

**Service Industries Textiles Limited**  
**Half Yearly &**  
**2nd Quarter Accounts Ended**  
**December 31, 2024**  
**(Un-Audited)**



**COMPANY INFORMATION**

- BOARD OF DIRECTORS** : Aamer Hameed (Chairman/Non Executive Director)  
Mohammad Hameed (Chief Executive/Executive Director)  
Murtaza Hameed (Executive Director)  
Omar Mohyud Din Malik (Independent Director)  
Zainab Khan (Independent Director)  
Tariq Hameed (Non Executive Director)  
Sadia Hamid (Non Executive Director)
- CHIEF FINANCIAL OFFICER** : M. Muddasar Shahzad
- COMPANY SECRETARY** : Usman Khalid
- AUDIT COMMITTEE** : Omar Mohyud Din Malik (Chairman)  
Zainab Khan (Member)  
Tariq Hameed (Member)
- HUMAN RESOURCE & REMUNERATION COMMITTEE** : Zainab Khan (Chairperson)  
Aamer Hameed (Member)  
Omar Mohyud Din Malik (Member)
- BANKERS** : Meezan Bank Limited  
MCB Bank Limited  
Bank Alfalah Limited
- AUDITORS** : Crowe Hussain Chaudhury & Co.,  
Chartered Accountants
- INTERNAL AUDITOR** : Awan & Co.  
Chartered Accountants
- REGISTERED OFFICE** : 38-Empress Road, Lahore  
Telephones: (92-42) 36304561-3, 36367861-3  
Telefax: (92-42) 3636 7861  
E-mail: info@prime-service.com
- MILLS** : Rehman Shaheed Road, Gujrat  
Telephone: (92-53) 3514065, 3535085  
Telefax: (92-53) 3513700
- Web Reference** : www.sitl.com.pk
- Share Registrar** : Corplink (Pvt) Ltd.  
Wings Arcade, 1-K Commercial  
Model Town, Lahore  
Tel: (92-42) 35839182, 35916719



## DIRECTORS' REPORT

The Directors of your Company present before you the un-audited financial statements for the half yearly ended December 31, 2024. The financial results are as follows:

	31.12.24 (Rupees 000)	31.12.23 (Rupees 000)
Net Loss for the period	(31,469)	(53,294)
Accumulated loss brought forward	(318,534)	(233,222)
	(350,003)	(286,516)
Transfer from surplus on revaluation Of fixed assets in respect of incremental Depreciation- net of deferred tax	6,058	6,731
Accumulated Loss	(343,945)	(279,785)
Loss per share - Basic	(2.28)	(3.87)

During the current period Company has incurred a net loss of Rs. 31.469 million as compared to net loss of Rs. 53.294 million for the same period in the previous year. Revenue for the period was Rs. 707.077 as compared to Rs. 642.369 in the previous period.

Revival of textile industry was mainly based on providing the energy at RCET (regionally competitive energy tariff) which helped the Punjab based textile sector to compete regionally. However, because of its withdrawal and depreciation of Pakistani rupee to record low against the dollar has made the energy cost unbearable. Industrial power tariffs in Pakistan are currently well above a regionally competitive level of 9 cents/KWH. If the Government fails to address this issue timely and is unable to provide the energy at RCET then this will hit the textile industry adversely and number of mills will be forced to either close or curtail their operations /productions. To mitigate the adverse effect of high cost of energy to some extent company has invested in the solar energy during the period under review. The company plans to invest further in the subsequent period.

Another challenge that spinning sector is facing is quality and production of cotton. The cotton production is on a decline for last many years due to multiple factors such as climate change, uncertified seeds, unchecked business of spurious pesticides, and high cost of production with diminishing return for farmers. Though the Government has realized the challenges for improving the yield and quality of cotton crops and has taken small steps for its improvement still there is a long way to go. Government should fully support the farmers and help them in up-gradation of ginning technology, educate the farmer to use the quality seed and make investment in research and development of quality seed, capacity building of farmers and introduce incentives for better quality cotton that would help in motivating the farmers.

