



*Half Yearly Accounts December 31, 2024
(Un-Audited)*



Contents

| | |
|---|----|
| Company Information | 02 |
| Director's Report | 03 |
| Independent Auditor's Review Report | 05 |
| Condensed Interim Statement of Financial Position | 07 |
| Condensed Interim Statement of Profit or Loss | 09 |
| Condensed Interim Statement of Comprehensive Income | 10 |
| Condensed Interim Statement of Changes in Equity | 11 |
| Condensed Interim Cash Flow Statement | 12 |
| Notes to the Condensed Interim Financial Statements | 13 |



COMPANY INFORMATION

CHAIRMAN

Mr. Umair Umar

CHIEF EXECUTIVE

Mr. Mohammad Umar Virk

BOARD OF DIRECTORS

Mr. Umair Umar
 Mr. Muhammad Awais Qarni Chaudry
 Mr. Muhammad Umar Virk
 Mr. Mohammad Haseeb Awais
 Mrs. Zainab Malik (Female / Independent Director)
 Mr. Mohammad Maqeen Awais

AUDIT COMMITTEE

| | |
|----------------------------------|-------------|
| Mrs. Zainab Malik | Chairperson |
| Mr. Muhammad Awais Qarni Chaudry | Member |
| Mr. Mauhammad Umar Virk | Member |

HUMAN RESOURCE & REMUNERATION COMMITTEE

| | |
|----------------------------------|----------|
| Mr. Muhammad Awais Qarni Chaudry | Chairman |
| Mr. Mohammad Haseeb Awais | Member |

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Saeed Ahmad Khan

AUDITORS

M/S Rahman Sarfaraz Rahim Iqbal Rafiq.
 (Chartered Accountants)
 Member of Russell Bedford International.
 House No 72-A, Faisal Town, Lahore

LEGAL ADVISER

Salman Akram Raja.
 Raja Mohammad Akram & Co., Advocates & Legal
 Consultants.
 33-C Main Gulberg Lahore.

REGISTRAR OF THE COMPANY

Vision Consulting Ltd.
 3 – C , 1st floor, LDA Flats, Lawrance Road Lahore
 Ph: + 92 42 36283096 - 97

REGISTERED OFFICE

8 KM Manga Raiwind Road Raiwind District Kasur
 Ph: + 92 42 35393402, 35393461
 WEB: www.hiratex.com.pk

MILLS

8 KM Manga Raiwind Road Raiwind District Kasur

BUSINESS OFFICE

19-Aibak Block New Garden Town, Lahore



DIRECTORS' REPORT

The Directors are pleased to present the reviewed financial statements of the company for the half-year ended December 31, 2024.

Following are the Operating results of the Company.

| | Six months ended 31 December 2024 | Six months ended 31 December 2023 |
|----------------------------|--------------------------------------|--------------------------------------|
| | <i>Rupees</i> | <i>Rupees</i> |
| Sales - Net | 10,704,110 | 52,365,867 |
| Gross profit (Loss) | (49,536,793) | (74,824,346) |
| Operating Profit (Loss) | (55,445,624) | (86,263,952) |
| Profit/ (Loss) after Tax | (113,277,213) | (144,667,979) |
| (Loss) / Earning per Share | (1.31) | (1.67) |

Review of business during this period and Future outlook

The Company's sales are Rs. 10.704 million as compared to Rs.52.366 million during the corresponding period of last year showing a decrease of 79.56%. Gross Loss for the period is Rs.49.537 million as compared to the gross loss of Rs. 74.824 million in the corresponding period. The decrease in Gross Loss is mainly due to decrease in expenses. Loss from operations is Rs. 55.445 million as compared to operational loss of Rs. 86.264 million in the corresponding period. The decrease in loss is attributed due to decrease in expenses. After tax loss is Rs. 113.277 million as compared to loss of Rs. 144.668 million in the corresponding period. Loss per share for the six-month period are Rs. 1.31 as compared to Rs. 1.67 during the corresponding period.

However, the management of the company is putting its best efforts forward by taking severe cost cutting measures to increase the profit margins and to improve the margins further through production and marketing strategies in the remaining six month of the year.

The Directors wish to express their appreciation the staff & workers of the Company for their dedication & devotion displayed in the success & sales growth of the company.

