



ZIL
LIMITED

Personal Care & Hygiene Products Company

Half Yearly Report
January - June
2024

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Company Information

Board of Directors

Dr. Salomon Jacobus Van Rooijen
Chairman, Non-Executive Director

Mr. Mubashir Hasan Ansari
Executive Director & Chief Executive Officer

Mrs. Ferial Ali-Mehdi
Non-Executive Director

Mr. Saad Amanullah Khan
Non-Executive Director

Mr. Muhammad Irfan-ul-Haq
Non-Executive Director

Mr. Muhammad Salman H. Chawala
Independent, Non-Executive Director

Mr. Ahsan Rashid
Independent, Non-Executive Director

Board Audit Committee

Mr. Muhammad Salman H. Chawala
Chairman

Mrs. Ferial Ali-Mehdi
Member

Mr. Ahsan Rashid
Member

Human Resource and Remuneration Committee

Mr. Ahsan Rashid
Chairman

Mrs. Ferial Ali-Mehdi
Member

Mr. Saad Amanullah Khan
Member

Mr. Mubashir Hasan Ansari
Member

Statutory Auditors

BDO Ebrahim & Co. Chartered
Accountants

Chief Financial Officer

Mr. Ata-ur-Rehman Shaikh

Company Secretary

Mr. Muhammad Shahid

Secretary HR&R Committee

Mr. Aneel Arshad Ali

Head of Internal Audit

Mr. Syed Abid Raza Rizvi

Legal Advisors

A. Qadir & Company

Registered Office

Ground Floor, Bahria Complex III,
M. T. Khan Road, Karachi - Pakistan.
Tel: +9221 35630251-60
Fax: +9221 35630266
Website: www.zil.com.pk
Email: Info@zil.com.pk

Factory

Link Hali Road, Hyderabad - 71000

Bankers

Dubai Islamic Bank
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Soneri Bank Limited
United Bank Limited
Standard Chartered Bank

Shares Registrar

THK Associates (Pvt) Limited
Plot No. 32, Jami Commercial Street 2,
D.H.A., Phase VII,
Karachi.
Ph: (021) 111-000-322



Directors' Review

The Board of Directors of ZIL Limited is pleased to present the financial results of the Company for the half year ended June 30, 2024.

Company's operating performance:

The Company recorded a robust 18% revenue growth over the same period last year, with the net sales value of PKR.3.01 billion. Effective price management strategies, increase in Marketing and Sales investment and an efficient sales mix contributed to this revenue growth. The Company achieved a healthy gross profit of 27.2% due to smart raw material procurement and product mix improvement. However, gross profit margin was below last year due to rationalized prices.

As part of strategy to spur volume growth, Company has significantly increased its investment in Marketing and Sales. This increase was still less than anticipated and will continue in the future. During the current year, there have been brand building activities, which has resulted in improvement in brand visibility. In addition, Company has expanded distribution specially in retail segment and increased salesforce for more effective customer service and better control on sales activities. As a result, selling and distribution costs have risen considerably during current period but have resulted in enhancing business volume in line with the strategy. Administrative expenses increased due to an increase in emoluments, professional fees and traveling expenses. Resultantly, the bottom line is slightly negative as the Company reported a Loss after tax of PKR.3M.

Financial Performance at a Glance:

	YTD Jun-24	YTD Jun-23
	PKR	
Net Sales Value	3.01Bn	2.55Bn
Gross Profit	820M	739M
Gross Profit %	27.2%	28.9%
Sales, Marketing & Distribution Expenses	544M	274M
Profit/(Loss) before taxation	27M	226M
Profit/(Loss) after taxation	(3M)	145M
Earnings/(Loss) per share - Rupees	(0.57)	23.75

Future Outlook:

While some economic indicators are positive including stable exchange rate and some reduction in the interest rates by State Bank of Pakistan, however, inflation still remains in double digit along with a general slowdown in overall business situation. These factors along with political instability, potential increase in commodity prices due to global conflicts and higher international freight costs pose a challenging future environment.

