



HALF YEARLY REPORT
JANUARY - JUNE
2025



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Company Information

Board of Directors

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

Mr. Muhammad Irfan-ul-Haq
Executive Director & Chief Executive Officer

Mrs. Feriel Ali Mehdi
Non-Executive Director

Mr. Mubashir Hasan Ansari
Non-Executive Director

Mr. M. Salman Husain Chawala
Non-Executive Director

Mr. Ahsan Rashid
Independent, Non-Executive Director

Mrs. Faeyza Khan Faheem
Independent, Non-Executive Director

Board Audit Committee

Mrs. Faeyza Khan Faheem
Chairperson

Mr. Mubashir Hasan Ansari
Member

Mr. M. Salman Husain Chawala
Member

Human Resource and Remuneratoin Committee

Mr. Ahsan Rashid
Chairman

Mr. Muhammad Irfan-ul-Haq
Member

Mr. M. Salman Husain Chawala
Member

Board Nomination Committee

Mrs. Feriel Ali Mehdi
Chairman

Dr. Salomon Jacobus Van Rooijen
Member

Mr. Muhammad Irfan-ul-Haq
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
Bank of Khyber

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 Company's financial results for the half-year ended June 30, 2025.

Operating Performance

The Company achieved 6% revenue growth compared to the corresponding period last year, with net sales of PKR 3.2 billion. Sales rebounded strongly in the second quarter, reflecting a solid recovery and a return to the Company's growth trajectory.

To counter the impact of category challenges stemming from price changes and broader macroeconomic pressures, including inflation and subdued consumer sentiment, the Company implemented effective shopper and consumer initiatives. These actions supported a positive turnaround and drove strong topline and bottom-line growth.

Our pricing strategy, grounded in market benchmarking, along with targeted cost optimization measures, contributed significantly to sustaining profitability. The Company reported a gross profit of PKR 1,025 million, representing an improvement of 499 basis points over the previous year. We remain focused on monitoring market dynamics closely and adjusting our business strategies to preserve competitiveness and long-term value creation.

In line with our growth objectives, marketing investments were substantially increased to support and enhance sales performance. This trend is expected to continue in the coming periods. Operating expenses rose mainly due to investment in human resources, especially in sales and distribution. Consequently, the Company achieved an after-tax profit of PKR 32 million.

Financial Performance at a Glance

| | Jan to Jun | |
|------------------------------|-----------------|--------|
| | 2025 | 2024 |
| | Rs. in Millions | |
| Net Sales | 3,183 | 3,012 |
| Gross Profit | 1,025 | 820 |
| Gross Profit % | 32.2% | 27.2% |
| Profit/(Loss) after taxation | 32 | (3) |
| Earnings per share (Rs.) | 5.19 | (0.57) |

Future Outlook

While certain macroeconomic indicators, such as relative stability and the continuation of low interest rates by the State Bank of Pakistan, provide cautious optimism, significant risks remain. Volatility in the exchange rate, absence of a sustainable long-term economic roadmap, fluctuations in global commodity prices, and geopolitical conflicts could adversely affect business conditions.

The Company's management remains proactive in assessing these challenges and responding with agility to safeguard operations and performance. Key focus areas include:

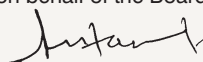
- Value chain optimization
- Brand building and portfolio expansion
- New product development
- Consumer pricing competitiveness
- Enhancing customer and consumer satisfaction

These initiatives are expected to strengthen market penetration and ensure sustainable growth.

Acknowledgement

The Board would like to express its sincere appreciation to the Company's leadership team and employees for their commitment and dedication, which have been instrumental in driving organizational performance. We also extend our gratitude to our valued business partners, including vendors, financial institutions, distributors, consumers, and other stakeholders, for their continued trust and support.

For and on behalf of the Board of Directors



Muhammad Irfan-ul-Haq
CEO / Director

Karachi: August 28, 2025

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of ZIL LIMITED ("the Company") as at June 30, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred 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

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended June 30, 2025 have not been reviewed by us.