On behalf of the Board

Muhammad Awais Qarni Chaudhr
(Director)

Muhammad Umar Virk
(Chief Executive)

Lahore
August 04, 2025



ڈائریکٹرز رپورٹ

ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے لیے آڈیٹرز سے جبازہ شدہ مالیاتی گوشوارے پیش کرنے پر خوش ہیں۔

کمپنی کے عملی مالیاتی نتائج درج ذیل ہیں۔

| ششماہی 31 دسمبر 2023 | ششماہی 31 دسمبر 2024 | |
|----------------------|----------------------|---------------------------|
| روپے | روپے | |
| 52,365,867 | 10,704,110 | (Net) منروختگی |
| (74,824,346) | (49,536,793) | مجموعی منافع (نقصان) |
| (86,263,952) | (55,445,624) | آپریٹنگ منافع (نقصان) |
| (144,667,979) | (113,277,213) | منافع (نقصان) بعد از ٹیکس |
| (1.67) | (1.31) | آمدن (نقصان) فی حصص |

اس عرصے کے دوران کاروبار کا جبازہ اور مستقبل پر نظر

کمپنی کی زیر جبازہ مدت کے دوران منروخت شدہ مال کی مالیت 10.704 ملین روپے ہے۔ جو کہ گزشتہ سال کی اسی مدت کے دوران منروخت شدہ مال کی مالیت 52.366 ملین روپے تھی۔ جو کہ گزشتہ سال کے مقابلے میں 79.56 فیصد کمی دکھاتا ہے۔ اس مدت کے لیے مجموعی نقصان 49.537 ملین روپے ہے۔ جبکہ گزشتہ سال کی اسی مدت میں مجموعی نقصان 74.824 ملین روپے تھا۔ مجموعی نقصان میں کمی کی بنیادی وجہ اخراجات میں کمی ہے۔ آپریٹنگ نقصان 55.445 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں آپریٹنگ نقصان 86.264 ملین روپے تھا۔ خسارے میں کمی کی وجہ اخراجات میں کمی ہے۔ بعد از ٹیکس نقصان 113.277 ملین روپے ہے۔ جبکہ گزشتہ سال کی اسی مدت کے دوران نقصان 144.68 ملین تھا۔ رواں ششماہی کے لئے فی حصص نقصان 1.31 روپے ہے۔ جبکہ گزشتہ سال کی اسی مدت کے فی حصص نقصان 1.67 روپے تھا۔

تاہم کمپنی کی اقلیہ حصص داروں میں بہتر منافع کے حصول کے لئے اور پیداواری لاگت میں کمی لانے کے لئے سخت اقدامات اٹھانے کے ساتھ ساتھ بہتر پیداوار اور مارکیٹنگ کی حکمت عملی کے ذریعے اپنی تمام تر صلاحیتوں کو بروئے کار لاتے ہوئے اس میں بہتری کے لئے پرامید ہے۔

ڈائریکٹرز کمپنی کے عمل اور کارکنوں کی اپنے کام کی لگن اور ایثار کے لئے جو انہوں نے کمپنی کی بہتری کے لئے کی ہیں کو تحسین کی نظر سے دیکھتے اور سراہتے ہیں۔

محمد اویس مہر نی چوہری

ڈائریکٹر

محمد عسورک

چیف ایگزیکٹو

لاہور

2025 اگست 04



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of HIRA TEXTILE MILLS LIMITED Report on review of Interim Financial Statements

Introduction

We were engaged to review the accompanying condensed interim statement of financial position of **HIRA TEXTILE MILLS LIMITED** [‘the Company’] as at **31 December 2024** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-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. The figures for the three-month period ended **31 December 2024** of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we were required to review only cumulative figures for the six-month period ended on that date.

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 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. However, because of the matters described in the Disclaimer of Conclusion section of our report, we were unable to conduct significant review procedures that we considered necessary to express a conclusion on these interim financial statements.

