

ASIM TEXTILE MILLS LIMITED

**Condensed Interim
Financial Statements**

For the Period Ended December 31, 2024

COMPANY INFORMATION

BOARD OF DIRECTORS:

CHIEF EXECUTIVE:

DIRECTORS:

MR. ZAHID ANWAR
MR. IMRAN ZAHID
MR. ZEESHAN ZAHID
MS. NOORULAIN ZAHID
MR. ANWAR UL HAQ
MR. ZULQARNAIN
MR. ALI RAZA ZAFAR

AUDIT COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ZULQARNAIN
MR. ZEESHAN ZAHID
MR. ANWAR UL HAQ

HUMAN RESOURCES & REMUNERATION COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ANWAR UL HAQ
MS. NOORULAIN ZAHID
MR. ALI RAZA ZAFAR

COMPANY SECRETARY:

MR. AJMAL SHABAB

CHIEF FINANCIAL OFFICER:

MR. ABRAR MOHSIN

AUDITORS:

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

BANKS:

AL BARAKA BANK (PAKISTAN) LIMITED
JS BANK LIMITED
NATIONAL BANK OF PAKISTAN
UNITED BANK LIMITED
MEEZAN BANK

LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,
MADINA TOWN, FAISALABAD

SHARE REGISTRAR OFFICE:

HAMEED MAJEED ASSOCIATES (PVT) LTD
1ST FLOOR, H.M HOUSE, 7-BANK SQUARE
LAHORE.

MILLS:

32-KM, SHEIKHUPURA ROAD, FAISALABAD

WEB SITE:

www.asimtextile.com

ASIM TEXTILE MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your directors are pleased to present 2nd quarter and half yearly un-audited accounts for the period ended December 31, 2024.

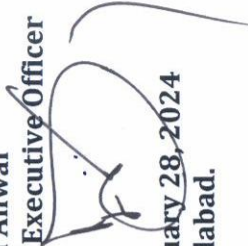
The Company posted a net profit of Rs. 27.792 million, a notable improvement from the net loss of Rs. (54.405) million in the corresponding period last year. However, the spinning sector continues to face challenges due to increased import of yarn, leading to decline in demand, downward trend in yarn prices, rising production costs. Despite these industry-wide pressures, management remains focused on optimizing operations, controlling costs, and improving profitability.

There has been no change in the position of on going court cases with the bank, as reported in the director's report of the financial statements for the year ended 30.06.2024.

Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

The management would like to place on record its appreciation for the continuous support of its shareholders, customers and employees and expect to receive same cooperation in future.

Zahid Anwar
Chief Executive Officer



February 28, 2024
Faisalabad.



Imran Zahid
Director

عاصم ٹیکسٹائل ملز لمیٹڈ ڈائریکٹرز رپورٹ برائے تھمنس یافتگان

آپ کے بورڈ آف ڈائریکٹرز کو دوسری سہ ماہی اور 31 دسمبر 2024 کو ختم ہونے والے شش ماہی سال کے کمپنی کے غیر آڈٹ تخلیق شدہ مالیاتی اسٹیٹمنٹ پیش کرتے ہوئے نہایت مسرت محسوس ہو رہی ہے۔ کمپنی نے موجودہ مدت میں 27.792 ملین کا خاص منافع حاصل کیا، جو پچھلے سال کی اسی مدت کے دوران Rs. (54.405) ملین کے خاص نقصان کے مقابلے میں نمایاں بہتری ہے۔ تاہم سٹیٹنگ کیلئے اب بھی مشکلات کا سامنا کر رہا ہے، کیونکہ درآمدی دھماکہ میں اضافے کی وجہ سے طلب میں کمی، دھماکہ کی قیمتوں میں کاراجان اور بڑھتے ہوئے پیداواری اخراجات جیسے جلیبلنگ کا سامنا ہے۔ ان مشکلات کے باوجود اتھمنس آپریشن کو بہتر بنانے، لاگتوں کو کنٹرول کرنے اور منافع میں اضافہ کرنے پر توجہ مرکوز کیے ہوئے ہے۔

