



CONDENSED INTERIM FINANCIAL STATEMENTS OF
ELAHI COTTON MILLS LIMITED(UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED
DECEMBER 31, 2024

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

COMPANY'S INFORMATION

BOARD OF DIRECTORS

MAHBOOB ELAHI
MAHFOOZ ELAHI
MAHMOOD ELAHI
AHMED SHAFFI
FARRUKH AHMED
M. AZEEM AFZAL HASHMI
SAMINA BEGUM

CHAIRMAN

MAHBOOB ELAHI

CHIEF EXECUTIVE

MAHFOOZ ELAHI

AUDIT COMMITTEE

FARRUKH AHMED
MAHBOOB ELAHI
AHMED SHAFFI

HRR COMMITTEE

MAHMOOD ELAHI
M. AZEEM AFZAL HASHMI
FARRUKH AHMED

CHIEF FINANCIAL OFFICER

MUHAMMAD IMTIAZ

COMPANY SECRETARY

SALEEM AHMED

AUDITORS

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
23, EAST SAEED PLAZA
BLUE AREA, ISLAMABAD

REGISTRAR OFFICE

CORPLINK (PVT) LIMITED
WINGS ARCADE,
I-K, COMMERCIAL,
MODEL TOWN, LAHORE

LEGAL ADVISER

KHAN & PIRACHA
NO.1, 2ND FLOOR, 6-B,
MARKAZ F-6, ISLAMABAD

REGISTERED OFFICE

270-SECTOR I-9,
INDUSTRIAL AREA,
ISLAMABAD.

MILLS

JURIAN, MANDRA,
TEHSIL GUJAR KHAN,
DISTRICT RAWALPINDI.

WEBSITE

www.elahicotton.com

ELAHI COTTON MILLS LIMITED

DIRECTORS' REVIEW TO THE MEMBERS

The Directors of the Company are pleased to present financial information for the half year ended December 31, 2024 duly reviewed by the external auditors.


The principal business activity of the Company is to manufacture and sale of Pure Polyester Yarn. Aggregate sales revenue of the Company increased from Rs. 474.758 million to Rs. 544.167 million showing increase of Rs. 69.409 million (14.62%) whereas cost of sales increased from Rs. 463.561 million to Rs. 511.199 million showing increase of Rs. 47.638 million (10.28%). The Company earned profit before taxation of Rs. 22.943 million for the six months from July 01, 2024 to December 31, 2024 as compared to profit of Rs. 2.413 million for the corresponding period of last six months and profit after taxation of Rs. 15.847 million as compared to loss of Rs. 4.113 million. The profit earned by the Company is due to increase in production and increase in the rates of finished goods. The Management expects the next quarter to be favourable as the prices of raw material and electricity seems to be stable.

The auditors have drawn attention to Note 1.3 in the financial statements that the Company's current liabilities exceeded its current assets by Rs. 46.944 million. The Company has accumulated loss of Rs. 52.418 million that exceeds the issued, subscribed and paid up capital by Rs. 39.418 million. These conditions indicate the existence of a material uncertainty that cast doubt about the Company's ability to continue as a going concern. During the period under review, the Company generated cash amounting to Rs. 8.407 million from its operating activities after meeting its cash outflows over the period. The accumulated loss has also been reduced from Rs. 69.610 million to Rs. 52.418 million due to profit earned by the Company. The Management is making every effort to minimize the impact through improve efficiency and better marketing. The Sponsor Directors are continuously supporting in the form of funds as and when required by the Company. During the period, the Sponsor Directors provided interest free loan to the Company amounting to Rs. 8.550 million. Furthermore, the Management has neither intention nor the necessity of liquidation or ceasing manufacturing operation in foreseeable future. So, with the successful efforts of the Management, the Company will continue as a going concern.

Earning per share for the half year ended December 31, 2024 is Rs. 12.19 and for the quarter ended December 31, 2024 is Rs. 4.46. The Directors of the Company do not recommend payment of any cash dividend/bonus shares to the shareholders of the Company.