Basis for Disclaimer of Conclusion

As reported in note 2.2, the Company has incurred gross loss of Rs. 49,537 million and loss after taxation of Rs. 113,277 million. As at 31 December 2024, the Company has accumulated losses of Rs. 3,230.778 million and its current liabilities exceed its current assets by Rs. 1,580.719 million as at that date. Depressed yarn prices, increased production cost and underutilization of production capacity have contributed to the Company's challenging liquidity situation due to which the Company has mostly relied on the financial support of its directors and sponsors. The production operations of the Company remain suspended. The Company has not been able to make timely repayments of its debt finances and interest thereon. The providers of debt finances have filed recovery suits against the Company for Rs. 2,077.45 million. All short term borrowing facilities availed by the Company stand expired. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. While the Company has prepared and presented the annexed financial statements on going concern basis based on the factors explained in note 2.2, we consider that in the absence of any favourable settlement with the providers of debt finances, ability to obtain further financing and revival of its operations, the Company may not be able to settle its liabilities and realize its assets in the normal course of business. Consequently, the use of going concern assumption in the preparation of annexed financial statements is not appropriate and adjustments may be required to the amounts reported in the financial statements. The financial statements do not disclose this fact.

The Company was unable to make timely repayments of long term finances and interest thereon. As a result, the Company breached provisions of long term financing agreements whereby the entire liability under these agreements has become payable on demand. International Accounting Standard 1 ‘Presentation of Financial Statements’ requires that if an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current. However, the Company continues to classify these finances as non-current liabilities. Had these been classified as current liabilities, the total current liabilities of the Company as at the reporting date would have been higher by Rs. 1,590 million.



The opinion on the financial statements of the Company for the year ended 30 June 2024 was disclaimed based on, beside matters discussed above, the inability to audit debt finances, accrued interest, bank guarantees, trade creditors, accrued liabilities, Gas Infrastructure Development Cess, Payable to employees' provident fund, property, plant and equipment, salaries, wages and benefits, power and fuel expenses and cut-off data due to limitation on scope arising out of non-availability of underlying information and explanations necessary for the audit. The limitation on scope remains due to which we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded liabilities, assets and expenses, and the elements making up the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows.

The Company has not adopted the Application Guidance on Accounting for Minimum Taxes and Final Taxes [the Application Guidance] under IAS 12, IAS 37 and IFRIC 21 issued by The Institute of Chartered Accountants of Pakistan vide Circular 07 of 2024 dated 15 May 2024 and continues to recognize minimum tax as income taxes. Further, previously recognized deferred taxes have not been reassessed and necessary adjustments, if required, have not been made to align with the effective rate of current tax. Additionally, assets/liabilities related to levies, previously included in current tax assets/liabilities, have not been reclassified. We were unable to determine whether any adjustments might have been found necessary in respect of recorded or deferred taxes, income taxes and levies, and the elements making up the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows.

The Company has not disclosed financial information about its investment in Hira Terry Mills Limited, an associate, as required by paragraph 16A(j) of International Accounting Standard 34 Interim Financial Reporting.

Disclaimer of Conclusion

Due to the significance of the matters described in the 'Basis for Disclaimer of Conclusion' paragraph, we were unable to obtain sufficient appropriate evidence to form a conclusion on the accompanying interim financial statements. Accordingly, we do not express a conclusion on these interim financial statements.

Other Matters

The interim financial statements of the Company for the six-month period ended 31 December 2023 were reviewed by another auditor who expressed disclaimer of conclusion on those statements on 20 December 2024. The financial statements of the Company for the year ended 30 June 2024 were audited by another auditor who expressed disclaimer of opinion those statements on 24 March 2025.

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY**.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ

Chartered Accountants

Lahore | 04 August 2024

UDIN: RR2024107040NhVZRbgJ



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| <i>Note</i> | 31-Dec-24 | 30-Jun-24 |
|---|-------------------------------|----------------------------|
| | <i>Rupees</i> [Un-audited] | <i>Rupees</i> [Audited] |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| <i>Authorized share capital</i> | 400,000,000 | 400,000,000 |
| Issued share capital | 865,779,200 | 865,779,200 |
| Loan from sponsors | 481,500,000 | 481,500,000 |
| Share premium | 82,500,000 | 82,500,000 |
| Revaluation reserve | 1,110,305,921 | 1,121,054,665 |
| Accumulated losses | (3,230,778,955) | (3,128,250,486) |
| TOTAL EQUITY | (690,693,834) | (577,416,621) |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Long term borrowings | 1,589,753,394 | 1,589,753,394 |
| Lease liabilities | 1,638,198 | 1,638,198 |
| Deferred taxation | 342,273,800 | 342,273,800 |
| | 1,933,665,392 | 1,933,665,392 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 444,020,970 | 447,011,099 |
| Short term borrowings | 334,970,742 | 334,970,742 |
| Accrued interest/profit on borrowings | 797,599,784 | 739,931,590 |
| Unclaimed dividend | 2,757,215 | 2,757,216 |
| Current maturity of non-current liabilities | 67,057,987 | 67,057,987 |
| | 1,646,406,698 | 1,591,728,634 |
| TOTAL LIABILITIES | 3,580,072,090 | 3,525,394,026 |
| CONTINGENCIES AND COMMITMENTS | | |
| | 6 | |
| TOTAL EQUITY AND LIABILITIES | 2,889,378,256 | 2,947,977,405 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Director