30 جون 2024 کو ختم ہونے والے سال کی ڈائریکٹرز رپورٹ برائے تھمنس یافتگان میں جو مقدمات اور دیگر امور رپورٹ کے ان میں کوئی تبدیلی نہیں ہوئی ہے۔

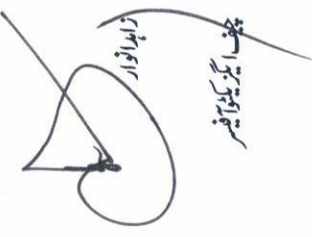
ریٹیلنگ پارٹنرز کے ساتھ لین دین آرم لینتھ بنیادوں پر کیا گیا اور قیمتوں کا تعین کھمیر ڈان کنٹروولڈ پرائس میٹھڈ کی بنیاد پر کیا گیا۔

ہم عاصم ٹیکسٹائل ملز لمیٹڈ کی اتھمنس آپریشن پر ہولڈرز، صارفین اور ملازمین کی مسلسل حمایت کا شکریہ ادا کرنا چاہتے ہیں اور مستقبل میں بھی اسی طرح کے تعاون کی توقع رکھتے ہیں

بورڈ آف ڈائریکٹرز کی طرف سے



ڈائریکٹر



راہب انوار
چیف ایگزیکٹو آفیسر

28 فروری 2025

فیصل آباد

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF ASIM TEXTILE MILLS LIMITED REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Asim Textile Mills Limited** ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, 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 condensed interim financial statements). Management is responsible for the preparation and presentation of these condensed 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.

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.

Scope of review

We conducted our review in accordance with the 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 the approved accounting standards as applicable in Pakistan for interim financial reporting.

Matter of emphasis

Without qualifying our conclusion;

- a) We draw attention of the members to the contents of note 1.2 to the annexed financial statements, which indicates that although the Company has unappropriated profit of Rs. 4.414 million against the paid up share capital of Rs. 151.77 million as at December 31, 2024 and as of that date, the Company's current liabilities exceeded its current assets by Rs. 235.801 million. This factor indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its obligations in the normal course of business.
- b) We draw attention to Note 9 and 10 to the annexed financial statements, which state that short term borrowings include Morabaha Finance obtained from Faysal Bank Limited amounting to Rs. 417.590 million on 31st October 1999 in respect of which the Company has filed suit against bank for charging illegal markups against principal of Islamic Banking and against circulars issued by State Bank of Pakistan and in contravention of objective clause of its Memorandum & Article of Association. Faysal Bank Limited has also filed a counter suit which has been adjudicated on 04th June 2015 against the Company as a result of which the Company has to settle the loan along with costs and cost of fund. Profit on these loans amounting to Rs. 194.161 million have already been provided for; however, provision for cost of funds has not been accounted for, having been undeterminable at this stage by the management, being aggrieved the Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A No. 1372/2015 based on infield favorable judgments of Honorable Lahore High Court, Lahore. The learned Division Bench graciously allowed the appeal on 20.02.2020 and impugned judgment and decree dated 04.06.2015 was set aside. Consequently leave to appeal was adjudged to have been granted to the appellent company and the case is directed to be proceeded on that basis after framing issues and recording of evidences. Consequent to the litigation, the bank account balance maintained with the concerned bank remained unverified. Our conclusion is not modified in respect of this matter.