Islamabad
February 28, 2025

ON BEHALF OF BOARD OF DIRECTORS


(MAHMOOD ELAHI)
Director


(MAHFOOZ ELAHI)
Chief Executive

کمپنی کے ڈائریکٹر ششماہی مالیاتی رپورٹ تختہ ۳۱ دسمبر ۲۰۲۳ء جو کہ بیرونی محاسب سے جائزہ شدہ ہے، پیش کرتے ہیں۔ کمپنی کا بنیادی کام خالص پولیٹر دھاگہ بنانا اور فروخت کرنا ہے۔ کمپنی کی مجموعی فروخت -/474.758 ملین روپے سے بڑھ کر 544.167 ملین روپے ہو گئی ہے جو کہ -/69.409 ملین روپے (14.62%) اضافہ ظاہر کر رہی ہے جبکہ فروخت کے اخراجات -/463.561 ملین روپے سے بڑھ کر -/511.199 ملین روپے ہو گئے ہیں جو کہ -/47.638 ملین روپے (10.28%) اضافہ ظاہر کر رہے ہیں۔ اس ششماہی تختہ ۳۱ دسمبر ۲۰۲۳ء میں کمپنی کو قبل از ٹیکس -/22.943 ملین روپے کا منافع ہوا ہے جبکہ گزشتہ سال اسی دورانیہ میں -/2.413 ملین روپے کا منافع ہوا تھا اور بعد از ٹیکس -/15.847 ملین روپے کا منافع ہوا جبکہ گزشتہ سال اسی دورانیہ میں -/4.113 ملین روپے کا نقصان ہوا تھا۔ کمپنی کو منافع ہونے کی وجہ پیداوار اور تیار شدہ مال کی قیمتوں میں اضافہ ہے۔ انتظامیہ کو توقع ہے کہ اگلی سہ ماہی کمپنی کے لئے سازگار ہوگی کیونکہ خام مال اور بجلی کی قیمتیں برقرار رہنے کا رجحان ہے۔

بیرونی محاسب نے نوٹ نمبر 1.3 کی طرف توجہ دلائی ہے کہ مالیاتی رپورٹ میں موجودہ واجب الادا قرضوں میں موجودہ اثاثوں کی نسبت اضافہ ہوا ہے جو کہ 46.944 ملین روپے ہے۔ کمپنی کا مجموعی خسارہ 52.418 ملین روپے ہے جو کہ جاری شدہ، ادا شدہ سرمایے سے 39.418 ملین روپے زیادہ ہے۔ یہ حالات خاصے غیر یقینی کی صورت حال ظاہر کر رہے ہیں جن کی وجہ سے کمپنی کے چلنے کی صلاحیت میں شک پیدا ہو سکتا ہے۔ کمپنی نے اپنی چلتی ہوئی سرگرمیوں سے اپنی نقد ضروریات پورا کرنے کے بعد 8.407 ملین روپے کیش جزیٹ کی ہے۔ کمپنی کا منافع کمانے کی وجہ سے جمع شدہ نقصان بھی 69.610 ملین روپے سے کم ہو کر 52.418 ملین روپے ہو گیا ہے۔ انتظامیہ پوری کوشش کر رہی ہے کہ وہ ان اثرات کو اپنی کارکردگی اور بہتر مارکیٹنگ سے کم از کم کرے۔ سپانسر ڈائریکٹر کمپنی سے مسلسل مالی تعاون کر رہے ہیں اور انہوں نے کمپنی کو اس دورانیہ میں بلا سود 8.550 ملین روپے کا قرض دیا ہے۔ مستقبل قریب میں انتظامیہ کا نہ تو ارادہ کمپنی کو ختم کرنے کا ہے اور نہ ہی پیداواری سرگرمیاں بند کرنے کا ہے لہذا وہ پرعزم ہیں کہ کمپنی انتظامیہ کی بھرپور کوشش سے جاری و ساری رہے گی۔

اس ششماہی تختہ ۳۱ دسمبر ۲۰۲۳ء میں کمپنی کا منافع -/12.19 روپے فی حصص ہوا جبکہ دوسری سہ ماہی تختہ ۳۱ دسمبر ۲۰۲۳ء کو فی حصص -/4.46 روپے منافع ہوا۔ کمپنی کے ڈائریکٹر حصہ داران کے لئے کسی حصص پر منافع دینے کی سفارش نہیں کرتے ہیں۔