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

KARACHI

DATED: August 29, 2025

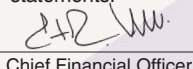
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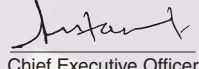
BDO EBRAHIM & Co
CHARTERED ACCOUNTANTS

Condensed Interim Statement of Financial Position (Un-audited) As at June 30, 2025

| | | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
|---|----|----------------------------------|-----------------------------------|
| | | (Rs. in '000) | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 7 | 636,023 | 1,466,102 |
| Intangible asset | 8 | 10,414 | 5,795 |
| Investment property | 9 | 882,303 | - |
| Long term deposits | | 33,952 | 23,743 |
| Long term loans to employees | | 773 | 873 |
| | | <u>1,563,465</u> | <u>1,496,513</u> |
| CURRENT ASSETS | | | |
| Stores and spares | | 50 | 283 |
| Stock-in-trade | 10 | 901,524 | 629,650 |
| Trade debts | 11 | 229,887 | 279,170 |
| Advances, deposits, prepayments and other receivables | 12 | 39,800 | 12,173 |
| Advance taxation | | 146,292 | 117,140 |
| Short term investments | 13 | 60,000 | 40,000 |
| Cash and bank balances | 14 | 158,730 | 151,877 |
| | | <u>1,536,283</u> | <u>1,230,293</u> |
| Assets classified as held for sale | 15 | 488,845 | 488,845 |
| | | <u>3,588,593</u> | <u>3,215,651</u> |
| TOTAL ASSETS | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 40,000,000 (December 31, 2024: 40,000,000) | | | |
| ordinary shares of Rs. 10/- each | | <u>400,000</u> | <u>400,000</u> |
| Issued, subscribed and paid-up capital | | 61,226 | 61,226 |
| Capital reserves | | | |
| Surplus on revaluation of property, plant and equipment | | 1,023,038 | 1,033,587 |
| Revenue reserves | | | |
| General reserves | | 6,000 | 6,000 |
| Unappropriated profit | | 301,959 | 274,940 |
| | | <u>1,330,997</u> | <u>1,314,527</u> |
| NON-CURRENT LIABILITIES | | | |
| Long term loan | 16 | 861 | 2,223 |
| Deferred taxation | | 197,578 | 212,170 |
| Deferred staff liabilities | | 217,393 | 192,489 |
| Lease liabilities | | 152,002 | 117,329 |
| | | <u>567,834</u> | <u>524,211</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 17 | 1,353,863 | 1,034,935 |
| Current maturity of long term liabilities | | 37,232 | 26,003 |
| Contract liabilities | | 145,779 | 102,685 |
| Short term borrowings | 18 | 31,846 | 31,846 |
| Taxation | | 58,237 | 118,733 |
| Unclaimed dividends | | 1,579 | 1,485 |
| | | <u>1,628,536</u> | <u>1,315,687</u> |
| CONTINGENCIES AND COMMITMENTS | 19 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>3,588,593</u> | <u>3,215,651</u> |

The annexed notes from 1 to 27 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, 2025**

| | | Half year ended | | Quarter ended | |
|--|----|------------------|------------------|------------------|------------------|
| | | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| Note | | (Rupees in '000) | | | |
| Sales - net | 20 | 3,183,342 | 3,012,097 | 1,973,843 | 1,602,715 |
| Cost of sales | 21 | (2,158,121) | (2,192,286) | (1,336,558) | (1,162,632) |
| Gross profit | | 1,025,221 | 819,811 | 637,285 | 440,083 |
| Selling and distribution expenses | | (664,180) | (543,882) | (427,525) | (332,604) |
| Administrative expenses | | (237,982) | (196,813) | (133,494) | (94,237) |
| | | (902,161) | (740,695) | (561,018) | (426,841) |
| Other income | | 18,186 | 9,726 | 15,959 | 2,371 |
| Operating profit | | 141,246 | 88,843 | 92,225 | 15,613 |
| Other charges | | (26,610) | (1,996) | (21,127) | 1,991 |
| Financial charges | | (47,824) | (59,916) | (23,858) | (29,376) |
| | | (74,434) | (61,912) | (44,985) | (27,384) |
| Profit/(loss) before levy and minimum tax differential | | 66,812 | 26,931 | 47,240 | (11,771) |
| Levy and minimum tax differential | 22 | - | (21,943) | 1,310 | (19,733) |
| Profit/(loss) before tax | | 66,812 | 4,988 | 48,550 | (31,504) |
| Taxation | | | | | |
| Current - for the period | | (49,627) | (15,710) | (34,742) | (302) |
| - prior the period | | - | (463) | - | (435) |
| Deferred | | 14,592 | 7,701 | 16,846 | 3,532 |
| | | (35,035) | (8,472) | (17,896) | 2,796 |
| Profit/(loss) after tax for the period | | 31,777 | (3,484) | 30,654 | (28,708) |
| Earnings/(loss) per share - basic and diluted (Rupees) | | 5.19 | (0.57) | 5.01 | (4.69) |

