile Mills Limited (the Company) is incorporated in Pakistan on July 17, 1990 as a public limited company under the Companies Ordinance, 1984. The Company is listed on Karachi and Lahore stock exchanges. The principal business of the Company is export of all kinds of value added fabrics and textile made-ups. The Company is also engaged in the business of manufacturing and sale of yarn. The registered office of the Company is situated at 20 Bilal Road, Civil Lines, Faisalabad. The weaving unit is located at Satyana, District Faisalabad and spinning units are located at Tehsil Jaranwala, District Faisalabad in the province of Punjab.
- 1.2** The Company's projects of spinning and weaving units are under implementation. The Board of directors of the Company have resolved to issue right shares @160% at par (Rs. 10 per shares) i.e. 16 ordinary shares for 10 ordinary shares to finance the new projects.
- 1.3** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Zahidjee Fabrics Limited were merged with the assets, liabilities and reserves of Zahidjee Textile Mills Limited with effect from July 01, 2006.
- 1.4** The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of compliance**

This condensed interim financial report has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case the requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial report is unaudited but subject to limited scope review by the auditors of the Company and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

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

**2.2.1 Standards, amendments to standards and interpretations becoming effective in current period**

There are amendments to certain standards and interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2013 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial report.

**2.2.2 Standards, amendments to standards and interpretations becoming effective in future periods**

There are certain new standards, other amendments to standards and interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2014 but are considered not to be relevant or not to have any significant effect on Company's operations and are, therefore, not disclosed in this condensed interim financial report.

**12** 2.3 Basis of preparation

This condensed interim financial report has been prepared under the "historical cost convention" except certain property, plant and equipment carried at valuation and short term investment measured at fair value. This condensed interim financial report does not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2013.

## 2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2013.

	Note	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	3.1	1,841,724,748	1,803,479,859
Capital work in progress		334,935,877	129,762,588
Advance against purchase of :			
Land		7,398,000	12,000,000
Plant and machinery		49,513,193	-
		<u>2,233,571,818</u>	<u>1,945,242,447</u>

	Half year ended December 31, 2013		Half year ended December 31, 2012	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposals Rupees
<b>3.1 Acquisitions and disposals of operating assets - at cost</b>				
Freehold land	68,152,614	-	-	-
Plant and machinery	1,460,000	-	49,061,926	4,438,641
Factory equipment	18,400	154,510	13,300	-
Office equipment	427,525	-	589,900	-
Electric appliances	300,000	-	42,250	-
Furniture and fittings	279,700	-	125,350	-
Vehicles	2,681,838	1,399,663	3,116,470	492,837
	<u>73,320,077</u>	<u>1,554,173</u>	<u>52,949,196</u>	<u>4,931,478</u>

	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>4. Short term investment</b>		
Available for sale - at fair value		
Quoted security		
Habib Metropolitan Bank Limited		
2,022,854 (June 30, 2013: 2,022,854)		
ordinary shares of Rs.10/- each	34,914,460	34,914,460
Add : Fair value reserve	15,798,490	-
	<u>50,712,950</u>	<u>34,914,460</u>

**13** 5. CONTINGENCIES AND COMMITMENTS**Contingencies**

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2013, except the followings;

	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
Income tax demand not acknowledged due to pending appeal	1,486,160	69,939,555
Liability of workers' welfare fund not acknowledged. The Company is claiming exemption from the levy.	16,952,983	15,136,335

**Commitments**

Under letters of credit for:		
Raw material and spare parts	108,747,961	4,148,102
Plant and machinery	816,556,120	16,750,500

**6. Share capital****6.1 Authorised capital**

Audited June 30, 2013 Number of shares	Un-audited December 31, 2013 Number of shares		Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<u>60,000,000</u>	<u>135,000,000</u>	Ordinary shares of Rs. 10/- each.	<u>1,350,000,000</u>	<u>600,000,000</u>

**6.2 Issued, subscribed and paid up capital**

Audited June 30, 2013 Number of shares	Un-audited December 31, 2013 Number of shares		Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
11,009,300	11,009,300	Ordinary shares of Rs. 10/- each fully paid in cash.	110,093,000	110,093,000
23,041,604	23,041,604	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	230,416,040	230,416,040
-	6,810,180	Ordinary shares of Rs. 10/- each fully paid bonus shares	68,101,800	-
6,810,180	8,172,216	Ordinary shares of Rs. 10/- each issued during the period / year as fully paid bonus shares.	81,722,160	68,101,800
<u>40,861,084</u>	<u>49,033,300</u>		<u>490,333,000</u>	<u>408,610,840</u>