Chief Financial Officer

Chief Executive Officer



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

| | <i>Note</i> | 31-Dec-24 <i>Rupees</i> [Un-audited] | 30-Jun-24 <i>Rupees</i> [Audited] |
|---|-------------|---|--|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 2,725,728,049 | 2,782,543,221 |
| Right-of-use assets | 8 | 47,454,017 | 48,818,081 |
| Investment in associate | 9 | - | - |
| Long term deposits | | 50,509,093 | 50,509,093 |
| | | 2,823,691,159 | 2,881,870,395 |
| CURRENT ASSETS | | | |
| Trade receivables | | - | 245,700 |
| Advances, deposits, prepayments and other receivables | | 42,521,080 | 42,530,380 |
| Advance income tax/income tax redunable | | 23,108,217 | 23,268,778 |
| Cash and bank balances | | 57,800 | 62,152 |
| | | 65,687,097 | 66,107,010 |
| TOTAL ASSETS | | 2,889,378,256 | 2,947,977,405 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Director

Chief Financial Officer

Chief Executive Officer



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

| Note | Six-month period ended | | Three-month period ended | | |
|---------------------------------------|------------------------|------------------------|--------------------------|------------------------|--------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 | |
| | Rupees [Un-audited] | Rupees [Un-audited] | Rupees [Un-audited] | Rupees [Un-audited] | |
| Revenue from contracts with customers | 10,704,110 | 52,365,867 | 6,282,685 | 52,365,867 | |
| Cost of sales | 10 | (60,240,903) | (127,190,213) | (30,065,682) | (91,210,860) |
| Gross loss | (49,536,793) | (74,824,346) | (23,782,997) | (38,844,993) | |
| Administrative expenses | (5,908,831) | (11,439,606) | (1,843,775) | (7,060,770) | |
| Operating loss | (55,445,624) | (86,263,952) | (25,626,772) | (45,905,763) | |
| Finance costs | (57,671,028) | (57,670,527) | (28,834,097) | (28,836,430) | |
| Loss before income taxes | (113,116,652) | (143,934,479) | (54,460,869) | (74,742,193) | |
| Provision for income taxes | 11 | (160,561) | (733,500) | (160,561) | (733,500) |
| Loss after income taxes | (113,277,213) | (144,667,979) | (54,621,430) | (75,475,693) | |
| Basic loss per share | (1.31) | (1.67) | (0.63) | (0.87) | |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Director

Chief Financial Officer

Chief Executive Officer



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

| | Six-month period ended | | Three-month period ended | |
|-----------------------------------|------------------------|----------------------|--------------------------|---------------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> |
| | [Un-audited] | [Un-audited] | [Un-audited] | [Un-audited] |
| Loss after income taxes | (113,277,213) | (144,667,979) | (54,621,430) | (75,475,693) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | (113,277,213) | (144,667,979) | (54,621,430) | (75,475,693) |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Director

Chief Financial Officer

Chief Executive Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

| | Six-month period ended | |
|---|-------------------------------|-------------------------------|
| | 31-Dec-24 | 31-Dec-23 |
| | <i>Rupees</i> [Un-audited] | <i>Rupees</i> [Un-audited] |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before income taxes | (113,116,652) | (143,934,479) |
| Adjustments for non-cash and other items | 115,847,429 | 120,669,526 |
| Profit/(loss) before changes in working capital | 2,730,777 | (23,264,953) |
| Changes in working capital | (2,735,129) | 18,764,867 |
| Cash used in from operations | (4,352) | (4,500,086) |
| Payments for: | | |
| Income taxes | - | (1,230,691) |
| Net cash used in from operating activities | (4,352) | (5,730,777) |
| CASH FLOWS FROM INVESTING ACTIVITIES | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | - | - |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (4,352) | (5,730,777) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | 62,152 | 5,902,993 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | 57,800 | 172,216 |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Director