The Company's management is constantly assessing the circumstances and taking timely necessary action to manage the issues to ensure sustained growth. The management will remain focused on maximizing value chain potential, monitoring consumer pricing to maintain competitiveness, delivering product options that are well-valued, and improving customer satisfaction to expand market penetration.

Acknowledgement:

The Board would like to sincerely thank the management team and all Company employees for their hard work, devotion, and creative thinking, all of which have been influential in Company's growth. The Board also offers its sincerest gratitude to the Company's valued business partners, including consumers, distributors, dealers, financial institutions, suppliers, and all other stakeholders for their continued support.

For and on behalf of the Board of Directors

Mubashir Hasan Ansari
CEO / Director

Karachi: August 16, 2024



Independent Auditor's Report on Review of Condensed Interim Financial Statements to the Members

Introduction

We have reviewed the accompanying condensed interim statement of financial position of ZIL LIMITED ("the Company") as at June 30, 2024 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of cash flows, the 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 as the "interim financial statements"). Management is responsible for the preparation and fair 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 condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for 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 condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarters ended June 30, 2024 and June 30, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and accordingly we do not express a conclusion on them.

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

KARACHI
DATED:

UDIN: _____


BDO EBRAHIM & Co
CHARTERED ACCOUNTANTS

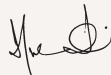


Condensed Interim Statement of Financial Position As at June 30, 2024

		June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	Note	(Rs. in '000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,213,500	1,170,070
Intangible asset		4,167	5,094
Long term deposits		13,936	12,286
Long term loans to employees		912	934
		<u>1,232,515</u>	<u>1,188,384</u>
CURRENT ASSETS			
Stock-in-trade	7	563,429	676,181
Trade debts	8	287,916	231,219
Advances, prepayments and other receivables	9	166,029	159,131
Short term investments	10	105,000	176,243
Cash and bank balances	11	110,628	127,293
		<u>1,233,002</u>	<u>1,370,067</u>
Assets classified as held for sale	12	588,362	588,362
		<u>3,053,879</u>	<u>3,146,813</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 40,000,000 (December 31, 2023: 40,000,000) ordinary shares of Rs. 10/- each		400,000	400,000
Issued, subscribed and paid-up capital		61,226	61,226
Capital reserves			
Surplus on revaluation of property, plant and equipment		950,819	958,870
Revenue reserves			
General reserves		6,000	6,000
Unappropriated profit		191,079	198,758
		<u>1,209,124</u>	<u>1,224,854</u>
NON-CURRENT LIABILITIES			
Long term loan	13	1,214	6,228
Deferred taxation		196,309	204,010
Deferred staff liabilities		165,447	151,089
Lease liabilities		48,067	61,139
		<u>411,037</u>	<u>422,466</u>
CURRENT LIABILITIES			
Trade and other payables	14	1,185,462	1,169,205
Current maturity of long term liabilities		28,974	125,594
Contract liabilities		63,761	83,368
Short term borrowings	15	31,846	-
Taxation		122,190	119,916
Unclaimed dividends		1,485	1,410
		<u>1,433,718</u>	<u>1,499,493</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	16	<u>3,053,879</u>	<u>3,146,813</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer

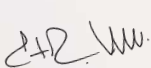

Director



Condensed Interim Statement of Profit or Loss (Un-audited)
For the half year ended June 30, 2024