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	Quarter ended December 31,		Half year ended December 31,	
	2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
<b>7. Sales</b>				
Export				
Cloth / made ups	795,871,233	361,469,462	1,323,576,447	811,745,254
Yarn	-	24,726,053	-	24,726,053
	<u>795,871,233</u>	<u>386,195,515</u>	<u>1,323,576,447</u>	<u>836,471,307</u>
Local				
Yarn	823,039,164	499,905,912	1,661,758,749	1,004,689,312
Cloth	12,888,550	26,586,666	12,888,550	39,572,202
Waste and left over	42,803,417	33,201,045	88,177,675	73,036,409
Conversion receipts	12,888,823	30,537,319	18,789,149	30,537,319
	<u>891,619,954</u>	<u>590,230,942</u>	<u>1,781,614,123</u>	<u>1,147,835,242</u>
	<u>1,687,491,187</u>	<u>976,426,457</u>	<u>3,105,190,570</u>	<u>1,984,306,549</u>
Add: Export rebate / duty drawback	2,371,532	1,060,827	3,865,624	2,627,862
	<u>1,689,862,719</u>	<u>977,487,284</u>	<u>3,109,056,194</u>	<u>1,986,934,411</u>
Less: Commission and claims	8,815,387	8,939,287	23,187,796	19,166,774
	<u>1,681,047,332</u>	<u>968,547,997</u>	<u>3,085,868,398</u>	<u>1,967,767,637</u>

**8. DEPOSIT FROM DIRECTOR**

It represents deposit in advance against the portion of right shares of a director obtained to ensure the subscription.

	Note	Quarter ended December 31,		Half year ended December 31,	
		2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
<b>9. COST OF GOODS SOLD</b>					
Cost of goods manufactured		1,470,661,935	791,371,917	2,682,297,594	1,661,395,479
Finished goods					
Opening stock		89,326,771	76,174,610	139,711,837	61,525,875
Closing stock		(153,519,427)	(47,757,463)	(153,519,427)	(47,757,463)
		<u>(64,192,656)</u>	<u>28,417,147</u>	<u>(13,807,590)</u>	<u>13,768,412</u>
		<u>1,406,469,279</u>	<u>819,789,064</u>	<u>2,668,490,004</u>	<u>1,675,163,891</u>

**9.1 Cost of goods manufactured**

Raw material consumed	9.1.1	1,221,089,125	611,130,977	2,130,370,447	1,250,034,550
Packing material consumed		10,582,208	7,081,791	20,339,172	14,187,185
Salaries, wages and benefits		76,076,760	60,277,968	146,334,906	116,962,855
Retirement benefits		2,496,210	1,817,349	4,707,840	2,940,050
Stores and spares consumed		37,605,535	25,475,403	80,487,491	64,440,706
Fuel and power		117,970,136	74,823,039	245,060,945	159,386,369
Repairs and maintenance		10,209,404	7,539,029	25,505,641	24,912,308
Insurance		2,621,162	1,025,099	5,591,096	3,290,772
Depreciation		15,434,032	8,625,315	31,871,736	32,446,750
Other		5,803,740	704,542	6,847,069	1,823,913
		<u>1,499,888,312</u>	<u>798,500,512</u>	<u>2,697,116,343</u>	<u>1,670,425,458</u>
Work in process					
Opening stock		44,331,457	34,607,446	58,739,085	32,706,062
Closing stock		(73,557,834)	(41,736,041)	(73,557,834)	(41,736,041)
		<u>(29,226,377)</u>	<u>(7,128,595)</u>	<u>(14,818,749)</u>	<u>(9,029,979)</u>
		<u>1,470,661,935</u>	<u>791,371,917</u>	<u>2,682,297,594</u>	<u>1,661,395,479</u>

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	Quarter ended December 31,		Half year ended December 31,	
	2013 Rupees	2012 Rupees	2013 Rupees	2012 Rupees
<b>9.1.1 Raw material consumed</b>				
Opening stock	617,879,162	311,916,727	855,561,265	438,847,231
Purchases including purchase expenses	<u>2,264,977,099</u>	<u>1,744,232,868</u>	<u>2,936,576,318</u>	<u>2,256,205,937</u>
	2,882,856,261	2,056,149,595	3,792,137,583	2,695,053,168
Closing stock	(1,661,767,136)	(1,445,018,618)	(1,661,767,136)	(1,445,018,618)
	<u>1,221,089,125</u>	<u>611,130,977</u>	<u>2,130,370,447</u>	<u>1,250,034,550</u>

## 10. AGGREGATE TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transaction	Half year ended December 31,	
		2013 Rupees	2012 Rupees
Key management personnel	Remuneration	300,000	300,000
	Long term loans repaid	-	99,982,390
	Short term loans obtained	188,280,342	-

## 11. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on February 28, 2014 by the Board of Directors of the Company.

## 12. GENERAL

**12.1** Provisions for taxation, workers welfare fund and workers' profit participation fund made in this condensed interim financial report are subject to adjustment in annual financial statements.

**12.2** There is no unusual item included in this condensed interim financial report which is affecting assets, liabilities, equity, profit, comprehensive income or cash flows of the Company.

**12.3** The textile business is all year business however, major raw material purchase i.e. cotton, is made during the four months from October to January. This leads to higher figures in respect of stock in trade, creditors and short term borrowings being reflected during this period.

**13.** Figures have been rounded off to the nearest Rupee.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**



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