Chief Financial Officer

Chief Executive Officer



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

| | Share capital | Loan from sponsors | Capital reserves | | | Accumulated losses | Total equity |
|---|-----------------------------------|-----------------------|----------------------------|----------------------------------|-----------------|-----------------------|-----------------|
| | Issued share capital Rupees | | Share premium Rupees | Revaluation reserve Rupees | Total Rupees | | |
| Balance as at 01 July 2023 - [Audited] | 865,779,200 | 481,500,000 | 82,500,000 | 1,133,626,295 | 1,216,126,295 | (2,859,562,232) | (296,156,737) |
| Comprehensive income | | | | | | | |
| Loss after income taxes | - | - | - | - | - | (144,667,979) | (144,667,979) |
| Other comprehensive income | - | - | - | - | - | - | - |
| | - | - | - | - | - | (144,667,979) | (144,667,979) |
| Other transactions | | | | | | | |
| Incremental depreciation | - | - | - | (12,571,630) | (12,571,630) | 12,571,630 | - |
| | - | - | - | (12,571,630) | (12,571,630) | 12,571,630 | - |
| Transaction with owners | - | - | - | - | - | - | - |
| Balance as at 31 December 2023 - [Un-audited] | 865,779,200 | 481,500,000 | 82,500,000 | 1,121,054,665 | 1,203,554,665 | (2,991,658,581) | (440,824,716) |
| Balance as at 01 January 2023 - [Un-audited] | 865,779,200 | 481,500,000 | 82,500,000 | 1,121,054,665 | 1,203,554,665 | (2,991,658,581) | (440,824,716) |
| Comprehensive income/(loss) | | | | | | | |
| Loss after income taxes | - | - | - | - | - | (136,591,905) | (136,591,905) |
| Other comprehensive income | - | - | - | - | - | - | - |
| | - | - | - | - | - | (136,591,905) | (136,591,905) |
| Other transactions | | | | | | | |
| Incremental depreciation | - | - | - | (11,314,466) | (11,314,466) | 11,314,466 | - |
| | - | - | - | - | - | - | - |
| Transaction with owners | - | - | - | - | - | - | - |
| Balance as at 30 June 2024 - [Audited] | 865,779,200 | 481,500,000 | 82,500,000 | 1,121,054,665 | 1,203,554,665 | (3,128,250,486) | (577,416,621) |
| Balance as at 01 July 2024 | 865,779,200 | 481,500,000 | 82,500,000 | 1,121,054,665 | 1,203,554,665 | (3,128,250,486) | (577,416,621) |
| Comprehensive income | | | | | | | |
| Loss after income taxes | - | - | - | - | - | (113,277,213) | (113,277,213) |
| Other comprehensive income | - | - | - | - | - | - | - |
| | - | - | - | - | - | (113,277,213) | (113,277,213) |
| Other transactions | | | | | | | |
| Incremental depreciation | - | - | - | (10,748,744) | (10,748,744) | 10,748,744 | - |
| | - | - | - | (10,748,744) | (10,748,744) | 10,748,744 | - |
| Transaction with owners | - | - | - | - | - | - | - |
| Balance as at 31 December 2024 - [Un-audited] | 865,779,200 | 481,500,000 | 82,500,000 | 1,110,305,921 | 1,192,805,921 | (3,230,778,955) | (690,693,834) |

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements

Director

Chief Financial Officer

Chief Executive Officer



HIRA TEXTILE MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

1 LEGAL STATUS AND OPERATIONS

Hira Textile Mills Limited [the Company] was incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on 31 January 1991. The Company is a 'Public Company Limited by Shares' and is listed on Pakistan Stock Exchange Limited. The Company is a spinning unit engaged in the manufacture and sale of yarn.

1.1 Location of business units

| | |
|---------------------------|--|
| Registered Office | 8 K.M. manga Raiwind Road, Kasur, Pakistan |
| Manufacturing Unit | 8 K.M. manga Raiwind Road, Kasur, Pakistan |

2 BASIS OF PREPARATION

These interim financial statements are un-audited and have been presented in condensed form and do not include all information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024.