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer

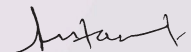

Director

Condensed Interim Statement of Comprehensive Income (Un-audited) For the Half Year ended June 30, 2025

| | Half year ended | | Quarter ended | |
|--|------------------------------|------------------|----------------------|------------------|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | ----- (Rupees in '000) ----- | | | |
| Profit/(loss) for the period | 31,777 | (3,484) | 30,654 | (28,708) |
| Other comprehensive income/ (loss) for the period | - | - | - | - |
| Total comprehensive income/(loss) for the period | <u>31,777</u> | <u>(3,484)</u> | <u>30,654</u> | <u>(28,708)</u> |

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Cash Flow (Un-audited) For the Half Year ended June 30, 2025

| | Note | June 30, 2025 (Rs. in '000) | June 30, 2024 |
|---|-------|-----------------------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 66,812 | 26,930 |
| Adjustments for: | | | |
| Depreciation and amortization | | 77,370 | 57,267 |
| Provision of slow moving obsolete stock | 21 | 137 | - |
| Provision for doubtful debts | 11.1 | 29,251 | - |
| Gratuity expense | | 27,500 | 36,589 |
| Profit on bank deposit | | (427) | (2,348) |
| Dividend income | | (185) | (5,034) |
| Gain on early termination of lease | | (1,166) | - |
| Finance costs | | 47,824 | 59,916 |
| Loss on disposal of operating fixed assets | | 411 | 453 |
| | | <u>180,714</u> | <u>146,843</u> |
| Operating cashflows before changes in working capital | | 247,526 | 173,773 |
| Working capital changes | | | |
| Decrease/(increase) in current assets: | | | |
| Stores and Spares | | 233 | (3) |
| Stock-in-trade | 10 | (272,011) | 112,752 |
| Trade debts | 11 | 20,032 | (56,697) |
| Loans to employees | | 299 | 783 |
| Long term deposits | | (10,209) | (1,650) |
| Advances, deposits, prepayments and other receivables | 12 | (27,826) | 16,249 |
| | | <u>(289,482)</u> | <u>71,434</u> |
| Increase/(decrease) in current liabilities: | | | |
| Contract liabilities | | 43,094 | 19,607 |
| Trade and other payables | 17 | 318,702 | (43,242) |
| Cash generated from operations | | <u>319,840</u> | <u>221,572</u> |
| Taxes paid | | (139,275) | (36,563) |
| Staff gratuity paid | | (2,597) | (22,231) |
| Dividend received | | 185 | 5,034 |
| Financial charges paid | | (35,342) | (54,393) |
| | | <u>(177,029)</u> | <u>(108,153)</u> |
| Net cash flows from operating activities | | 142,811 | 113,419 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Addition in capital expenditure | 7.3.1 | (89,181) | (105,186) |
| Short term investments | | (20,000) | 70,000 |
| Proceeds from disposal of operating fixed assets | | 12,486 | 4,990 |
| Profit received on bank deposits | | 427 | 2,348 |
| Net cash flows used in investing activities | | (96,268) | (27,848) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Lease rentals paid | | (24,266) | (18,226) |
| Long term loan repaid | 16 | (212) | (103,686) |
| Short term loan received | | - | 31,847 |
| Dividend paid | | (15,212) | (12,171) |
| Net cash used in financing activities | | (39,690) | (102,236) |
| Net increase/(decrease) in cash and cash equivalents | | 6,853 | (16,665) |
| Cash and cash equivalents at the beginning of the period | | <u>151,877</u> | <u>127,293</u> |
| Cash and cash equivalents at the end of the period | | <u>158,730</u> | <u>110,628</u> |