	Note	Half year ended		Quarter ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Rupees in '000)					
Sales - net	17	3,012,097	2,552,677	1,602,715	1,311,060
Cost of sales	18	(2,192,286)	(1,813,893)	(1,162,631)	(923,951)
Gross profit		819,811	738,784	440,084	387,109
Selling and distribution expenses		(543,882)	(273,807)	(332,604)	(143,269)
Administrative expenses		(196,813)	(136,033)	(94,237)	(65,949)
		(740,695)	(409,840)	(426,841)	(209,218)
Other income		9,726	7,322	2,371	1,584
Operating profit		88,842	336,266	15,615	179,476
Other charges		(1,996)	(49,782)	1,991	(11,025)
Financial charges		(59,916)	(60,286)	(29,376)	(38,460)
		(61,912)	(110,068)	(27,384)	(49,485)
Profit/(loss) before tax and minimum tax differential		26,930	226,198	(11,770)	129,991
Minimum tax differential	19	(21,943)	-	(19,733)	-
Profit/(loss) before tax		4,987	226,198	(31,503)	129,991
Taxation					
Current - For the year		(15,710)	(81,426)	(302)	(49,239)
- Prior year		(463)	(403)	(435)	(402)
Deferred		7,701	1,067	3,532	(2,505)
		(8,472)	(80,762)	2,796	(52,146)
(Loss)/profit after tax for the period		(3,485)	145,436	(28,707)	77,845
			(Rupees)		(Rupees)
(Loss)/earnings per share - basic and diluted (Rupees)		(0.57)	23.75	(4.69)	12.71

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer

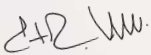

Director



**Condensed Interim Statement of
Comprehensive Income (Un-audited)
For the half year ended June 30, 2024**

	Half year ended		Quarter ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- (Rupees in '000) -----			
(Loss)/profit for the period	(3,485)	145,436	(28,707)	77,845
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>(3,485)</u>	<u>145,436</u>	<u>(28,707)</u>	<u>77,845</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer

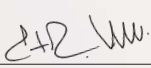

Director



Condensed Interim Statement of Cash Flows (Un-audited) For the half year ended June 30, 2024

	June 30, 2024	June 30, 2023
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	26,930	226,198
Adjustments for:		
Depreciation and amortization	57,267	41,059
Provision of slow moving obsolete stock	-	(7,989)
Provision against staff gratuity	36,589	22,590
Provision against other staff retirement benefits	-	493
Return on bank deposit	(2,348)	(483)
Dividend income	(5,034)	(1,172)
Finance costs	59,916	60,147
Loss on disposal of operating fixed assets	453	469
	<u>146,843</u>	<u>115,114</u>
Profit before working capital changes	173,773	341,312
Working Capital Changes		
Decrease/(increase) in current assets:		
Stores and Spares	(3)	60
Stock-in-trade	112,752	(124,468)
Trade debts	(56,697)	(76,762)
Loans to employees	783	275
Long term deposits	(1,650)	(935)
Advances, prepayments and other receivables	16,249	(122,506)
	<u>71,434</u>	<u>(324,336)</u>
Increase/(decrease) in current liabilities:		
Contract liabilities	19,607	7,230
Trade and other payables	(43,242)	104,140
	<u>221,572</u>	<u>128,346</u>
Income taxes paid	(36,563)	(40,828)
Staff gratuity paid	(22,231)	(1,981)
Other staff retirement benefits paid	-	(325)
Return received on bank deposits - under markup arrangements	2,348	483
Dividend received	5,034	1,172
Finance costs paid	(54,393)	(56,094)
	<u>(105,805)</u>	<u>(97,573)</u>
Net cash flows from operating activities	<u>115,767</u>	<u>30,773</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in capital expenditure	(105,186)	(59,471)
Proceeds from disposal of operating fixed assets	4,990	3,233
Short term investments	70,000	100,434
Net cash flows (used in) / generated from investing activities	<u>(30,196)</u>	<u>44,196</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease repayment	(18,226)	(14,852)
Long term loan Repaid	(103,686)	(1,824)
Short term loan received	31,847	-
Dividend paid	(12,171)	-
Short term borrowings	-	20,000
Net cash (used in) / generated from financing activities	<u>(102,236)</u>	<u>3,324</u>
Net increase in cash and cash equivalents	<u>(16,665)</u>	<u>78,293</u>
Cash and cash equivalents at the beginning of the period	<u>127,293</u>	<u>73,356</u>
Cash and cash equivalents at the end of the period	<u>110,628</u>	<u>151,649</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Director