These interim financial statements have been subjected to limited scope review by auditors of the company, as required under section 237 of the Companies Act, 2017. The comparative condensed interim statement of financial position as at 30 June 2024 and the related notes to the interim financial statements are based on audited financial statements. The comparative 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 related notes to the condensed interim financial statements for the six-month period ended 31 December 2023 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended 31 December 2024 and 31 December 2023 are neither audited nor reviewed.

2.1 Statement of compliance

These 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 comprises of:

International Accounting Standard 34 'Interim Financial Reporting' [IAS 34], issued by International Accounting Standards Board as notified under the Companies Act, 2017; and

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 Appropriateness of the going concern assumption

The Company has been facing a declining trend in profitability resulting in substantial losses. During the period ended 31 December 2024, the Company has incurred gross loss of Rs. 49,537 million and loss after taxation of Rs. 113,277 million. As at 31 December 2024, the Company has accumulated losses of Rs. 3,230,778 million and its current liabilities exceed its current assets by Rs. 1,580,719 million as at that date. Depressed yarn prices, increased production cost and underutilization of production capacity have contributed to the Company's challenging liquidity situation due to which the Company has mostly relied on the financial support of its directors and sponsors. The production operations of the Company remain suspended. The Company has not been able to make timely repayments of its debt finances and interest thereon. The providers of debt finances have filed recovery suits against the Company for Rs. 2,077.45 million. All short term borrowing facilities availed by the Company stand expired. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis based on the following:

- The management of the company has entered into negotiation with the providers of debt finances for restructuring of long term and short term debt including accrued interest thereon. The management successfully negotiated restructuring of short term debt and lease liabilities, including accrued interest thereon with the Bank of Punjab, whereby liabilities amounting to Rs. 229,453 million was converted into long term finance with a grace period upto December 2021 and accrued interest amounting to Rs. 10,899 million was converted into interest free long term finance with repayments commencing from December 2026. A restructuring / rescheduling agreement with Faysal Bank Limited has been finalized and approved. The management is confident that it will be able to secure a reasonable arrangement. Further, rounds of negotiations for debt restructuring with National Bank of Pakistan are also in process and the management expects to secure a favourable deal soon.
- The management is vigorously contesting the recovery suits filed by providers of debt finances. Further, the Company has filed countersuits claiming an aggregate recovery of 3,053,244 million.



NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

(c) The Company has continued financial support of its directors and sponsors. Up to the reporting date, the directors and sponsors of the Company has provided financial support amounting to Rs. 481.5 million .

The management believes that in view of the afore mentioned, the Company will able to continue as a going concern.

2.3 Basis of measurement

These interim financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

| Items | Measurement basis |
|-----------------------|-------------------|
| Financial liabilities | Amortized cost |
| Financial assets | Amortized cost |

2.4 Judgments, estimates and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.5 Functional currency

These interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.6 Date of authorization for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 04 August 2025.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised International Financial Reporting Standards [IFRS] and International Accounting Standards [IAS], interpretations and amendments to IFRS and IAS are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

3.2 Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

3.3 Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

3.4 Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

| | Effective date (annual periods beginning on or after) |
|---|--|
| Lack of Exchangeability (Amendments to IAS 21) | 01 January 2025 |
| Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments | 01 January 2026 |
| Annual Improvements to IFRS Accounting Standards — Volume 11 | 01 January 2026 |
| IFRS 17 Insurance Contracts | 01 January 2026 |
| IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information | 01 July 2026 |
| IFRS S2 Climate-related Disclosures | 01 July 2026 |
| Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan for adoption. | |
| - IFRS 1 - First Time Adoption of International Financial Reporting Standards | |
| - IFRS 18 Presentation and Disclosures in Financial Statements | |
| - IFRS 19 Subsidiaries without Public Accountability: Disclosures | |

The Company intends to adopt these new standards on their effective dates, subject to notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will not have a material impact on the Company's interim financial statements other than in presentation/disclosures.

5 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June 2024.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There is no material changes in the status of contingencies since 30 June 2024.