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



KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

DATE: February 28, 2025
PLACE: FAISALABAD
UDIN: RR202410199hTI8Q5vim

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Un-Audited December 31, 2024	Audited June 30, 2024
	----- Rupees -----	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	611,998,829	615,846,832
Long term deposits	34,494,012	33,956,795
	646,492,841	649,803,627
CURRENT ASSETS		
Stores and spares	31,426,801	26,913,459
Stock in trade	165,303,479	133,618,943
Trade debts	12,321,828	22,877,301
Advances, deposit and prepayment	25,330,007	28,266,266
Short term investment	20,107,711	18,531,627
Accrued income	4,364,703	3,131,479
Tax refunds due from Government	72,540,341	55,701,139
Cash and bank balances	196,404,926	148,778,968
	527,799,796	437,819,182
TOTAL ASSETS	1,174,292,637	1,087,622,809
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital	175,000,000	175,000,000
17,500,000 ordinary shares of Rs.10 each	151,770,000	151,770,000
Issued, subscribed and paid up share capital	4,413,646	(27,675,302)
Accumulated profit/(loss)	201,305,842	205,603,211
Surplus on revaluation of property, plant and equipment	357,489,488	329,697,909
	53,202,112	45,720,945
NON CURRENT LIABILITIES		
Deferred taxation	151,212,001	81,934,730
CURRENT LIABILITIES	636,907	18,517,096
Trade and other payables	194,161,422	194,161,422
Contract liabilities	417,590,707	417,590,707
Accrued mark up	763,601,037	712,203,955
Short term borrowings		
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	1,174,292,637	1,087,622,809

Note

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The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

AKB


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half Year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
	----- Rupees -----			
Note				
11	1,027,696,950	633,286,145	496,389,350	332,740,535
12	(980,894,837)	(686,444,797)	(470,896,792)	(329,908,875)
Gross profit/(loss)	46,802,113	(53,158,652)	25,492,558	2,831,660
Operating expenses				
Distribution cost	(612,970)	(195,940)	(246,658)	(82,940)
Administrative expenses	(17,516,428)	(20,780,980)	(8,816,356)	(10,329,324)
Other operating expenses	(2,532,723)	(1,995,490)	(1,602,808)	(1,847,998)
Profit/(loss) from operations	(20,662,121)	(22,972,410)	(10,665,822)	(12,260,262)
Finance cost	26,139,992	(76,131,062)	14,826,736	(9,428,602)
Other income	(110,452)	(73,983)	(3,509)	(464)
Profit/(loss) before Levies and income tax	22,089,418	17,353,768	15,627,340	10,498,746
Levies	48,118,958	(58,851,277)	30,450,567	1,069,680
Profit/(loss) before income tax	(12,846,212)	(7,916,077)	(6,124,091)	(4,910,621)
Income tax	35,272,746	(66,767,354)	24,326,476	(3,840,941)
Profit/(loss) for the period	(7,481,167)	12,361,880	(8,083,586)	(12,813,940)
Earnings/(loss) per share - basic and diluted	1.83	(3.58)	1.07	(1.10)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

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CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- Rupees -----			
Profit/(loss) for the period	27,791,579	(54,405,474)	16,242,890	(16,654,881)
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
Unrealized loss from changes in fair value of investments	-	-	-	(730,857)
Loss realised on disposal of short term investments	-	2,026,141	-	2,026,141
Related effect of deferred tax liability	-	(587,581)	-	(375,632)
	-	1,438,560	-	919,652
Total comprehensive income/(loss) for the period	27,791,579	(52,966,914)	16,242,890	(15,735,229)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

AKR


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Share capital	Accumulated profit/(loss)	Surplus/(deficit) on remeasurement of investments	Surplus on revaluation of property, plant and equipment	Total
Balance as at July 01, 2023	151,770,000	(10,246,922)	(1,438,560)	214,735,149	354,819,667
Loss for the period	-	(54,405,474)	-	-	(54,405,474)
Other comprehensive income	-	-	1,438,560	-	1,438,560
Total comprehensive loss for the period	-	(54,405,474)	1,438,560	-	(52,966,914)
Incremental depreciation on revalued property, plant and equipment	-	6,430,941	-	(6,430,941)	-
Related effect of deferred tax liability	-	(1,864,973)	-	1,864,973	-
	-	4,565,968	-	(4,565,968)	-
Balance as at December 31, 2023	151,770,000	(60,086,428)	-	210,169,181	301,852,753
Balance as at July 01, 2024	151,770,000	(27,675,302)	-	205,603,211	329,697,909
Profit for the period	-	27,791,579	-	-	27,791,579
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	27,791,579	-	-	27,791,579
Incremental depreciation on revalued property, plant and equipment	-	6,052,633	-	(6,052,633)	-
Related effect of deferred tax liability	-	(1,755,264)	-	1,755,264	-
	-	4,297,369	-	(4,297,369)	-
Balance as at December 31, 2024	151,770,000	4,413,646	-	201,305,842	357,489,488