**Condensed Interim Statement of
Changes in Equity (Un-audited)
For the half year ended June 30, 2024**

Issued, subscribed and paid up capital	Capital Reserves	Revenue Reserves			Total
	Surplus on revaluation of property, plant and equipment	General Reserve	(Accum- ulated loss) / Unappro- priated profit	Total Reserves	

(Rs. in '000)

Balance as at January 01, 2023 - (audited) 61,226 976,744 6,000 (64,094) (58,094) 979,876

Total comprehensive income for the period

Profit for the period	-	-	-	145,436	145,436	145,436
Other comprehensive income						
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(8,080)	-	8,080	8,080	-
	-	(8,080)	-	153,516	153,516	145,436

Balance as at June 30, 2023 (unaudited) 61,226 968,664 6,000 89,422 95,422 1,125,312

Balance as at January 01, 2024 (audited) 61,226 958,870 6,000 198,758 204,758 1,224,854

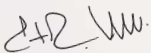
Total comprehensive income for the period


Loss for the period	-	-	-	(3,485)	(3,485)	(3,485)
Other comprehensive income						
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(8,051)	-	8,051	8,051	-
	-	(8,051)	-	4,566	4,566	(3,485)

Dividend paid for the year ended
December 31, 2023 - - - (12,245) (12,245) (12,245)

Balance as at June 30, 2024 (unaudited) 61,226 950,819 6,000 191,079 197,079 1,209,124

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Director



Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended June 30, 2024

1 STATUS AND NATURE OF BUSINESS

ZIL Limited (“the Company”) was incorporated as a private limited company in February 16, 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and was subsequently converted into a public limited company in November 1986. Its shares are listed on the Pakistan Stock Exchange Limited (PSX). The principal activity of the Company is manufacture and sale of home and personal care products.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS / IMMOVABLE PROPERTIES

Location	Address
Head Office	Bahria Complex iii , Plot No. MISC-2, M.T. Khan Road, Karachi.
Factory	Link Hali Road, Hyderabad (Refer note 12 to these condensed interim financial statements).
Factory - under construction	Plot # G-1 Located In Chemical Area Of Eastern Industrial Zone, Port Qasim Authority, Karachi.
Warehouse	Plot No. C-6, SITE Area, Near Mirpurkhas Road, SITE, Hyderabad.
Warehouse	1st Part of Plot No. 21-B, Industrial Estate, Multan.
Regional sales office central and Warehouse	Khewat No. 55, situated at 16-KM, Multan Road, Lahore.
Regional sales office -Central 2 Multan	Naeema Azam Tower 1st floor Office # 08. Commercial Area Phase I Industrial Estate. Multan
Regional sales office-North	Plaza 52, Marina commercial, Cornice road, Phase 4, Bahria Town, Islamabad.
Quality assurance lab & Regional Sales office south	1st Floor, Pardesi House, Plot No. 2/1, RY-16, Old Queens Road, Karachi

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 (the Act).



Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended June 30, 2024

These condensed interim financial statements of the Company for the half year ended June 30, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Act;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act;

Where the provisions of and directives issued under the Act differ with the requirements, of IAS 34, the provisions of and directives issued under the Act have been followed.

3.2 These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended December 31, 2023, which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended December 31, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the half year ended June 30, 2023.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended June 30, 2024 and June 30, 2023 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half-years ended June 30, 2024 and June 30, 2023.

3.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention unless stated otherwise.

Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended June 30, 2024

3.4 Functional and presentation currency

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand rupees.

4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended December 31, 2023.

4.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

5 ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended December 31, 2023.

Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended June 30, 2024

Change in accounting policy

During the period, the Company changed its accounting policy of recognizing the portion of income tax paid or payable for the period under the Income Tax Ordinance 2001, not based on the taxable profits of the Company, as a Levy under IFRIC-21/IAS-37 instead of the current income tax for the period under IAS-12.