اسلام آباد

۲۸ فروری ۲۰۲۵

بورڈ آف ڈائریکٹر کی جانب سے

Mahmud Elahi

محمود الہی
ڈائریکٹر

Mahmud Elahi
محفوظ الہی
چیف ایگزیکٹو

INDEPENDENT AUDITORS REVIEW REPORT TO THE MEMBERS OF ELAHI COTTON MILLS LIMITED**Report on review of Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Elahi Cotton 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 and condensed interim statement of cash flows and notes to the interim financial statements for the six months period then ended (herein after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Material Uncertainty Related to Going Concern

Without qualifying to our conclusion, we draw attention to Note 1.3 in the condensed interim financial information which indicates that the Company's current liabilities exceeded its current assets by Rs. 46.944 million. The Company has accumulated losses of Rs. 52.418 million. The Company's accumulated losses exceeded the issued, subscribed and paid-up capital by Rs. 39.418 million. These conditions, along with other matters as set forth in Note 1.3, indicate the existence of material uncertainty which may cast doubt about the Company's ability to continue as going concern.





Other Matter

The figures for the quarter ended December 31, 2024 and December 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review audit resulting in this independent auditors review report is Atif Riaz.

ISLAMABAD

DATED: 28 FEBRUARY 2025

UDIN: AR202410060nagv2Mid7

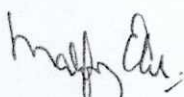
BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

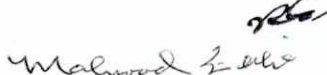
ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT DECEMBER 31, 2024

		December 31, 2024	June 30, 2024
	Note	Rupees Unaudited	Rupees Audited
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	4	175,411,605	177,892,062
Long term security deposits		918,810	918,810
Loans and advances	5	5,175,750	5,052,750
		<u>181,506,165</u>	<u>183,863,622</u>
CURRENT ASSETS			
Stores, spares and loose tools	6	4,404,006	3,939,143
Stock in trade	7	41,510,491	33,181,882
Trade debts	8	37,701,745	19,982,867
Short terms prepayments		84,113	374,305
Short terms investments		650,622	598,335
Prepaid levy	9	3,040,045	3,001,431
Loans, advances and other receivables	10	3,160,151	514,008
Cash and bank balances	11	29,513,961	13,835,204
		<u>120,065,134</u>	<u>75,427,175</u>
TOTAL ASSETS		<u>301,571,299</u>	<u>259,290,797</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	13,000,000	13,000,000
Revaluation surplus on property, plant and equipment		139,753,388	141,098,316
Accumulated loss		(52,418,009)	(69,609,891)
		<u>100,335,379</u>	<u>84,488,425</u>
NON-CURRENT LIABILITIES			
Staff retirement benefits - Gratuity		32,963,473	32,658,401
Deferred taxation		-	-
Financial liabilities	13	1,262,479	3,625,154
		<u>34,225,952</u>	<u>36,283,555</u>
CURRENT LIABILITIES			
Current portion of long term loan from directors	14	61,129,471	61,329,471
Short term loan from directors	15	48,100,000	39,350,000
Trade and other payables	16	51,804,720	31,647,392
Financial liabilities	13	5,708,106	5,924,283
Unclaimed dividend		267,671	267,671
		<u>167,009,968</u>	<u>138,518,817</u>
TOTAL EQUITY AND LIABILITIES		<u>301,571,299</u>	<u>259,290,797</u>
CONTINGENCIES AND COMMITMENTS	17	-	-

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



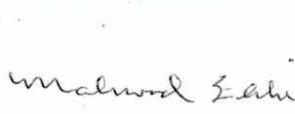
CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