We are fully aware of the challenges and are prepared to do everything possible to mitigate the adverse impact of such an event as far as it is under the control of management. We are very hopeful that current crisis will be over in the coming years by the combine efforts of Government and industry and we remain hopeful of the improving macro and micro economic situation of the Country.

For and on behalf of the Board of Directors

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

Lahore  
Dated: 28.02.2025



## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والا نصف سال کے غیر متشیخ شدہ حسابات پیش کرتے ہیں۔ مالیاتی نتائج درج ذیل ہیں۔

31.12.23 (Rupees 000)	31.12.24 (Rupees 000)	
(53,294)	(31,469)	مدت کیلئے خالص منافع / نقصان
(233,222)	(318,534)	آگے لایا گیا جمع نقصان
(286,516)	(350,003)	
6,731	6,058	ٹرانسفر فرام سرپلس آن ریویبلٹن
(279,785)	(343,945)	منافع / نقصان
(3.87)	(2.28)	فی شیئر نقصان

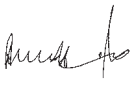
زیر جائزہ مدت کے دوران کمپنی کا نقصان 31,469 ملین روپے رہا جبکہ پچھلے سال اسی مدت میں نقصان 53,294 ملین روپے رہا۔ کمپنی کا ریونیوس مدت میں 707.077 ملین روپے رہا جبکہ پچھلی مدت میں 642.369 ملین روپے تھا۔

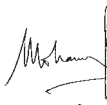
ٹیکسٹائل سیکٹرز کی بحالی کی بنیادی وجہ مسابقتی قیمتوں میں انرجی کی فراہمی تھی لیکن اسکے منقطع کئے جانے اور روپے کی قیمت میں ریکارڈ کمی نے انرجی کی قیمت کو کئی بلخصوص پنجاب کی انڈسٹری کیلئے ناقابل برداشت بنا دیا ہے۔ پاکستان میں انڈسٹری کا ٹیرف نکلے کے مقابلے میں تقریباً دو گنا ہے۔ اگر حکومت بجلی کی بڑھتی لاگت کے مسئلے کو حل کرنے میں ناکام رہتی ہے اور انڈسٹری کو مسابقتی قیمتوں پر بجلی کی فراہمی نہیں کر پاتی تو ڈر ہے کہ کئی بلین یا تو بند ہو جائیں گی یا اپنی پیداواری صلاحیت میں کمی کرنے پر مجبور ہوں گی۔ اس مسئلے کی شدت کو کم کرنے کیلئے زیر جائزہ مدت میں کمپنی نے شمسی توانائی میں سرمایہ کاری کی ہے اور آنے والے وقت میں مزید سرمایہ کاری کا ارادہ رکھتی ہے۔

سپانس کی فصل گزشتہ کئی سالوں سے انحطاط کا شکار ہے۔ جسکی وجہ موسمانہ تبدیلی ناقص بیج اور زرعی ادویات کا سپرے کے ساتھ ساتھ کسان کی منافع میں کمی ہے۔ حکومت کو چاہیے کہ کسان کی بھرپور مدد کرے اور ان کا شکار کی کے جدید طریقے سکھائے۔ فصل اور بجلی بیج کی فراہمی کو یقینی بنانے اور کسان کو فصل کا منصفانہ منافع ملنے کو یقینی بنانے۔

ہم ان تمام چیلنجز سے بخوبی آگاہ ہیں اور ان کے منفی اثرات ختم کرنے کیلئے ہر ممکن کوشش کریں گے۔ ہم پر امید ہیں کہ جلد ہی حالیہ معاشی بحران حکومت اور انڈسٹری کے مشترکہ تعاون سے ختم ہو جائے گا۔ ہم پر امید ہیں کہ ملکی معاشی صورتحال بہتر ہوگی۔

بورڈ آف ڈائریکٹرز کی طرف سے

  
عامر حمید  
ڈائریکٹر

  
محمد حمید  
چیف ایگزیکٹو

لاہور

مورخہ 28 فروری 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SERVICE INDUSTRIES TEXTILES LIMITED

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of SERVICE INDUSTRIES TEXTILES LIMITED ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, and the condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1.3 to the condensed interim financial statements which indicate that the Company has incurred a net loss amounting to Rs. 31.47 million during the six months period ended December 31, 2024 and its current liabilities exceed its current assets by Rs. 351.11 million. These conditions along with negative cash flows from operating activities indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Matter

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2024.