The management believes that the new policy provides reliable and more relevant information to the users of the financial statements.

During the period the Institute of Chartered Accountant of Pakistan has issued the guidance for accounting of minimum and final taxes through circular No. 7/2024 dated May 15, 2024 and defined following two approaches:

Approach 1: Designate the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. Any excess over the amount designated as a levy is then recognized as current income tax expense falling under the scope of IAS 12.

Approach 2: Designate the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

The change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard 8: "Accounting Policies, Changes in Accounting Estimates and Errors". There is, however, no material impact on the financial statements of the prior years.



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rs. in '000)			
6	PROPERTY, PLANT AND EQUIPMENT		
Owned assets	6.1	1,082,961	1,046,498
Right-of-use assets	6.2	61,008	73,700
Capital work in progress	6.3	69,531	49,872
		<u>1,213,500</u>	<u>1,170,070</u>
6.1	Owned assets		
Opening net book value (NBV)		1,046,498	886,671
Transfer (at cost) from capital work in progress during the period / year	6.1.1	85,527	240,177
		1,132,025	1,126,848
Disposals (at NBV) during the period / year	6.1.2	(5,441)	(12,552)
Depreciation charged during the period / year		(43,623)	(67,798)
		(49,064)	(80,350)
Closing net book value (NBV)		<u>1,082,961</u>	<u>1,046,498</u>
6.1.1	Details of transfer (at cost) from CWIP during the period / year are as follows:		
Building on leasehold land		-	36,507
Plant and machinery		6,660	19,105
Furniture and fixtures		13,534	2,764
Dies and change part		600	2,400
Vehicles		59,658	154,654
Computers		5,075	24,747
		<u>85,527</u>	<u>240,177</u>
6.1.2	Details of deletion (NBV) during the period / year are as follows:		
Plant and machinery		26	61
Furniture and Fixtures		-	52
Computers		112	783
Vehicles		5,303	11,656
		<u>5,441</u>	<u>12,552</u>

6.1.3 Fair value of freehold land is considered to be based on level 2 in the fair value hierarchy due to significant observable input used in the valuation.

Valuation techniques used to derive level 2 fair values

Fair value of freehold was derived using sale comparison approach, standard appraisal procedures and physical site inspection. Sale prices of comparable land in close proximity is adjusted for differences in key attributes such as location and size of the land. Moreover, value of land also depends upon the area and location. The most significant input in this valuation approach is price / rate per kanal / acre in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rs. in '000)		
6.2 Right-of-use assets		
Opening net book value (NBV)	73,700	37,051
Additions (at cost) during the period / year	-	61,947
Disposal (at NBV) during the period / year	-	(3,153)
Depreciation charged during the period / year	<u>(12,692)</u>	<u>(22,145)</u>
	<u>61,008</u>	<u>73,700</u>
6.3 Capital work in progress		
Building on leasehold land	40,076	40,076
Vehicles	16,273	12
Plant, machinery and equipment	6,861	9
Furniture & Fixtures	2,477	9,775
Computers	<u>3,844</u>	<u>-</u>
6.3.1	<u>69,531</u>	<u>49,872</u>
6.3.1 Movement in capital work in progress		
Balance at the beginning of the period / year	49,872	103,507
Addition during the period	105,186	182,177
Transferred to operating fixed asset and intangibles	<u>(85,527)</u>	<u>(235,812)</u>
Balance at the end of the period / year	<u>69,531</u>	<u>49,872</u>
7 STOCK IN TRADE		
Raw material		
In hand	94,746	162,635
In transit	<u>2,300</u>	<u>92,776</u>
	97,046	255,411
Packing material	74,890	48,336
Finished goods	<u>394,092</u>	<u>375,033</u>
	566,028	678,780
Provision for slow moving inventory	<u>(2,599)</u>	<u>(2,599)</u>
	<u>563,429</u>	<u>676,181</u>
8 TRADE DEBTS		
Unsecured - considered good	287,916	231,219
Considered doubtful	<u>9,397</u>	<u>9,397</u>
	297,313	240,616
Less: allowance for expected credit loss	<u>(9,397)</u>	<u>(9,397)</u>
	<u>287,916</u>	<u>231,219</u>