		Six months ended December 31,		Three months ended December 31,	
		2024	2023	2024	2023
Note		-----Rupees-----			
Sales	18	544,166,814	474,758,404	277,867,125	224,913,904
Cost of sales	19	(511,199,397)	(463,561,121)	(264,181,761)	(223,987,527)
Gross profit		32,967,417	11,197,283	13,685,364	926,377
Operating expenses					
Administrative expenses		(8,592,985)	(7,712,642)	(4,377,104)	(3,877,348)
Selling and distribution expenses		(1,230,500)	(705,100)	(731,500)	(370,000)
Other operating charges		(171,341)	(406,532)	(110,724)	(312,962)
Operating profit / (loss)		22,972,591	2,373,009	8,466,036	(3,633,933)
Other income		78,477	289,129	48,927	274,954
Financial charges		(108,522)	(249,424)	(93,631)	(235,591)
Profit / (loss) before income tax and minimum tax		22,942,546	2,412,714	8,421,332	(3,594,570)
Minimum Tax		(6,802,085)	(5,938,094)	(2,331,220)	(2,815,038)
Profit / (loss) before income tax		16,140,461	(3,525,380)	6,090,112	(6,409,608)
Income tax		(293,507)	(587,187)	(293,507)	(869,151)
Profit / (loss) after taxation		15,846,954	(4,112,567)	5,796,605	(7,278,759)
Earnings /(loss) per shares - Basic and diluted (Rupees)	20	12.19	(3.16)	4.46	(5.60)

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

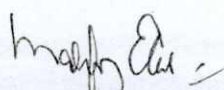

CHIEF FINANCIAL OFFICER

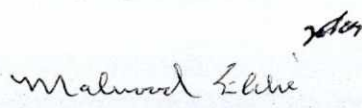
ELAHI COTTON MILLS LIMITED**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024**

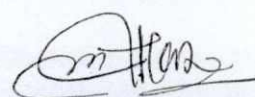
Six months ended December 31,		Three months ended December 31,	
2024	2023	2024	2023
-----Rupees-----			

Profit / (loss) for the period	15,846,954	(4,112,567)	5,796,605	(7,278,759)
Items that will not be subsequently reclassified into profit and loss				
Other comprehensive income	-	-	-	-
Related deferred tax impact	-	-	-	-
	-	-	-	-
Total comprehensive income / (loss) for the period	<u>15,846,954</u>	<u>(4,112,567)</u>	<u>5,796,605</u>	<u>(7,278,759)</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Share capital	Reserves		Total
		Capital	Revenue	
	Issued, subscribed and paid-up capital	Revaluation surplus on property, plant and equipment	Accumulated loss	
	Rupees			
Balance as at July 01, 2023	13,000,000	134,831,533	(44,886,434)	102,945,099
Total comprehensive loss for the period				
Loss for the period	-	-	(4,112,567)	(4,112,567)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax	-	(1,056,864)	1,056,864	-
Balance as at December 31, 2023	13,000,000	133,774,669	(47,942,137)	98,832,532
Balance as at July 01, 2024	13,000,000	141,098,316	(69,609,891)	84,488,425
Total comprehensive loss for the period				
Profit for the period	-	-	15,846,954	15,846,954
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation-net of deferred tax	-	(1,344,928)	1,344,928	-
Balance as at December 31, 2024	13,000,000	139,753,388	(52,418,009)	100,335,379

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

98-7



CHIEF EXECUTIVE

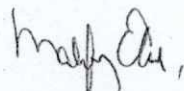

DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

	Six months ended December 31,	
	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before income tax and minimum tax	22,942,546	2,412,714
Adjustment for non-cash items:		
Depreciation	3,630,457	2,675,566
Financial charges / cost	108,522	402,186
Profit on investment in HBL fund	(78,477)	(40,470)
Provision for gratuity	5,913,072	4,756,899
	9,573,574	7,794,181
Profit before working capital changes	32,516,120	10,206,895
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(464,863)	108,767
Stock in trade	(8,328,609)	(4,984,751)
Trade debts	(17,718,878)	(16,832,381)
Loans, advances and other receivables	(2,615,143)	311,792
Short term prepayments	290,192	639,971
Increase in current liabilities		
Trade and other payables	19,863,821	18,032,714
Financial liabilities	(2,651,829)	-
	(11,625,309)	(2,723,888)
Cash generated from operations	20,890,811	7,483,007
Financial charges paid	(35,545)	(249,424)
Income tax paid	(6,840,699)	(6,304,858)
Gratuity paid	(5,608,000)	(1,025,650)
	(12,484,244)	(7,579,932)
Net cash generated from / (used in) operating activities	8,406,567	(96,925)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans given to employees	(154,000)	(855,000)
Bank Profits received	26,190	
Purchase of property, plant and equipment	(1,150,000)	(15,881,980)
Net cash used in investing activities	(1,277,810)	(16,736,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loan from directors	(200,000)	(281,742)
Short term loan from directors	8,750,000	15,500,000
Net cash generated from financing activities	8,550,000	15,218,258
Net increase / (decrease) in cash and cash equivalents	15,678,757	(1,615,647)
Cash and cash equivalents at the beginning of the period	13,835,204	12,861,216
Cash and cash equivalents at the end of the period	29,513,961	11,245,569

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements. 