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

KAB


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED

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

	December 31, 2024	December 31, 2023
	----- Rupees -----	
Profit/(loss) before Levies and income tax	48,118,958	(58,851,277)
Adjustments for non cash and other items		
Depreciation	15,610,616	15,619,279
Profit on deposit accounts	(10,698,551)	(10,088,643)
Gain on disposal of property, plant and equipment	(9,172,775)	(5,386,587)
Unrealized gain on investment in mutual funds	(1,576,084)	(1,562,528)
Workers' profit participation fund	2,532,577	-
Realized loss on investment in mutual funds	-	1,467,898
Exchange loss on foreign currency translation	146	8,182
Balances written off	-	519,410
Profit on deposit with SNGPL	(614,341)	(316,010)
Finance cost	110,452	73,983
Operating cash flows before working capital changes	44,310,998	(58,516,293)

Note

a) CASH FLOWS FROM OPERATING ACTIVITIES

Operating cash flows before working capital changes

Changes in working capital

(Increase)/decrease in current assets

Stores and spares	748,746
Stock in trade	27,148,329
Trade debts	(16,994,180)
Advances, deposit and prepayment	(46,024,894)
Short term investment in mutual funds - net	(8,943,316)
Tax refunds due from Government	3,061,032
Increase/(decrease) in current liabilities	
Trade and other payables	66,744,694
Contract liabilities	(17,880,189)
	20,772,791
	65,083,789
	(101,245,551)
	(110,452)
	(73,983)
	(24,299,846)
	(10,726,236)
	(146)
	(8,182)
	(537,217)
	40,136,128
	(112,053,952)

Cash generated from/(used in) operations

Finance cost paid	(110,452)	(73,983)
Levies and income tax paid	(24,299,846)	(10,726,236)
Exchange loss on foreign currency translation	(146)	(8,182)
Long term deposits paid	(537,217)	-
Net cash generated from/(used in) operating activities	40,136,128	(112,053,952)

b) CASH FLOWS FROM INVESTING ACTIVITIES

Addition in property, plant and equipment	(13,289,838)	(19,406,414)
Proceeds from disposal of property, plant and equipment	10,700,000	5,800,000
Profit on deposit accounts received	9,447,648	9,842,417
Profit on deposit with SNGPL received	632,020	567,278
Net cash generated from/(used in) investing activities	7,489,830	(3,196,719)

Net increase/(decrease) in cash and cash equivalents (a+b)

Cash and cash equivalents at the beginning of the period	47,625,958	(115,250,671)
Cash and cash equivalents at the end of the period	148,778,968	202,517,759
	196,404,926	87,267,088

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

KH...

CHIEF EXECUTIVE OFFICER

[Signature]

MANAGER

[Signature]

CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2024

1. COMPANY AND ITS OPERATIONS

1.1 Asim Textile Mills Limited (the Company) was incorporated in Pakistan on 29 July, 1990 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Company are quoted at Karachi, Islamabad and Lahore Stock Exchange (now Pakistan Stock Exchange), with effect from January 11, 2016. The Mill is situated at 32 - KM, Main Sheikhpura Road, Tehsil Jaranwala, District, Faisalabad in the province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad. The principal business activity of the Company is manufacturing and sale of yarn.

1.2 Going concern assumption

The Company has unappropriated profit of Rs. 4.414 million (June 30, 2024: accumulated loss of Rs. 27.675 million) as against issued, subscribed and paid up share capital of Rs. 151.77 million and its current liabilities exceeded its current assets by Rs. 235.801 million (June 30, 2024: Rs. 274.385 million) as at December 31, 2024. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its obligations in the normal course of business.

The management of the Company is making its strenuous efforts, optimal production strategies and effective cost controls to improve the performance of the Company. The balancing and modernization of plant and machinery, improvement in future industry situation and better production efficiency are the main factors for improvements. The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going concern basis.