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rs. in '000)			
9 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Considered good			
Advance taxation		158,299	135,634
Advances to suppliers and contractors		399	79
LC margin against imports		-	16,161
Current maturity of loans to employees		1,818	2,578
Prepayments		4,990	877
Other receivables		523	3,802
		<u>166,029</u>	<u>159,131</u>
Considered doubtful			
Advances to suppliers and contractors		803	803
Less: allowance for expected credit loss		(803)	(803)
		<u>-</u>	<u>-</u>
		<u>166,029</u>	<u>159,131</u>

10 SHORT TERM INVESTMENTS

At amortised cost:			
Term Deposit Receipt (TDRs)	10.1	50,000	40,000
At fair value through profit or loss:			
Meezan Income Fund	10.2	55,000	136,243
		<u>105,000</u>	<u>176,243</u>

10.1 These represents placements with United Bank Limited and Soneri Bank Limited which carries profit rate at 16% - 20.5% (December 31, 2023: 14.5% - 20.5%) per annum having maturity of 30 days (December 31, 2023: 30 days).

10.2 This represent investment in Meezan Income Fund having total number of units at 1,100,243 units (December 31, 2023: 2,524,856 units) having net assets value of Rs. 50 per unit. The fair value falls under level 2 of fair value hierarchy.

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rs. in '000)			
11 CASH AND BANK BALANCES			
Cash in hand		372	216
Cash with banks			
Current / Collection accounts		96,328	120,933
PLS saving accounts	11.1	13,928	6,144
		<u>110,256</u>	<u>127,077</u>
		<u>110,628</u>	<u>127,293</u>

11.1 This carries profit rate at 16% - 20.5% (December 31, 2023: 14.5% - 20.5%) per annum.



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rs. in '000)			
12 ASSETS CLASSIFIED AS HELD FOR SALE			
Freehold land		400,040	400,040
Building on freehold land		38,992	38,992
Plant, machinery and equipment		115,492	115,492
Furniture and fixtures		1,283	1,283
Capital spares		17,039	17,039
Stores and spares		5,709	5,709
Deposit to Sui Southern Gas Company Limited		9,807	9,807
		<u>588,362</u>	<u>588,362</u>

12.1 On January 12, 2022, the Board of Directors in their meeting discussed and reviewed the operational difficulties of existing manufacturing facility (comprising of freehold land, building on freehold land, plant and machinery and equipment, capital spares, furniture and fixtures, store and spares tools and other related assets) located at Hyderabad due to housing society built in its surrounding area and approved the closure of factory, offering of Voluntarily Separation Scheme to factory staff and shifting of all manufacturing operations to toll manufacturing through third party arrangements. The above decisions had been approved by the shareholders in an extraordinary general meeting held on November 30, 2022 under section 183 (3) of Companies Act, 2017. On December 08, 2023, in the Extra Ordinary General Meeting by the shareholders of the Company has re-approved the disposal of same. Accordingly, the stated assets have been classified as assets held for sale. The sale of manufacturing facility was expected to be completed within a year from the date of classification. However, due to depressed economic conditions, the availability of prospective buyers offering respectable prices remain restricted and factory assets cannot be sold during the period despite the excessive efforts of the management of the Company. Factory disposal still in progress.