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

ELAHI COTTON MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2024

1 STATUS AND NATURE OF BUSINESS

- 1.1 The Company was incorporated as a public limited company on June 22, 1970 under the repealed Companies Act, 1913 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The principal business of the Company is manufacture and sale of yarn.
- 1.2 The registered office of the Company is situated at 270, sector I-9, Industrial Area, Islamabad. The mill (plant) of the Company is located at Mandra - Chakwal road, Tehsil Gujar Khan, District Rawalpindi, Pakistan.
- 1.3 The Company's current liabilities exceeded its current assets by Rs. 46.944 million (June 30, 2024: Rs. 63.092 million). The Company has accumulated losses of Rs. 52.418 million (June 30, 2024: Rs. 69.610 million). The Company's accumulated losses exceeded the issued, subscribed and paid up capital by Rs. 39.418 million (June 30, 2024: Rs. 56.610 million). These conditions indicate the existence of material uncertainty which may cast doubt about the Company's ability to continue as going concern.

These interim financial statements have been prepared on going concern basis without any adjustment to assets and liabilities in view of profitable future projections and financial support from associated undertaking and sponsors. The management is confident of improving profitability through streamlining the operations of the Company.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are 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 from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed. *ABC*

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for some operating fixed assets which have been stated at revalued amount, investment property at fair value, investments classified as fair value through other comprehensive income (FVTOCI) and employee benefits at present value.

These interim financial statements have been prepared following accrual basis of accounting except for cash flow information.

2.3 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.2 The preparation of these condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2024.

3.4 There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Company's accounting period beginning on or after July 01, 2024. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on these interim financial statements.

3.5 Taxation

The provision for taxation for the half year and quarter ended December 31, 2024 has been made using the estimated effective tax rate applicable to expected total annual earnings.

		December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
4	OPERATING FIXED ASSETS		
	Property, plant and equipment	4.1 174,941,042	176,950,935
	Right of use assets	4.2 470,563	941,127
		<u>175,411,605</u>	<u>177,892,062</u>
4.1	Property, plant and equipment		
	Opening net book value	176,950,935	156,262,530
	Add:		
	Additions during the period / year (cost)	4.1.1 1,150,000	25,768,980
	Less:		
	Depreciation charged during the period / year	3,159,893	5,080,575
	Closing net book value	<u>174,941,042</u>	<u>176,950,935</u>
4.1.1	Detail of additions (at cost) during the period / year are as follows:		
	Power and other installations	<u>1,150,000</u>	<u>25,768,980</u>
4.2	Right of use asset		
	Buildings:		
	Cost		
	Opening balance	2,823,381	2,823,381
	Additions during the period / year	-	-
	Closing balance	<u>2,823,381</u>	<u>2,823,381</u>
	Accumulated depreciation		
	Opening balance	1,882,254	941,127
	Depreciation charge during the period / year	470,564	941,127
	Closing balance	<u>2,352,818</u>	<u>1,882,254</u>
	Net book value	<u>470,563</u>	<u>941,127</u>
	Useful life (years)	3	3

		December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
5	LOANS AND ADVANCES		
	Unsecured - considered good		
	Opening balance	5,441,750	4,832,750
	Disbursements	4,112,500	2,735,000
	Receipts	(3,958,500)	(2,126,000)
	Closing balance	5,595,750	5,441,750
	Current portion of loans and advances	10 (420,000)	(389,000)
		5,175,750	5,052,750

- 5.1 These balances represent interest free loans and advances given to employees. The Chief Executive Officer and Directors have not taken any loans and advances from the Company. These balances are carried at cost as the impact of amortization is not material in respect of these interim financial statements.