2. BASIS OF PREPARATION

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 International Accounting Standards Board ('IASB') 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 have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017. These condensed interim financial statements do not include all the information as required in annual financial statements prepared in accordance with approved accounting standards as applicable in Pakistan, and should therefore be read in conjunction with the financial statements for the year ended June 30, 2024.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimates were the same as those applied to the annual financial statements of the Company for the year ended June 30, 2024.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2024.

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

5.1 Operating fixed assets

Note	Un-Audited	Audited
	December 31, 2024	June 30, 2024
	----- Rupees -----	
5.1	611,998,829	615,846,832

DESCRIPTION	December 31, 2024								W . D . V	Rate %
	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION					
	As at July 1, 2024	Addition	(Deletion)	As at December 31, 2024	As at July 1, 2024	For the year	Adjustment	As at December 31, 2024		
----- Rupees -----										
Owned										
Freehold land	63,754,000	-	-	63,754,000	-	-	-	-	63,754,000	-
Building on freehold land	202,427,414	-	-	202,427,414	84,766,811	2,941,515	-	87,708,326	114,719,088	5
Plant and machinery	805,814,212	12,344,328	-	818,158,540	408,942,589	10,163,596	-	419,106,185	399,052,355	5
Electric installations	58,624,662	-	-	58,624,662	32,411,240	1,310,671	-	33,721,911	24,902,751	10
Factory equipment	355,750	-	-	355,750	343,373	619	-	343,992	11,758	10
Office equipment	3,206,122	-	-	3,206,122	2,280,856	46,263	-	2,327,119	879,003	10
Furniture and fixture	659,633	-	-	659,633	561,664	4,898	-	566,562	93,071	10
Vehicles	33,152,901	945,510	(6,343,992)	27,754,419	22,841,329	1,143,054	(4,816,767)	19,167,616	8,586,803	20
Total	1,167,994,694	13,289,838	(6,343,992)	1,174,940,540	552,147,862	15,610,616	(4,816,767)	562,941,711	611,998,829	

DESCRIPTION	June 30, 2024								W . D . V	Rate %
	COST / REVALUED AMOUNT				ACCUMULATED DEPRECIATION					
	As at July 1, 2023	Additions	(Deletion)	As at June 30, 2024	As at July 1, 2023	For the year	Adjustment	As at June 30, 2024		
----- Rupees -----										
Owned										
Freehold land	63,754,000	-	-	63,754,000	-	-	-	-	63,754,000	-
Building on freehold land	202,427,414	-	-	202,427,414	78,574,148	6,192,663	-	84,766,811	117,660,603	5
Plant and machinery	794,210,728	11,603,484	-	805,814,212	388,249,770	20,692,819	-	408,942,589	396,871,623	5
Electric installations	58,624,662	-	-	58,624,662	29,498,637	2,912,603	-	32,411,240	26,213,422	10
Factory equipment	355,750	-	-	355,750	341,998	1,375	-	343,373	12,377	10
Office equipment	3,206,122	-	-	3,206,122	2,178,049	102,807	-	2,280,856	925,266	10
Furniture and fixture	659,633	-	-	659,633	550,778	10,886	-	561,664	97,969	10
Vehicles	29,046,171	7,802,930	(3,696,200)	33,152,901	24,093,114	2,031,002	(3,282,787)	22,841,329	10,311,572	20
Total	1,152,284,480	19,406,414	(3,696,200)	1,167,994,694	523,486,494	31,944,155	(3,282,787)	552,147,862	615,846,832	

Un-Audited	Audited
December 31, 2024	June 30, 2024
----- Rupees -----	

5.1.1 Depreciation charge for the period /year has been allocated as under:

Cost of sales
Administrative expenses

KHB

14,416,401	29,799,460
1,194,215	2,144,695
15,610,616	31,944,155

Note	Un-Audited	Audited
	December 31, 2024	June 30, 2024
	----- Rupees -----	

6. **SHORT TERM INVESTMENT**

Fair value through profit or loss

NBP Islamic Money Market Fund	20,107,711	18,531,627
-------------------------------	------------	------------

6.1

6.1 These have been valued by using published net asset value (NAV) as at reporting date. The number of units held by the Company are 1,823,961.0349 units (June 30, 2024: 1,823,961.0349 units).