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rs. in '000)			
13 LONG TERM LOAN			
Diminishing musharaka	13.1	5,180	8,870
Loan from director	13.2	-	100,000
		<u>5,180</u>	<u>108,870</u>
Less: current maturity shown under current liability		<u>(3,966)</u>	<u>(102,642)</u>
		<u>1,214</u>	<u>6,228</u>



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

- 13.1** The Company had acquired vehicles under diminishing musharka agreement from First habib Modaraba. The loan was for a period of four years expiring on September 17, 2025, with an option to purchase the asset at nominal amount. This carries profit at the rate 3 months' KIBOR + 2% per annum (December 31, 2023: 3 months' KIBOR + 2% per annum).
- 13.2** The Company received Rs.100 million unsecured loan from the director of the Company as per agreed terms and conditions dated 30 December 2021. The loan had been obtained to meet working capital requirements and carries markup rate of 1 month KIBOR - 1% per annum payable monthly. During the period the Company has fully repaid the loan.

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
		(Rs. in '000)	
14	TRADE AND OTHER PAYABLES		
	Trade creditors	759,166	835,638
	Accrued expenses	249,664	262,959
	Sales tax payable	71,457	31,132
	Deduction on account of vehicles for the employees	5,042	4,738
	Accrued mark-up on short term borrowings	-	1,836
	Workers' welfare fund	9,000	9,162
	Workers' profit participation fund	1,543	2,770
	Deposit against held for sale assets	82,504	20,000
	Other liabilities	7,086	970
		<u>1,185,462</u>	<u>1,169,205</u>
15	SHORT TERM BORROWINGS		
	From New Future Consumer International LLC	15.3 31,846	-
		<u>31,846</u>	<u>-</u>



Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended June 30, 2024

- 15.1** Salam and Istisna financing facility available from a commercial bank amounting to Rs. 150 million (December 31, 2023: Rs. 150 million) and carries mark-up of KIBOR+1.5% (2023: KIBOR+1.5%) per annum. The facility is secured by way of first pari passu charge over present and future current assets amounting to Rs. 400 million. As of the reporting date, the Company has not utilized the facilities. The facility is valid up to June 30, 2024 and is generally renewable.
- 15.2** At June 30, 2024, unutilised letter of credit facilities from certain banks amounted to Rs.137 million (December 31, 2023: Rs.64.9 million). These are secured against the import bills of the Company. Total facilities sanctioned to the Company amounted to Rs. 200 million (December 31, 2023: Rs. 200 million).
- 15.3** Interest free short term loan was obtained from New Future Consumer International General Trading LLC (Parent company). The proceeds were realised in January 2024.

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

The status of other contingencies are same as disclosed in the annual audited financial statements for the year ended December 31, 2023.

16.2 Commitment

- 16.2.1** Commitment under letters of credit and contracts for the import of stock-in-trade items amounted to Rs. 42.3 million (December 31, 2023: Rs. 61.9 million).
- 16.2.2** The Company has entered into Ijarah arrangements for vehicles with bank. Aggregate commitments for these Ijarah arrangements as at reporting date are Rs. 28.960 million (December 31, 2023: Rs. 52.953 million).

	Half-year ended		Quarter ended	
	June 30, 2024 (Un-audited)	June 30, 2023	June 30, 2024 (Un-audited)	June 30, 2023
----- (Rupees in '000) -----				
17 SALES - NET				
Gross sales	4,230,621	3,459,698	2,266,303	1,783,271
Sales tax	(711,133)	(573,195)	(381,401)	(299,158)
Trade discount	(505,990)	(333,758)	(280,947)	(172,985)
Sales return and rebate	(1,401)	(68)	(1,240)	(68)
	<u>(1,218,524)</u>	<u>(907,021)</u>	<u>(663,588)</u>	<u>(472,211)</u>
Net sales	<u>3,012,097</u>	<u>2,552,677</u>	<u>1,602,715</u>	<u>1,311,060</u>



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

Half-year ended		Quarter ended	
June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
(Un-audited)		(Un-audited)	
----- (Rupees in '000) -----			