6.2 Commitments

There are no known material commitments as at the reporting date.

| | 31-Dec-24 | 30-Jun-24 |
|--|----------------------|----------------------|
| | Rupees | Rupees |
| | [Un-audited] | [Audited] |
| 7 PROPERTY, PLANT AND EQUIPMENT | | |
| Net book value at beginning of the period/year | 2,782,543,221 | 2,905,738,616 |
| Additions during the period/year | - | - |
| Net book value of assets disposed during the period/year | - | - |
| Depreciation for the period/year | (56,815,172) | (123,195,395) |
| Net book value at end of the period/year | 2,725,728,049 | 2,782,543,221 |
| 8 RIGHT-OF-USE ASSETS | | |
| Net book value at beginning of the period/year | 48,818,081 | 51,765,379 |
| Additions during the period/year | - | - |
| Depreciation for the period/year | (1,364,064) | (2,947,298) |
| Net book value at end of the period/year | 47,454,017 | 48,818,081 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

9 INVESTMENT IN ASSOCIATE

This represents investment in ordinary shares of Hira Terry Mills Limited, an associated company.

| | 31-Dec-24 | 30-Jun-24 |
|---|---------------|---------------|
| | <i>Rupees</i> | <i>Rupees</i> |
| | [Un-audited] | [Audited] |
| Percentage of ownership interest | 46.90% | 46.90% |
| Cost of investment | 184,500,000 | 184,500,000 |
| 18,450,000 shares (30-June-24: 18,450,000 shares) | | |
| Bonus Issue @ 20% | 36,900,920 | 36,900,920 |
| Share of post acquisition losses | (221,400,920) | (221,400,920) |
| | - | - |

| Note | Six-month period ended | | Three-month period ended | |
|------|------------------------|---------------|--------------------------|---------------|
| | 31-Dec-24 | 31-Dec-23 | 31-Dec-24 | 31-Dec-23 |
| | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> | <i>Rupees</i> |
| | [Un-audited] | [Un-audited] | [Un-audited] | [Un-audited] |

10 COST OF SALES

| | | | | |
|---|------------|--------------|------------|--------------|
| Raw material consumed | - | 68,700,825 | - | 68,700,825 |
| Packing material consumed | - | 2,406,168 | - | 2,406,168 |
| Stores, spares and loose tools consumed | - | 4,218,393 | - | 4,218,393 |
| Salaries, wages and benefits | 2,565,446 | 4,539,451 | 1,255,966 | 3,629,991 |
| Insurance | - | - | - | 17,533,244 |
| Fuel and power | - | 21,292,850 | - | 30,870,653 |
| Depreciation | 57,015,652 | 61,741,306 | 28,507,826 | 1,331,124 |
| Other manufacturing overheads | 659,805 | 1,770,758 | 301,890 | - |
| Manufacturing cost | 60,240,903 | 164,669,751 | 30,065,682 | 128,690,398 |
| Work in process | | | | |
| As at beginning of the period | - | - | - | - |
| As at end of the period | - | - | - | - |
| Cost of goods manufactured | 60,240,903 | 164,669,751 | 30,065,682 | 128,690,398 |
| Finished goods | | | | |
| As at beginning of the period | - | - | - | - |
| As at end of the period | - | (37,479,538) | - | (37,479,538) |
| | - | (37,479,538) | - | (37,479,538) |
| | 60,240,903 | 127,190,213 | 30,065,682 | 91,210,860 |

11 PROVISION FOR INCOME TAXES

| | | | | |
|-------------------|---------|---------|---------|---------|
| Current taxation | 160,561 | 733,500 | 160,561 | 733,500 |
| Deferred taxation | - | - | - | - |
| | 160,561 | 733,500 | 160,561 | 733,500 |

11.1 Provision for taxation has been made under section 113 of the Income Tax Ordinance, 2001.

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise Sponsors, Associated Companies and Key Management Personnel. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

Detail of transactions and balances with related parties are as follows:



NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

| | | Six-month period ended | |
|---|--|------------------------|----------------------|
| | | 31-Dec-24 | 31-Dec-23 |
| | | <i>Rupees</i> | <i>Rupees</i> |
| | | [Un-audited] | [Un-audited] |
| 12.1 | Transactions with related parties | | |
| | Nature of relationship Nature of transaction | | |
| | Associated companies Rental Income | - | 30,636,196 |
| | | 31-Dec-24 | 30-Jun-24 |
| | | <i>Rupees</i> | <i>Rupees</i> |
| | | [Un-audited] | [Audited] |
| 12.2 | Balances with related parties | | |
| | Nature of relationship Nature of transaction | | |
| | Associated company Advance against rent/trade receivables | 85,238,525 | 90,265,590 |
| | Sponsors Borrowings | 481,500,000 | 481,500,000 |
| | Key management personnel Current Account | 49,834,715 | 45,752,780 |
| | Provident fund trust Payable to provident fund trust | 1,699,457 | 1,699,457 |
| 13 | FINANCIAL INSTRUMENTS | | |
| The carrying amounts of the Company's financial instruments by class and category are as follows: | | | |
| | | 31-Dec-24 | 30-Jun-24 |
| | | <i>Rupees</i> | <i>Rupees</i> |
| | | [Un-audited] | [Audited] |
| 13.1 | Financial assets | | |
| | Cash in hand | 11,430 | 17,948 |
| | Financial assets at amortized cost | | |
| | Long term deposits | 50,509,093 | 50,509,093 |
| | Trade receivables | - | 245,700 |
| | Cash and bank balances | 46,370 | 44,204 |
| | | 50,555,463 | 50,798,997 |
| | | 50,566,893 | 50,816,945 |
| 13.2 | Financial liabilities | | |
| | Financial liabilities at amortized cost | | |
| | Long term finances | 1,656,811,381 | 1,656,811,381 |
| | Lease liabilities | 1,638,198 | 1,638,198 |
| | Short term borrowings | 334,970,742 | 334,970,742 |
| | Accrued interest | 797,599,784 | 739,931,590 |
| | Trade creditors | 179,086,711 | 180,048,887 |
| | Accrued liabilities | 35,671,185 | 36,171,185 |
| | Other payables | 49,834,715 | 45,752,780 |
| | Unclaimed dividend | 2,757,215 | 2,757,216 |
| | | 3,058,369,931 | 2,998,081,979 |



NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

14 FAIR VALUE MEASUREMENTS

14.1 Financial Instruments

14.1.1 Financial instruments measured at fair value

The Company measures some of its assets at fair value. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy of financial instruments measured at fair value and the information about how the fair value of these financial instrument are determined as follows:

a) Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

14.2 Financial instrument not measured at fair value

The management considers the carrying amount of all financial instrument not measured at fair value to approximate their carrying values.

14.3 Assets and liabilities other than financial instruments

14.3.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

| | Level 1 | Level 2 | Level 3 | 31-Dec-24 | 30-Jun-24 |
|---------------------|---------|---------------|---------|------------------------|---------------------|
| | Rupees | Rupees | Rupees | Rupees [Un-audited] | Rupees [Audited] |
| Freehold land | - | 649,825,000 | - | 649,825,000 | 649,825,000 |
| Buildings | - | 296,613,295 | - | 296,613,295 | 312,224,521 |
| Plant and machinery | - | 1,597,239,797 | - | 1,597,239,797 | 1,681,305,049 |

For fair value measurements categorised into Level 2 the following information is relevant:

| | Valuation technique | Significant inputs | Sensitivity |
|----------------------------|---|--|--|
| Freehold Land | Market comparable approach that reflects recent transaction prices for similar properties | Estimated purchase price, including non-refundable purchase taxes and other costs directly attributable to the acquisition. | A 5% increase in estimated purchase price, including non-refundable purchase taxes and other & costs directly attributable to the acquisition would result in a significant increase in & fair value of buildings by Rs. 32.49 million (30-Jun-24: Rs. 32.49 million). |
| Buildings | Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year. | Estimated construction costs and other ancillary expenditure. | A 5% increase in estimated construction and other ancillary expenditure would result in a increase in fair value of buildings by Rs. 14.83 million (30-Jun-24: Rs. 15.61 million). |
| Plant and machinery | Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year. | Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation. | A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would result in an increase in fair value of plant and machinery by Rs. 79.86 million (30-Jun-24: Rs. 84.07 million). |

There were no transfers between fair value hierarchies during the period/year.



NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2024

14.3.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

15 FINANCIAL RISK MANAGEMENT

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

16 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

17 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

18 GENERAL

18.1 There are no other significant activities since 30 June 2024 affecting the interim financial statements.

18.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

Director

Chief Financial Officer

Chief Executive Officer



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