7. **SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Opening balance	205,603,211	214,735,149
Less: Incremental depreciation on revalued property, plant and equipment for the period/year	(6,052,633)	(12,861,884)
Add: Related effect of deferred tax liability	1,755,264	3,729,946
	(4,297,369)	(9,131,938)
Closing balance	<u>201,305,842</u>	<u>205,603,211</u>

First revaluation of Company's building on freehold land and plant & machinery was carried out as on September 30, 1995 by an independent valuer M/s Iqbal A. nanjee & Co. Lahore on the basis of depreciated replacement values.

Second revaluation of Company's freehold land, building on freehold land and plant and machinery has been carried out on September 30, 2000 by an independent valuer Inspectorates Corporation International (Pvt) Limited, Lahore and the same has been verified by SBP's approved auditors on the basis of depreciated replacement values.

Third revaluation of Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2012 by an independent valuer M/s Nizamy Associates, Faisalabad on the basis of depreciated replacement values.

Fourth revaluation of Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on September 30, 2015 by an independent valuer M/s Amir Evaluators & Consultants, Peshawar on the basis of depreciated replacement values.

Fifth revaluation of Company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2020 by an independent valuer M/s S.A. Associates, Lahore on the basis of depreciated replacement values.

The fair valuation of the revalued assets are considered to represent a level 2 valuation based on significant non-observable inputs being the location and condition of the assets. The fair value are subject to change owing to change in input. However, the management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs.

8. **DEFERRED TAXATION**

Opening balance	45,720,945	81,262,412
Adjusted during the period	7,481,167	(35,541,467)
Closing balance	<u>53,202,112</u>	<u>45,720,945</u>

8.1 **This comprise of following:**

Deferred tax liability:

Taxable temporary differences relating to operating assets
 Taxable temporary differences relating to short term investment
 Taxable temporary differences relating to surplus on revaluation of property, plant and equipment

Deferred tax assets:

Deductible temporary differences relating to minimum tax
 Deductible temporary differences related to taxable loss

Note	Un-Audited	Audited
	December 31, 2024	June 30, 2024
	----- Rupees -----	

8.1

Opening balance	45,720,945	81,262,412
Adjusted during the period	7,481,167	(35,541,467)
Closing balance	<u>53,202,112</u>	<u>45,720,945</u>

8.1 **This comprise of following:**

Deferred tax liability:

Taxable temporary differences relating to operating assets
 Taxable temporary differences relating to short term investment
 Taxable temporary differences relating to surplus on revaluation of property, plant and equipment

Deferred tax assets:

Deductible temporary differences relating to minimum tax
 Deductible temporary differences related to taxable loss

Handwritten signature

Un-Audited	Audited
December 31,	June 30,
2024	2024
----- Rupees -----	

9. SHORT TERM BORROWINGS

From banking company

Secured

Morabaha I	}	340,901,898	340,901,898
Morabaha II		74,145,100	74,145,100

9.1

Unsecured

Interest free bank overdraft	2,543,709	2,543,709
	<u>417,590,707</u>	<u>417,590,707</u>

9.2

9.1 Morabaha I represents secured finance by converting various morabaha finances into long term finance at interest rate of 13% per annum, whereas, the Morabaha II represents an interest free morabaha finance by converting various unpaid markups. These loans are secured against first charge of Rs. 505 million on fixed assets and personal guarantees of directors and Chief Executive of the Company.

9.1.1 The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favor for a sum of Rs. 454.502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 10.1.1.

9.2 The Company has obtained interest free bank overdraft facility from Faysal Bank Limited but ceased the repayment of the overdraft due to litigation in courts. The facts of the litigation are explained in note 10.1.1.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

10.1.1 The Company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited (FBL) claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FBL for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking and circulars issued by the State Bank of Pakistan in addition to contravention of the objective clause of its Memorandum & Articles of Association. The amount claimed for the first two counts is Rs. 141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the Court to determine.

The counter suite filed by the Faysal Bank for recovery of Rs. 454.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the Company. The Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the Company being condemned unheard. The learned Division Bench graciously allowed the appeal on 20.02.2020 and impugned judgment and decree dated 04.06.2015 was set aside. Consequently leave to appeal was adjudged to have been granted to the appellant company and the case is directed to be proceeded on that basis after framing issues and recording of evidences. The legal advisor of the Company has confirmed that next date of hearing is fixed at 06.03.2025. Due to litigations, the Bank is not responding and confirming the balance to the Company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

10.1.2 The department while initiating sales tax audits of the Company for the tax years 2012 and 2014, created demands on account of supplies from suspended/blacklisted units aggregated to amount of Rs. 818,182/-. Being aggrieved the Company filed appeals before Commissioner Inland Revenue (Appeals) who upheld the department's stance. The Company filed second appeals before Appellate Tribunal Inland Revenue Lahore on 15-Aug-2012, 25-Jul-2014, and 09-Oct-2014 which are pending for final decision. The management is contesting the case diligently and legal advisor is optimistic that the cases will be decided in the favor of the Company. Therefore, no provision has been made in these accounts.

10.2 Commitments

Under letters of credit for raw materials

12,440,000

Un-Audited	Audited
December 31,	June 30,
2024	2024
----- Rupees -----	

KAT

	Half Year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
	----- Rupees -----		----- Rupees -----	
11. SALES - NET				
Yarn sales	1,211,534,556	736,624,794	584,591,588	388,685,982
Waste sales	1,147,845	10,652,857	1,147,845	3,947,849
Gross sales	1,212,682,401	747,277,651	585,739,433	392,633,831
Less: Sales tax	(184,985,451)	(113,991,506)	(89,350,083)	(59,893,296)
	1,027,696,950	633,286,145	496,389,350	332,740,535

Note

12. COST OF SALES

12.1	Raw material consumed	633,295,871	373,087,148	326,025,258	188,168,031
	Stores and spares consumed	15,590,746	25,453,077	6,665,472	7,753,100
	Packing material consumed	10,155,256	7,418,123	5,607,667	3,267,763
12.2	Salaries, wages and benefits	57,199,141	44,805,067	21,370,255	11,313,162
	Fuel and power	305,570,161	182,547,944	159,875,216	94,084,636
	Repairs and maintenance	505,182	2,245,376	11,595	864,089
	Postage and telecommunication	42,020	38,800	20,170	19,955
	Insurance	2,834,741	2,803,555	1,663,614	1,739,984
	Depreciation	14,416,401	14,807,028	7,241,603	7,427,656
	Others	519,276	738,277	374,039	423,509
		1,040,128,795	653,944,395	528,854,889	315,061,885

Work in process

Opening Balance	18,387,580	29,404,558	22,919,184	-
Closing Balance	(23,384,813)	(24,776,905)	(23,384,813)	(11,309,798)
	(4,997,233)	4,627,653	(465,629)	(11,309,798)
Cost of goods manufactured	1,035,131,562	658,572,048	528,389,260	303,752,087

Finished goods

Opening Balance	23,796,178	83,857,976	20,540,435	-
Closing Balance	(78,032,903)	(55,985,227)	(78,032,903)	26,156,788
	(54,236,725)	27,872,749	(57,492,468)	26,156,788
	980,894,837	686,444,797	470,896,792	329,908,875

12.1 Raw material consumed

Opening Balance	91,435,185	85,065,887	24,739,649	116,219,899
Purchases	605,746,449	378,439,221	365,171,372	162,366,092
Closing Balance	697,181,634	463,505,108	389,911,021	278,585,991
	(63,885,763)	(90,417,960)	(63,885,763)	(90,417,960)
	633,295,871	373,087,148	326,025,258	188,168,031

12.2 This includes a sum of Rs. 3,426,243/- (December 31, 2023: Rs. 1,580,107/-) in respect of provident fund contribution.