The annexed notes from 1 to 27 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, 2025

| Issued, subscribed and paid up capital | Capital Reserves Surplus on revaluation of property, plant and equipment | Revenue Reserves | | Total |
|---|---|--------------------|---|-------|
| | | General Reserve | (Accumulated loss) / Unappropriated profit | |

(Rs. in '000)

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

Total comprehensive income for the period

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

**Dividend paid for the year ended
December 31, 2023**

- - - (12,245) (12,245)

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

Balance as at January 01, 2025 (audited) 61,226 1,033,587 6,000 274,940 1,375,753

Total comprehensive income for the period

| | | | | | |
|--|---|----------|---|--------|--------|
| Profit for the period | - | - | - | 31,777 | 31,777 |
| Other comprehensive income (OCI) | | | | | |
| Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation) | - | (10,549) | - | 10,549 | - |
| | - | (10,549) | - | 42,326 | 31,777 |

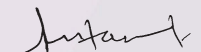
**Dividend paid for the year ended
December 31, 2024**

- - - (15,307) (15,307)

Balance as at June 30, 2025 (unaudited) 61,226 1,023,038 6,000 301,959 1,392,223

The annexed notes from 1 to 27 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, 2025

1 STATUS AND NATURE OF BUSINESS

ZIL Limited ("the Company") was incorporated as a private limited company in February 1960 under the Companies Act, 1913 (repealed Companies Ordinance, 1984 and 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. The principal activity of the Company is to manufacture and sale of home and personal care products.

During the period, TWF Holding L.L.C-FZ ("the Holding Company") had acquired a total of 5,194,514 ordinary shares of Rs. 10 each of the Company, representing 84.84% of the total issued share capital, through a share purchase agreement in March 2025 entered into with M/s New Future Consumer International General Trading L.L.C at Rs. 297.50. The registered office of the Holding Company is situated at Meydan Grandstand, 6th Floor, Meydan Road, Nad Al Sheba, Dubai, United Arab Emirates.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

| Location | Address |
|---|---|
| Head Office | Bahria Complex III , Plot No. MISC-2, M.T. Khan Road, Karachi. |
| Land | Link Hali Road, Hyderabad (Refer note 15 to these condensed interim financial statements). |
| Land | Plot No G-1 Located In Chemical Area Of Eastern Industrial Zone, Port Qasim Authority, Karachi. (Refer note 9 to these condensed interim financial statements). |
| Warehouse | Plot No. C-6, SITE Area, Near Mirpurkhas Road, S.I.T.E., Hyderabad. |
| Warehouse | 1st Part of Plot No. 21-B, Industrial Estate, Multan. |
| Warehouse | Khewat No. 55, situated at 16-KM, Multan Road, Lahore. |
| Regional sales office -Central 2 | Naeema Azam Tower 1st floor Office No 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 |
| Corporate office & Regional Sales office Central 1 | 59/A, 31, C-II, Gulberg III, Lahore. |

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017;

Where provisions of and directives issued under the Companies Act, 2017 differ from the (IAS) 34, 'Interim Financial Reporting' and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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, 2024, 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, 2024, 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, 2024.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended June 30, 2025 and June 30, 2024 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, 2025 and June 30, 2024.

3.2 Basis of measurement

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

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

3.3 Functional and presentation currency

This condensed interim financial information are presented in Pakistani rupee ('Rupees' or 'Rs.') which is the functional and presentation currency of the Company.

4 ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

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

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, not detailed in these condensed interim financial statements.

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

There are various standards, amendments and interpretations to the accounting and reporting standards as applicable in Pakistan which are not yet effective in the current accounting period. These are not likely to have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim unconsolidated financial statements.

5 MATERIAL ACCOUNTING POLICY INFORMATION

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, 2024. However, during the period the Company has adopted the following:

5.1 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property measured at cost less its accumulated depreciation and impairment loss (if any).

5.2 Rental income

Rental income from investment property is recognised as revenue on charge over the term of the tenancy.

6 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, 2024.