		December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
6	STORES, SPARES & LOOSE TOOLS		
	Stores	4,037,540	3,788,668
	Spares	366,466	150,475
		4,404,006	3,939,143

- 6.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

		December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
7	STOCK IN TRADE		
	Raw material	16,793,079	8,366,668
	Work in progress	5,719,099	5,851,217
	Finished goods	18,756,375	18,920,508
	Waste	241,938	43,489
		41,510,491	33,181,882

8	TRADE DEBTS		
	Unsecured - considered good	37,701,745	19,982,867

	Note	December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
9 PREPAID LEVY			
As at July 01		3,001,431	923,093
Additions		6,840,699	14,091,688
Less: minimum tax for the period / year		(6,802,085)	(12,013,350)
As at December 31		<u>3,040,045</u>	<u>3,001,431</u>

10 LOANS, ADVANCES AND OTHER RECEIVABLES

Loans and advances

Loans	5		
Current portion of long-term loans		420,000	389,000
Advances to suppliers		177,877	125,008
Tax refunds due from government		2,562,274	-
		<u>3,160,151</u>	<u>514,008</u>

11 CASH AND BANK BALANCES

Cash in hand		750,190	44,244
Cash at banks: (local currency)			
Current accounts		28,454,985	366,486
Saving account	11.1	308,786	13,424,474
		<u>29,513,961</u>	<u>13,835,204</u>

11.1 Saving account carries mark up at the rates ranging from 0.25% to 0.15% (June 30, 2024: 0.25% to 0.28%) per annum.

12 SHARE CAPITAL

12.1 Authorized share capital

This represents 5,000,000 (December 31, 2023: 5,000,000) ordinary shares of Rs. 10 each amounting to Rs. 50,000,000 (June 30, 2023: Rs. 50,000,000).

		December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
12.2 Issued, subscribed and paid up capital			
Number of ordinary shares of Rs. 10/- each			
December 31, 2024	June 30, 2024		
1,300,000	1,300,000	13,000,000	13,000,000
Fully paid in cash			

		December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
	Note		
13	FINANCIAL LIABILITIES		
	Payable to IESCO	4,898,479	7,250,308
	Lease liabilities	2,072,106	2,299,129
		<u>6,970,585</u>	<u>9,549,437</u>
	Less:		
	Current portion of payable to IESCO	3,636,000	3,625,154
	Current portion of lease liabilities	2,072,106	2,299,129
		<u>5,708,106</u>	<u>5,924,283</u>
		<u>1,262,479</u>	<u>3,625,154</u>

14 CURRENT PORTION OF LONG TERM LOAN FROM DIRECTORS

Unsecured			
Opening balance		61,329,471	61,849,546
Payments during the period / year		(200,000)	(520,075)
Closing balance	14.1	<u>61,129,471</u>	<u>61,329,471</u>

- 14.1 This represents unsecured interest free loan from two directors and Chief Executive of the Company to meet the working capital requirements. The loan was payable on July 01, 2015. As these are now payable on demand, therefore all amounts have been transferred to current liabilities in the financial statements.

		December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
	Note		
15	SHORT TERM LOAN FROM DIRECTORS		
	Balance brought forward	39,350,000	15,350,000
	Additions during the year	8,750,000	24,000,000
	15.1	<u>48,100,000</u>	<u>39,350,000</u>

- 15.1 This represents unsecured interest free loan from two directors and Chief Executive of the Company to meet the working capital requirements. These are now payable on demand.

	December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
16 TRADE AND OTHER PAYABLES		
Creditors	3,144,872	3,762,135
Accrued expenses	22,768,944	25,051,796
Advances from customers	25,535,537	1,498,625
Government dues	-	1,070,308
Workers' Profit Participation Fund	-	-
Workers' Welfare Fund	7,510	7,510
Income tax payable	344,066	53,007
Sales tax due to government	-	200,220
Zakat payable	3,791	3,791
	<u>51,804,720</u>	<u>31,647,392</u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

From July 2022 onwards, Islamabad Electric Supply Company Limited (IESCO) is imposing a levy in monthly electricity bills of the company in respect of Fuel Price Adjustment (FPA). The balance under this levy is accumulated to Rs. 2.857 million as at December 31, 2024. Being aggrieved, the Company has filed a stay petition against the said levy in the Rawalpindi bench of Lahore High Court. The company's management remains optimistic about the case's verdict and is hopeful for a favorable outcome.