18 COST OF SALES

Raw & packing material consumed	2,028,235	1,867,258	981,891	801,616
Salaries, wages and other benefits	62,979	54,343	32,544	25,523
Goods purchased for resale	68,547	61,938	33,521	25,613
Depreciation and amortisation	19,862	17,506	10,182	8,938
Fuel and power	3,383	2,257	2,431	1,309
Freight and handling charges	4,128	2,110	2,299	1,234
Stores and spares consumed	1,999	1,194	1,124	601
Rent, rates and taxes	3,821	9,952	2,002	5,779
Travelling and conveyance	8,926	3,529	5,545	1,892
Insurance	1,057	1,000	644	491
Repair and maintenance	68	340	37	232
Postage and telephones	210	198	120	101
Legal and professional charges	60	22	-	22
Printing and stationery	51	56	37	15
Subscription charges	360	626	150	157
Provision for slow moving stock-in-trade	-	1,000	-	1,000
Product research and development	5,643	2,713	1,691	2,639
Others	2,016	1,580	935	707
	<u>2,211,345</u>	<u>2,027,623</u>	<u>1,075,154</u>	<u>877,869</u>
Opening work in process	-	1,550	208	1,550
Closing work in process	-	-	-	-
	<u>-</u>	<u>1,550</u>	<u>208</u>	<u>1,550</u>
Cost of goods manufactured	<u>2,211,345</u>	<u>2,029,173</u>	<u>1,075,362</u>	<u>879,419</u>
Opening stock of finished goods	375,033	269,227	481,362	529,039
Closing stock of finished goods	(394,092)	(484,507)	(394,092)	(484,507)
	<u>(19,059)</u>	<u>(215,280)</u>	<u>87,269</u>	<u>44,532</u>
	<u>2,192,286</u>	<u>1,813,893</u>	<u>1,162,631</u>	<u>923,951</u>

19 This represents portion of minimum tax paid under section 113 of Income Tax Ordinance, 2001 representing levy in terms of requirement of IFRIC 21/IAS 37.

20 TRANSACTIONS WITH RELATED PARTIES

Related parties of the company comprise of the parent company, major shareholders, retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of directors of the company. Detail of transactions with related parties during the year, other than disclosed elsewhere in the condensed interim financial statements, are as follows:



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

20.1 Names of related parties, nature and basis of relationship

Name of related parties	Note	Nature and basis of Relationship	Percentage of shareholding in the Company
New Future Consumer International General Trading LLC	20.1.1	Parent Company	84.84%
Mrs. Ferial Ali Mehdi		Director	10.01%

20.1.1 Country of incorporation is Dubai, United Arab Emirates (UAE).

	Half year ended	
	June 30, 2024	June 30, 2023
20.2 Transactions during the period:	(Un-audited) (Rs. in '000)	
Parent Company		
Short term loan obtained	31,846	-
Dividend paid	10,389	-
Other related parties		
Contribution to the employees' provident fund	20.3 10,627	6,982
Directors and chief executive officer (key management personnel)		
Remuneration	20.4 46,327	37,396
Other directors remuneration -meeting fees	20.4 1,280	540
Repayment of long term loan to a Director	100,000	-
Interest on loan from director	4,840	9,755
Dividend paid	1,230	-
Other key management personnel		
Managerial remuneration (excluding directors and chief executive officer)	176,221	81,356

20.3 Contribution to the provident fund is made in accordance with the requirements of staff service rules.

20.4 Remuneration of the key management personnel is in accordance with the terms of their employment. Directors' meeting fee is as approved by the board of directors.



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the half year ended June 30, 2024**

21 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual audited financial statements for the year ended December 31, 2023.

22 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

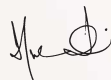
23 GENERAL

Figures have been rounded off to the nearest of rupees unless otherwise stated.

24 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on August 16, 2024 by the Board of Directors of the Company.


Chief Financial Officer


Chief Executive Officer


Director



ZIL
LIMITED

Personal Care & Hygiene Products Company

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SAAW PARTIES