**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the Half Year ended June 30, 2025**

| | Note | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
|--|------|----------------------------------|-----------------------------------|
| | | (Rs. in '000) | |

7 PROPERTY, PLANT AND EQUIPMENT

| | | | |
|--------------------------|-----|----------------|------------------|
| Owened assets | 7.1 | 379,271 | 1,286,088 |
| Right-of-use assets | 7.2 | 167,455 | 128,917 |
| Capital work in progress | 7.3 | 89,297 | 51,097 |
| | | <u>636,023</u> | <u>1,466,102</u> |

7.1 Owened assets

| | | | |
|---|-------|------------------|------------------|
| Net carrying value basis | | | |
| Opening net book value | | 1,286,088 | 1,046,498 |
| Transfer from capital work in progress during the period / year (at cost) | 7.1.1 | 44,982 | 196,432 |
| Revaluation | | - | 83,092 |
| | | <u>1,331,070</u> | <u>1,326,022</u> |
| Disposals during the period / year | 7.1.2 | (12,668) | (15,697) |
| Depreciation charged during the period / year | | (42,844) | (98,438) |
| Transferred to investment property | | (896,287) | - |
| Reversal of revaluation | | - | 74,201 |
| | | <u>(951,799)</u> | <u>(39,934)</u> |
| Closing net book value | | <u>379,271</u> | <u>1,286,088</u> |

7.1.1 Details of transfer from CWIP (at cost) during the period / year are as follows:

| | | |
|------------------------|---------------|----------------|
| Plant and machinery | 3,086 | 8,067 |
| Furniture and fixtures | 5,843 | 17,751 |
| Dies and change part | - | 1,100 |
| Vehicles | 34,053 | 151,990 |
| Computers | 2,000 | 17,524 |
| | <u>44,982</u> | <u>196,432</u> |

7.1.2 Details of deletion (NBV) during the period / year are as follows:

| | | |
|---------------------|---------------|---------------|
| Plant and machinery | 269 | 195 |
| Computers | 273 | 438 |
| Vehicles | 12,126 | 15,064 |
| | <u>12,668</u> | <u>15,697</u> |

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

| | Note | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
|---|-------|----------------------------------|-----------------------------------|
| | | (Rs. in '000) | |
| 7.2 Right-of-use assets | | | |
| Net carrying value basis | | | |
| Opening net book value | | 128,917 | 73,700 |
| Additions (at cost) during the period / year | | 61,280 | 81,086 |
| Disposal during the period / year | | (3,586) | - |
| Depreciation charged during the period / year | | (19,156) | (25,869) |
| Closing net book value | | <u>167,455</u> | <u>128,917</u> |
| 7.3 Capital work in progress | | | |
| Building on leasehold land | | 40,076 | 40,076 |
| Vehicles | | 33,834 | 9,422 |
| Plant, machinery and equipment | | 6,812 | 239 |
| Furniture & Fixtures | | 8,057 | 852 |
| Computers | | 518 | 508 |
| | 7.3.1 | <u>89,297</u> | <u>51,097</u> |
| 7.3.1 Movement in capital work in progress | | | |
| Balance at the beginning of the period / year | | 51,097 | 49,873 |
| Addition during the period / year | | 83,182 | 197,656 |
| Transferred to operating fixed asset | | (44,982) | (196,432) |
| Balance at the end of the period / year | | <u>89,297</u> | <u>51,097</u> |
| 8 INTANGIBLE ASSET | | | |
| Operating intangible asset - net carrying value | | 4,414 | 5,795 |
| Capital work in progress | | 6,000 | - |
| | | <u>10,414</u> | <u>5,795</u> |
| 9 INVESTMENT PROPERTY | | | |
| Cost | | 896,287 | - |
| Accumulated amortization | | (13,984) | - |
| Carrying amount as at 30 June | | <u>882,303</u> | <u>-</u> |
| Remaining lease term (in years) | | <u>31</u> | <u>-</u> |

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

9.1 The Company entered into a rental arrangement on April 24, 2025 effective from February 01, 2025 with its associated company against its leasehold property measuring 11 acres situated in Chemical Area of Eastern Zone of Port Qasim Authority. As a result, the property has been reclassified from owner occupied leasehold property to Investment Property. In line with requirement of IAS-40 this property has been transferred at its fair value at the date of this arrangement. Subsequent to the transfer, management has opted to apply the cost model for its subsequent measurement and so the property is to be amortised at its remaining lease term. The fair market value of this investment property of amounting to Rs. 896.287 million as of the date of its last valuation.

June 30, 2025 **December 31, 2024**
(Un-audited) **(Audited)**
(Rs. in '000)

10 STOCK IN TRADE

| | | |
|-------------------------------------|----------------|---------|
| Raw material | | |
| In hand | 329,530 | 197,004 |
| In transit | 2,605 | 27,507 |
| | 332,135 | 224,511 |
| Packing material | 105,249 | 54,532 |
| Finished goods | 469,376 | 355,706 |
| | 906,760 | 634,749 |
| Provision for slow moving inventory | (5,236) | (5,099) |
| | 901,524 | 629,650 |

11 TRADE DEBTS

| | | |
|--|-----------------|---------|
| Unsecured - considered good | 229,887 | 279,170 |
| Considered doubtful | 38,648 | 9,397 |
| | 268,535 | 288,567 |
| Less: allowance for expected credit loss | (38,648) | (9,397) |
| | 229,887 | 279,170 |

11.1 Allowance for expected credit loss

| | | |
|---|---------------|-------|
| Opening balance | 9,397 | 9,397 |
| Allowance charge during the period / year | 29,251 | - |
| Closing balance | 38,648 | 9,397 |

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

| Note | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
|---|----------------------------------|-----------------------------------|
| (Rs. in '000) | | |
| 12 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | |
| Considered good - unsecured | | |
| Advance to employees | 1,562 | 1,761 |
| Advance to suppliers and contractors | 19,765 | 7,367 |
| Prepayments | 17,168 | 2,141 |
| Others receivables | 1,305 | 904 |
| | <u>39,800</u> | <u>12,173</u> |
| Considered doubtful | | |
| Advances to suppliers and contractors | 803 | 803 |
| Less: allowance for expected credit loss | (803) | (803) |
| | <u>-</u> | <u>-</u> |
| | <u>39,800</u> | <u>12,173</u> |
| 13 SHORT TERM INVESTMENTS | | |
| At fair value through profit or loss: | | |
| Meezan Cash Fund | 13.1 <u>60,000</u> | <u>40,000</u> |
| | <u>60,000</u> | <u>40,000</u> |
| 13.1 This represent investment in Meezan Cash Fund having total number of units at 1,167,312 units (December 31, 2024: 697,883 units of Meezan Sovergin Fund) having net assets value (NAV) of Rs. 51.4. | | |
| 14 CASH AND BANK BALANCES | | |
| Cash in hand | 525 | 429 |
| Cash with banks | | |
| - current / accounts | 151,495 | 141,693 |
| - saving accounts | 6,710 | 9,755 |
| | <u>158,205</u> | <u>151,448</u> |
| | <u>158,730</u> | <u>151,877</u> |
| 14.1 This carries profit rate at ranges from 9.5% to 10.5% (December 31, 2024: ranges from 11.5% to 20.5%) per annum. | | |

**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the Half Year ended June 30, 2025**

| Note | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
|--|----------------------------------|-----------------------------------|
| | (Rs. in '000) | |
| 15 ASSETS CLASSIFIED AS HELD FOR SALE | | |
| Freehold land | 400,040 | 400,040 |
| Building on freehold land | 23,378 | 23,378 |
| Plant, machinery and equipment | 65,427 | 65,427 |
| | <u>488,845</u> | <u>488,845</u> |

- 15.1** 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 link hali road, 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. Furthermore, in an EOGM held on December 12, 2024, the shareholders reaffirmed their approval for the disposal of the remaining assets.

The Company entered into a contract with a buyer for the disposal of some plant, machinery, building and related assets; delivery of some of those assets have already been completed and related proceeds have appropriately been accounted for. The Company is hopeful that the process will be completed by year end.

| | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
|--|----------------------------------|-----------------------------------|
| | (Rs. in '000) | |
| 16 LONG TERM LOAN | | |
| Diminishing musharaka | 3,336 | 3,549 |
| Less: current maturity shown under current liability | (2,475) | (1,326) |
| | <u>861</u> | <u>2,223</u> |

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

- 16.1** The Company had acquired vehicles under diminishing musharaka agreement from First Habib Modaraba. The loan was for a period of four years expiring on May 2027, with an option to purchase the asset at nominal amount. This carries profit at the rate 3 months' KIBOR + 2% per annum (December 31, 2024: 3 months' KIBOR + 2% per annum).

| | Note | June 30, 2025 (Un-audited) | December 31, 2024 (Audited) |
|--|------|----------------------------------|-----------------------------------|
| | | (Rs. in '000) | |
| 17 TRADE AND OTHER PAYABLES | | | |
| Trade creditors | | 904,096 | 637,216 |
| Accrued expenses | | 312,716 | 283,312 |
| Sales tax payable | | 57,390 | 67,772 |
| Deduction on account of vehicles for the employees | | 16,138 | 7,921 |
| Accrued mark-up | | 162 | 171 |
| Workers' Welfare Fund | | 9,630 | 6,460 |
| Workers' Profit Participation Fund | | 3,780 | 5,237 |
| Advances against asset classified as held for sale | | 38,913 | 20,000 |
| Other liabilities | | 11,040 | 6,846 |
| | | <u>1,353,863</u> | <u>1,034,935</u> |

18 SHORT TERM BORROWINGS

| | | | |
|--|------|---------------|---------------|
| From New Future Consumer International LLC | 18.1 | 31,846 | 31,846 |
| | | <u>31,846</u> | <u>31,846</u> |

- 18.1** This represents interest free short term loan. The loan is repayable in December 2025.

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

The status of other contingencies are same as disclosed in the annual audited financial statements for the year ended December 31, 2024 except for disclosed below:

19.1.1 On May 21, 2025, an order under section 122(5A) of the Income Tax Ordinance, 2001 was passed by the Additional Commissioner Inland Revenue (ADCIR) for the financial year 2022 (Tax Year 2023) in which certain expenses were disallowed amounting to Rs. 78.538 million. Disagreeing to the above the company has filed an Appeal before the CIR(A) against the alleged order of ADCIR which is pending decision. Based on the Company's tax advisor's view, a favourable decision is expected and therefore the subject demand is expected to be quashed. Accordingly, no provision of above demand, has been made in these financial statements.

19.1.2 On June 05, 2025, an order under section 221/122(5A) of the Income Tax Ordinance, 2001 was passed by the Additional Commissioner Inland Revenue (ADCIR) for the financial year 2023 (Tax Year 2024) in which certain expenses were disallowed amounting to Rs. 25.758 million. Disagreeing to the above the company has filed an Appeal before the CIR(A) against the alleged order of ADCIR which is pending decision. Based on the Company's tax advisor's view, a favourable decision is expected and therefore the subject demand is expected to be quashed. Accordingly, no provision of above demand, has been made in these financial statements.

19.2 Commitment

19.2.1 Commitment under letters of credit and contracts for the import of stock-in-trade items amounted to Rs. 159.895 million (December 31, 2024: Rs. 61.9 million).

19.2.2 The Company has entered into Ijarah arrangements for vehicles with bank. Aggregate commitments for these Ijarah arrangements as at reporting date are Rs. 24.8 million (December 31, 2024: Rs. 41.469 million).

| | Half-year ended | | Quarter ended | |
|-------------------------|----------------------------------|------------------|----------------------------------|------------------|
| | June 30, 2025 (Un-audited) | June 30, 2024 | June 30, 2025 (Un-audited) | June 30, 2024 |
| | ----- (Rupees in '000) ----- | | | |
| Gross sales | 4,507,432 | 4,230,621 | 2,817,806 | 2,266,303 |
| Less: Sales tax | (757,468) | (711,133) | (474,512) | (381,401) |
| Trade discount | (566,041) | (505,990) | (369,203) | (280,947) |
| Sales return and rebate | (581) | (1,401) | (247) | (1,240) |
| | (1,324,090) | (1,218,524) | (843,963) | (663,588) |
| Net sales | 3,183,342 | 3,012,097 | 1,973,843 | 1,602,715 |

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

| Half-year ended | | Quarter ended | |
|------------------------------|------------------|------------------|------------------|
| June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| (Un-audited) | | (Un-audited) | |
| ----- (Rupees in '000) ----- | | | |

21 COST OF SALES

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Raw & packing material consumed | 2,088,044 | 2,028,235 | 1,017,684 | 981,891 |
| Salaries, wages and other benefits | 62,340 | 62,979 | 32,183 | 32,544 |
| Toll Manufacturing | 89,525 | 68,547 | 43,858 | 33,521 |
| Depreciation and amortisation | 8,682 | 19,862 | 4,505 | 10,182 |
| Fuel and power | 1,226 | 3,383 | 704 | 2,431 |
| Freight and handling charges | 3,320 | 4,128 | 1,212 | 2,299 |
| Stores and spares consumed | 1,754 | 1,999 | 1,084 | 1,124 |
| Rent, rates and taxes | 3,364 | 3,821 | 2,036 | 2,002 |
| Travelling and conveyance | 5,569 | 8,926 | 2,797 | 5,545 |
| Insurance | 1,250 | 1,057 | 980 | 644 |
| Repair and maintenance | 139 | 68 | 76 | 37 |
| Postage and telephones | 203 | 210 | 76 | 120 |
| Legal and professional charges | 120 | 60 | 60 | - |
| Printing and stationery | 24 | 51 | 14 | 37 |
| Subscription charges | 209 | 360 | - | 150 |
| Provision for slow moving stock-in-trade | 137 | - | 137 | - |
| Product research and development | 3,416 | 5,643 | 2,753 | 1,691 |
| Others | 2,466 | 2,016 | 1,162 | 935 |
| | <u>2,271,791</u> | <u>2,211,345</u> | <u>1,111,323</u> | <u>1,075,155</u> |
| Opening work in process | - | - | - | 208 |
| Closing work in process | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>208</u> |
| Cost of goods manufactured | <u>2,271,791</u> | <u>2,211,345</u> | <u>1,111,323</u> | <u>1,075,363</u> |
| Opening stock of finished goods | <u>355,706</u> | <u>375,033</u> | <u>694,612</u> | <u>481,362</u> |
| Closing stock of finished goods | <u>(469,376)</u> | <u>(394,092)</u> | <u>(469,376)</u> | <u>(394,092)</u> |
| | <u>(113,670)</u> | <u>(19,059)</u> | <u>225,235</u> | <u>87,269</u> |
| | <u>2,158,121</u> | <u>2,192,286</u> | <u>1,336,558</u> | <u>1,162,632</u> |

- 22 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.

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

23 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 period, other than disclosed elsewhere in the condensed interim financial statements, are as follows:

23.1 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 |
|-------------------------|--------|----------------------------------|---|
| TWF Holding L.L.C-FZ | 23.1.1 | Parent Company | 84.84% |
| Mrs. Ferial Ali Mehdi | | Director | 10.01% |

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

| | Note | Half year ended | |
|---|------|-------------------------------|---------------|
| | | June 30, 2025 | June 30, 2024 |
| | | (Un-audited) (Rs. in '000) | |
| 23.2 Transactions during the period: | | | |
| Associated Company | | | |
| Short term loan obtained | | - | 31,846 |
| Dividend paid | | 12,986 | 10,389 |
| Rental income | | 16,111 | - |
| Other related parties | | | |
| Contribution to the employees' Provident fund | 23.3 | 14,290 | 10,627 |
| Directors and chief executive officer (key management personnel) | | | |
| Remuneration | 23.4 | 50,049 | 46,327 |
| Other directors remuneration -meeting fees | 23.4 | 1,040 | 1,280 |
| Repayment of long term loan to a Director | | - | 100,000 |
| Interest on loan from director | | - | 4,840 |
| Dividend paid | | 1,532 | 1,230 |
| Other key management personnel | | | |
| Managerial remuneration (excluding directors and chief executive officer) | | 200,607 | 176,221 |

Notes to the Condensed Interim Financial Statements (Un-audited) For the Half Year ended June 30, 2025

- 23.3** Contribution to the provident fund is made in accordance with the requirements of staff service rules.
- 23.4** 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.

24 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, 2024.

25 CORRESPONDING FIGURES

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

26 GENERAL

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

27 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 28-08-2025 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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SAAWIR PUNJTES