17.2 Commitments

There is no commitment for capital expenditures as at the December 31, 2024 (June 30, 2024: nil).

Yab

	Note	Six months ended December 31,		Three months ended December 31,	
		2024	2023	2024	2023
		Rupees Unaudited	Rupees Unaudited	Rupees Unaudited	Rupees Unaudited
18 SALES					
Yarn		641,861,958	559,294,485	327,628,325	264,862,951
Waste		254,880	920,430	-	535,455
		642,116,838	560,214,915	327,883,205	265,398,406
Less: sales tax		(97,950,024)	(85,456,511)	(50,016,080)	(40,484,502)
		544,166,814	474,758,404	277,867,125	224,913,904

19 COST OF SALES

Raw material consumed	19.1	355,918,548	324,628,364	188,064,170	155,716,096
Salaries, wages and other benefits		73,034,247	57,600,000	38,623,851	30,207,479
Electricity		68,729,822	72,703,614	33,290,124	37,314,261
Insurance		347,942	507,878	347,942	507,878
Repair and maintenance		168,880	156,605	103,020	138,705
Stores and spares consumed	19.2	9,874,906	8,475,659	5,441,818	4,250,554
Depreciation		3,027,250	2,063,069	1,473,936	1,097,710
		511,101,595	466,135,189	267,344,861	229,232,683
Opening work in process		5,851,217	4,712,593	5,576,113	5,818,846
Closing work in process		(5,719,099)	(5,879,913)	(5,719,099)	(5,879,913)
		132,118	(1,167,320)	(142,986)	(61,067)
Cost of goods manufactured		511,233,713	464,967,869	267,201,875	229,171,616
Opening stock of finished goods		18,920,508	17,910,450	15,978,199	14,207,259
Closing stock of finished goods		(18,756,375)	(19,527,823)	(18,756,375)	(19,527,823)
		164,133	(1,617,373)	(2,778,176)	(5,320,564)
Opening stock of waste material		43,489	273,525	-	199,375
Closing stock of waste material		(241,938)	(62,900)	(241,938)	(62,900)
		(198,449)	210,625	(241,938)	136,475
		511,199,397	463,561,121	264,181,761	223,987,527

19.1 Raw material consumed

Opening stock	8,366,668	4,140,307	3,399,085	9,940,711
Purchases	364,344,959	327,039,047	201,458,164	152,326,375
	372,711,627	331,179,354	204,857,249	162,267,086
Closing stock	(16,793,079)	(6,550,990)	(16,793,079)	(6,550,990)
Consumed during the period	355,918,548	324,628,364	188,064,170	155,716,096

2024

19.2 Stores and spares consumed

	Six months ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
	Unaudited	Unaudited	Unaudited	Unaudited
Opening stock	3,939,143	3,420,249	4,028,860	3,327,252
Purchases	10,339,769	8,366,892	5,816,964	4,234,784
	14,278,912	11,787,141	9,845,824	7,562,036
Closing stock	(4,404,006)	(3,311,482)	(4,404,006)	(3,311,482)
	9,874,906	8,475,659	5,441,818	4,250,554

20 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

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

	Six months ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
	Unaudited	Unaudited	Unaudited	Unaudited
Profit / (loss) after taxation	15,846,954	(4,112,567)	5,796,605	(7,278,759)
Weighted average number of ordinary shares at the end of the period (Number of shares)	1,300,000	1,300,000	1,300,000	1,300,000
Earning / (loss) per shares - Basic and diluted	12.19	(3.16)	4.46	(5.60)

Adv

21 TRANSACTIONS WITH RELATED PARTIES

21.1 The related parties and associated undertakings of the Company comprise of associated companies, directors and key management personnel. Transactions with related parties during the period are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the period and period end balances	Six month ended December 31,		Quarter ended December 31,	
			2024 Rupees	2023 Rupees	2024 Rupees	2023 Rupees
Taj Mills Limited	Associated company by virtue of common directorship	Office lease - rent paid / payable	600,000	600,000	300,000	300,000
		Amount payable at period end	600,000	600,000	300,000	300,000
Mahfooz Elahi	Chief Executive	Loan paid during the period	200,000	281,742	150,000	90,000
		Loan received during the period	1,750,000	5,000,000	750,000	5,000,000
		Amount payable at period end	23,278,924	20,467,257	20,467,257	20,467,257
Mahboob Elahi	Director	Loan received during the period	6,000,000	7,500,000	-	7,500,000
		Amount payable at period end	74,275,547	63,775,546	63,775,546	63,775,546
Mahmood Elahi	Director	Loan received during the period	1,000,000	3,000,000		3,000,000
		Amount payable at period end	11,675,000	8,175,000	8,175,000	8,175,000