13. TRANSACTIONS WITH RELATED PARTIES

Related parties include associated companies and undertakings, entities under common directorship, directors, major shareholders, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with these related parties. Detail of transactions with related parties other than those which have been specifically disclosed in related notes are as follows:

Name	Nature of transaction	Un-audited		Un-audited	
		December 31, 2024	December 31, 2024	December 31, 2023	December 31, 2023
--- Rupees ---					
Provident Fund Trust	Contributions to the fund	3,738,369	3,738,369	1,795,432	1,795,432
Zeehan Energy Limited	Payment against purchase of electricity	4,000,000	4,000,000	52,035,000	52,035,000
CEO/Directors/Members	Expenses paid on behalf of related parties	1,346,385	1,346,385	980,853	980,853
Key Management Personnel	Salaries	3,000,000	3,000,000	3,000,000	3,000,000

VHB

	Un-Audited	Audited
	December 31, 2024	June 30, 2024
	----- Rupees -----	

14. SHARIAH SCREENING DISCLOSURE

Loans/advances as per Islamic mode

Short term borrowings 417,590,707 417,590,707

Shariah compliant bank deposits/bank balances

Bank balances 180,797,393 93,061,838

Profit earned from shariah compliant bank deposits / bank balances

15,448,246

Revenue earned from a shariah compliant business

1,812,689,595

Profit/gain/loss or dividend from shariah compliant investments

Unrealized gain on short term investments 49,352
 Realized loss on short term investments (1,467,898)
 Dividend income 3,273,265

Mark up on Islamic mode of financing

194,161,422

Profits or interest on any conventional loan or advance

Profit on deposit accounts 5,872,820 2,950,256
 Profit on deposit with SNGPL 614,341 822,977

Relationship with shariah compliant banks

Name of institutions Relationship with institutions

Meezan Bank Limited	Bank balance
Al Baraka Bank Pakistan Limited	Bank balance
Faysal Bank Limited	Short term borrowings

Disclosures other than above are not pertinent to the Company.

15. FINANCIAL RISK MANAGEMENT

15.1 Financial Risk Factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks.

There have been no changes in the risk management policies during the period since June 30, 2024 except those specifically mentioned. Consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

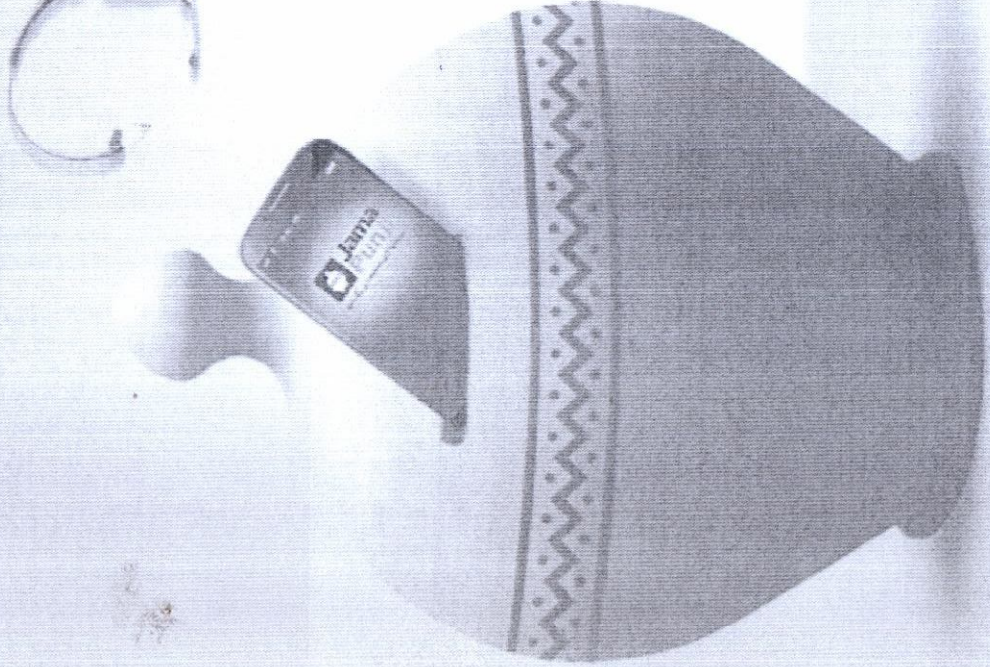
15.2 Fair value measurements of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed under the IFRSs.








Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

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