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

LAHORE

Dated: 28.02.2025

UDIN: RR202410051b6hqlm5wP



CROWE HUSSAIN CHAUDHURY & CO.  
Chartered Accountants



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT DECEMBER 31, 2024**

	Note	December 31, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
<b>EQUITY AND LIABILITIES</b>			
Share Capital and Reserves			
Authorized share capital			
20,000,000 (June 30, 2024: 20,000,000) ordinary shares of Rs. 10 each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid up capital			
13,787,567 (June 30, 2024: 13,787,567) ordinary shares of Rs. 10 each fully paid in cash		137,875,670	137,875,670
Share premium reserve		18,676,816	18,676,816
Accumulated loss		(343,945,167)	(318,533,836)
Surplus on revaluation of property, plant and equipment		<u>1,067,275,985</u>	<u>1,073,333,474</u>
		879,883,304	911,352,124
Non Current Liabilities			
Long term financing	5	13,772,814	19,213,153
Staff retirement benefits		24,972,290	24,354,001
Deferred tax liability		43,505,885	45,915,029
		82,250,989	89,482,183
Current Liabilities			
Trade and other payables		440,041,978	404,136,999
Unclaimed dividend		232,987	232,987
Unpaid dividends		683,629	683,629
Short term borrowings	6	25,368,000	26,720,000
Current portion of long term financing	5	12,690,000	11,750,000
Accrued markup		10,573,694	8,782,300
Provision for taxation		8,863,464	16,766,470
		498,453,752	469,072,385
Contingencies and Commitments	7	-	-
Total Equity and Liabilities		<u>1,460,588,045</u>	<u>1,469,906,692</u>
<b>ASSETS</b>			
Non Current Assets			
Property, plant and equipment	8	1,284,819,092	1,284,419,194
Long term deposits		28,429,526	23,564,083
		1,313,248,618	1,307,983,277
Current Assets			
Stores and spares		3,424,525	3,569,118
Stock in trade		60,598,523	65,567,338
Trade debts		6,500,867	3,239,253
Advances, prepayments and other receivables		52,157,278	65,199,860
Cash and bank balances		24,658,234	24,347,846
		147,339,427	161,923,415
		<u>1,460,588,045</u>	<u>1,469,906,692</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

	Half Year Ended December 31, 2024	Half Year Ended December 31, 2023	Quarter Ended December 31, 2024	Quarter Ended December 31, 2023
	..... (Un-audited) .....			
Note	Rupees	Rupees	Rupees	Rupees
Sales - net	709,077,113	642,369,345	337,320,553	325,239,345
Cost of sales	9 (703,037,301)	(666,570,336)	(347,235,363)	(350,565,336)
Gross Profit / (Loss)	6,039,812	(24,200,991)	(9,914,810)	(25,325,991)
Operating Expenses				
Distribution expenses	(4,841,379)	(4,250,070)	(3,180,886)	(2,109,070)
Administrative expenses	(18,852,521)	(16,006,577)	(10,543,203)	(8,483,577)
	(23,693,900)	(20,256,647)	(13,724,089)	(10,592,647)
Operating Loss	(17,654,088)	(44,457,638)	(23,638,899)	(35,918,638)
Finance cost	(7,079,694)	(6,608,343)	(4,240,717)	(3,228,343)
Other operating charges	(336,085)	(500,000)	(336,085)	(500,000)
Other income	55,367	1,940,707	55,367	1,940,707
	(7,360,412)	(5,167,636)	(4,521,435)	(1,787,636)
Loss before Levy and Taxation	(25,014,500)	(49,625,274)	(28,160,334)	(37,706,274)
Levy / final taxation	(8,863,464)	(8,029,617)	(4,216,507)	(4,065,617)
Loss before Taxation	(33,877,964)	(57,654,891)	(32,376,841)	(41,771,891)
Taxation	2,409,144	4,360,983	2,579,892	1,924,983
Net Loss for the Period	(31,468,820)	(53,293,908)	(29,796,949)	(39,846,908)
Loss per share				
- Basic & Diluted	(2.28)	(3.87)	(2.16)	(2.89)

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2024**

Particulars	Half Year Ended December 31, 2024	Half Year Ended December 31, 2023	Quarter Ended December 31, 2024	Quarter Ended December 31, 2024
	Rupees	Rupees	Rupees	Rupees
Net Loss for the Period	(31,468,820)	(53,293,908)	(23,796,949)	(39,846,908)
Other Comprehensive Income				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Total Comprehensive Loss for the Period	<u>(31,468,820)</u>	<u>(53,293,908)</u>	<u>(23,796,949)</u>	<u>(39,846,908)</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

Particulars	Issued, Subscribed and Paid up Capital	Reserves		Surplus on Revaluation of Property, Plant and Equipment	Total
		Capital Reserve - Share Premium Reserve	Revenue Reserve - Accumulated Loss		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2023	137,875,670	18,676,816	(233,221,606)	1,086,794,560	1,010,125,440
Net loss for the period	-	-	(53,293,908)	-	(53,293,908)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(53,293,908)	-	(53,293,908)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period - net of deferred tax	-	-	6,730,543	(6,730,543)	-
Balance as at December 31, 2023	137,875,670	18,676,816	(279,784,971)	1,080,064,017	956,831,532
Balance as at June 30, 2024	137,875,670	18,676,816	(318,533,836)	1,073,333,474	911,352,124
Net loss for the period	-	-	(31,468,820)	-	(31,468,820)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	(31,468,820)	-	(31,468,820)
Transferred from surplus on revaluation of property, plant and equipment on incremental depreciation charged in current period - net of deferred tax	-	-	6,057,489	(6,057,489)	-
Balance as at December 31, 2024	137,875,670	18,676,816	(343,945,167)	1,067,275,985	879,883,304

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

	Half Year Ended December 31, 2024	Half Year Ended December 31, 2023
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before levy and taxation	(25,014,500)	(49,625,274)
Adjustments for:		
- Depreciation	17,234,562	18,770,213
- Provision for gratuity	4,025,993	4,840,805
- Interest on Workers' (profit) participation fund	3,027,827	4,014,880
- Unwinding of long term financing	809,661	(1,662,086)
- Finance cost	3,242,206	2,380,198
	<u>28,340,249</u>	<u>28,344,010</u>
Operating profit / (loss) before working capital changes	3,325,749	(21,281,264)
Decrease / (increase) in current assets:		
- Stores and spares	144,593	647,997
- Stock in trade	4,968,815	31,940,172
- Trade debts	(3,261,614)	(3,482,815)
- Advances, prepayments and other receivables	5,269,812	(4,267,207)
Increase in current liabilities:		
- Trade and other payables	32,877,152	22,729,422
	<u>39,998,758</u>	<u>47,567,569</u>
Cash Generated from Operations	43,324,507	26,286,305
Income tax paid	(8,993,700)	(6,982,126)
Finance cost paid	(1,450,812)	(42,986)
Gratuity paid	(3,407,704)	(3,017,491)
Net Cash Generated from Operating Activities	29,472,291	16,243,702
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(17,634,460)	(3,000,000)
Long term deposits paid	(4,865,443)	(697,060)
Net Cash Used in Investing Activities	(22,499,903)	(3,697,060)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term financing repaid	(5,310,000)	(7,812,000)
Short term borrowings	(1,352,000)	-
Net Cash Used in from Financing Activities	(6,662,000)	(7,812,000)
Net Increase in Cash and Cash Equivalents	310,388	4,734,642
Cash and cash equivalents at the beginning of the period	24,347,846	19,183,505
Cash and Cash Equivalents at the End of the Period	<u>24,658,234</u>	<u>23,918,147</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements (un-audited).

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer



**NOTES TO AND FORMING PART OF THE CONDENSED  
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

**Note 1****The Company and its Operations**

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- 1.1 Service Industries Textiles Limited (the Company) was incorporated in Pakistan in 1962 as a Private Limited Company under the Companies Act 1913, (now the Companies Act, 2017) and was subsequently converted into a Public Limited Company in 1970. The Company is listed on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of yarn made from raw cotton and synthetic fiber.
- 1.2 The Company is domiciled in Pakistan and its registered office is situated at 38-Empress Road, Lahore, whereas the production plant of the Company is located at Rehman Shaheed Road, Gujrat.
- 1.3 **Going Concern**

The Company has incurred net loss of Rs. 31.47 million during the six months period ended December 31, 2024. As of that date its accumulated loss amounts to Rs. 343.95 million (June 30, 2024: Rs. 318.53 million), that has depleted its reserves, and its current liabilities exceed its current assets by Rs. 351.11 million (June 30, 2024: Rs. 307.15 million). These factors raise doubts about the Company being a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Adjustments related to the recoverability of recorded assets and liabilities have not been incorporated into these financial statements, as the sponsors have committed to provide continuous support as needed. Since the reporting date, the Company's operating results have shown improvement. Additionally, the outlook for cotton is promising in both quality and quantity, which is expected to help stabilize the local cotton yarn market. The Company has also installed solar panels, resulting in a reduction in electricity costs. As the solar system reaches full capacity in the coming months, it is anticipated that this will further reduce costs. Considering these factors, the going concern assumption remains appropriate, and therefore, these financial statements have been prepared on a going concern basis.

**Note 2****Basis of Preparation**

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- 2.1 These condensed interim financial statements of the Company 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;
  - Provisions of and directives issued under the Companies Act, 2017.
  - Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed interim financial statements comprise the condensed interim statement of the financial position of the Company (unaudited) as at December 31, 2024 and the related condensed interim statement of the profit or loss (unaudited), condensed interim statement of the comprehensive income (unaudited), condensed interim statement of the changes in equity (unaudited) and condensed interim statement of the cash flows (unaudited) together with the notes forming part thereof.
- 2.3 These condensed interim financial statements (unaudited) do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2024.



## Note 2. Basis of preparation - Continued

- 2.4 The comparative statement of financial position presented in these condensed interim financial statements (unaudited) has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2024, whereas comparative condensed interim statement of the profit or loss (unaudited), condensed interim statement of the comprehensive income (unaudited), condensed interim statement of the changes in equity (unaudited) and condensed interim statement of the cash flows (unaudited) have been extracted from the un-audited condensed interim financial statements for the six months period ended December 31, 2023.
- 2.5 These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); these are however, subject to limited scope review by external auditors as required by the Act and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).
- 2.6 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupees, unless otherwise stated.

## Note 3

## Material Accounting Policy Information

Material accounting policy information and methods of presentation of these condensed interim financial statements (unaudited) are the same as those followed in the preparation of annual financial statements for the preceding financial year ended June 30, 2024.

## Note 4

## Judgments and Estimates

The preparation of these condensed interim financial statements (unaudited) requires management to make judgments, 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.

## Note 5

## Long Term Financing

		December 31, 2024	June 30, 2024
	Note	(Un-audited) Rupees	(Audited) Rupees
Related parties - Unsecured			
Loan from Directors / Related parties - Undiscounted amount	5.1	30,963,153	42,044,671
Effect of discounting		-	-
Fair value of subsidized loan		30,963,153	42,044,671
Unwinding of discount		809,661	1,168,482
Repayment		(5,310,000)	(12,250,000)
		26,462,814	30,963,153
Less: Current portion		(12,690,000)	(11,750,000)
		<u>13,772,814</u>	<u>19,213,153</u>

- 5.1 This represents financing obtained from directors / related parties from time to time, to meet the liquidity requirements of the Company. This loan is repayable in equal monthly installments of Rs. 1 million each. This loan is unsecured and carries markup @ 10% per annum (June 30, 2024: 10% per annum). Pursuant to the change in Company's policy, effective from 1st July 2022, this subsidized loan has been recognised at fair value being the present value of the future outflows as per the agreed loan repayment schedule. The difference between the fair value of loan and actual receipt (carrying amount) has been recognized as other income. During the period, the unwinding of discount of Rs. 809,661 (June 30, 2024: Rs. 1,168,482) has been recognized as part of finance cost in the condensed interim statement of the profit or loss (unaudited).



## Note 6

## Short Term Borrowings

	December 31, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
Loan from directors / related parties - unsecured	25,368,000	26,720,000

- 6.1 This represents unsecured, interest free loan given by directors and related parties to meet the liquidity requirements of the Company. These loans are repayable on demand.

## Note 7

## Contingencies and Commitments

## 7.1 Contingencies

There has been no change in status of contingencies as reported in the annual audited financial statements for the year ended June 30, 2024.

## 7.2 Commitments

There are no material commitments outstanding as at the reporting date (June 30, 2024: Nil).

## Note 8

## Property, Plant and Equipment

	December 31, 2024 (Un-audited) Rupees	June 30, 2024 (Audited) Rupees
Opening written down value	1,284,419,194	1,317,923,851
Additions during the period / year	17,634,460	4,072,000
Disposal during the period / year	-	-
	1,302,053,654	1,321,995,851
Depreciation charge for the period / year	(17,234,562)	(37,576,657)
	1,284,819,092	1,284,419,194



Note 9 Cost of Sales	Half Year Ended December 31, 2024	Half Year Ended December 31, 2023	Quarter Ended December 31, 2024	Quarter Ended December 31, 2023
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Raw material consumed	408,295,253	387,277,223	206,407,515	196,523,493
Stores and spares consumed	1,883,944	5,212,592	919,005	2,781,502
Packing material consumed	5,913,627	5,511,636	2,929,313	3,542,121
Fuel and power	204,025,855	190,067,426	95,887,605	103,182,650
Salaries, wages and other benefits	62,786,813	52,832,706	32,275,216	28,108,039
Insurance	698,449	992,633	238,449	764,633
Repairs and maintenance	1,563,387	2,935,920	748,077	1,850,080
Depreciation	16,889,871	18,475,686	8,392,257	9,244,640
Cost of goods manufactured	702,057,199	663,305,822	347,797,437	345,997,158
Work in process:				
- Opening	19,769,551	19,902,329	17,175,510	19,827,258
- Closing	(18,888,575)	(17,177,090)	(18,888,575)	(17,177,090)
	880,976	2,725,239	(1,713,065)	2,650,168
	702,938,175	666,031,061	346,084,372	348,647,326
Finished goods:				
- Opening	5,396,536	4,523,709	6,448,401	5,902,441
- Closing	(5,297,410)	(3,984,434)	(5,297,410)	(3,984,434)
	99,126	539,275	1,150,991	1,918,007
	703,037,301	666,570,336	347,235,363	350,565,333

Note 10  
Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2024.

Note 11  
Balances and Transactions with Related Parties

Related parties comprise directors, associates of the Company, their close relatives and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties and balances due to / from them are as under:

Transaction during the period		December 31, 2024	December 31, 2023
		(Un-audited) Rupees	(Un-audited) Rupees
Relationship	Transactions during the period		
Directors	Repayment of loan	5,310,000	7,812,000
	Markup accrued	1,791,394	2,337,212
Post employment benefit plans	Salaries and other employee benefits	4,025,993	4,840,805



		December 31, 2024	June 30, 2024
		(Un-audited) Rupees	(Un-audited) Rupees
Balances outstanding as at,			
Directors	Long term financing	26,462,814	30,963,153
	Accrued markup on		
	long term financing	10,573,694	8,782,300
	Short term borrowing	25,368,000	26,720,000

## Note 12

## Operating Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Company performs function of the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the Company's entire product portfolio and considers business as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan. The Company is domiciled in Pakistan. All of the Company's income is from the entities incorporated in Pakistan.

## Note 13

## Authorization of Financial Statements

These condensed interim financial statements (un-audited) are approved and authorized by the Board of Directors of the Company for issuance on February 28, 2025.

## Note 14

## General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following reclassification has been made in these condensed interim financial statements (unaudited).

Nature	From	To	Amount Rupees
Half year ended on December 31, 2023			
Levy / final taxation	Taxation	Levy / final taxation (Face of the statement of profit or loss)	8,029,617
Quarter ended on December 31, 2023			
Levy / final taxation	Taxation	Levy / final taxation (Face of the statement of profit or loss)	4,065,617

Mohammad Hameed  
Chief Executive

Aamer Hameed  
Director

M. Muddasar Shahzad  
Chief Financial Officer

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