26-7

The transactions with key management personnel includes remuneration and other benefits under the terms of their employment which are as follows:

	Six months ended December 31,		Three months ended December 31,	
	2024	2023	2024	2023
	Rupees	Rupees	Rupees	Rupees
Short term employment benefits	1,532,000	1,286,677	766,000	643,339
Provision towards retirement benefits	264,500	229,500	132,250	114,750
	<u>1,796,500</u>	<u>1,516,177</u>	<u>898,250</u>	<u>758,089</u>

22 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2024.

23 FAIR VALUE MEASUREMENT

The carrying values of all financial assets and liabilities reflected in the interim financial statements approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The management assessed that the carrying value of cash and short term deposits, trade debts, other receivables trade and other payables and other current liabilities approximate their fair values largely due to the short term maturities of these instruments. Fair value is determined on the basis of objective evidence at each reporting date.

Transfers during the period

During the six month period ended December 31, 2024, there were no transfers into or out of Level 3 fair value measurements.

As at December 31, 2024 and June 30, 2024 the Company did not hold any financial instruments carried at fair value. Moreover, free hold land, buildings and plant and machinery are measured at fair value.

The Company has revalued its freehold land, buildings and plant and machinery on December 31, 2022 by independent valuer M/s Asrem (Private) Limited on the basis of market values of similar properties. The fair value of plant and machinery is a level 3 recurring fair value measurement.

Fair value of land and building are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation, while fair value of plant and machinery are considered to be level 3 in the fair value hierarchy due to significant unobservable inputs used in the valuation.

Valuation techniques used to derive level 2 fair values - Land and Building

Fair value of land and building has been derived using a sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and size of the property. Moreover value of building also depends upon the type of construction, age and quality. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

Valuation techniques used to derive level 3 fair values - Plant and Machinery

In the absence of current prices in an active market, the fair value is determined by taking into account the following factors:

- Make, model, country of origin and etc.;
- Operational capacity;
- Present physical condition;
- Resale prospects; and
- Obsolescence.

The valuation is considered to be level 3 in the fair value hierarchy due to the above unobservable inputs used in the valuation. Most significant input in this valuation is the current replacement cost which is adjusted for factors above.

A reconciliation from opening balances to closing balances of fair value measurements categorised in level 3 is provided below:

	December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
Opening balance (level 3 recurring fair values)	20,272,477	22,524,975
Additions - Cost	-	-
Additions - Revaluation	-	-
Depreciation charge	(1,013,624)	(2,252,498)
Closing balance (level 3 recurring fair values)	<u>19,258,853</u>	<u>20,272,477</u>

There were no transfers between levels 2 and 3 for recurring fair value measurements during the period.

Had there been no revaluation, the net book value of the specific classes of operating assets would have been as follows:

Nil

	December 31, 2024 Rupees Unaudited	June 30, 2024 Rupees Audited
Freehold land	299,995	299,995
Buildings on freehold land	789,810	810,062
Plant and machinery	4,692,378	4,939,345

24 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, significant reclassification has been made during the period.

Description	Reclassified from	Reclassified to	Six month ended December 31, 2023 Rupees	Three month ended December 31, 2023 Rupees
Provision for taxation - current tax	Taxation	Minimum tax (presented on face of statement of profit or loss)	5,938,094	2,815,038

25 DATE OF AUTHORIZATION

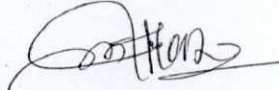
These interim financial statements were authorised for issue on 28 FEB 2025 by the Board of Directors of the Company.

26 GENERAL

Figures have been rounded off to the nearest rupee. *rdk*


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER