

# Steering the voyage of **excellence** and **commitment**

Condensed interim Financial Statements for the  
half yearly ended December 31, 2024



  
**FEROZE1888 MILLS LTD**  
Manufacturers and Exporters of Specialized Yarn & Textile Products  
*Weaving a Better World®*

## CONTENTS

Company's information	02
Directors' Report (English & Urdu)	03 - 06
Auditors' Review Report	07-08
Statement of Financial Position	09
Statement of Profit or Loss	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flow	13
Notes to the Financial Information	14 - 20

## Company Information

### Board of Directors

Mr. Abdul Rehman Yaqub  
Mr. Shabbir Ahmed  
Mr. Khaleequr Rahman  
Mr. Perwez Ahmed  
Mr. Zain Ashraf Mukaty  
Mr. Anas Rahman  
Mr. Temoor Ashraf Mukaty  
Mr. Moin M. Fudda  
Ms. Huma Pasha  
Ms. Aminah Zahid Zaheer  
Mr. Rehan Rahman

Chairman  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Independent Director  
Independent Director  
Independent Director  
Chief Executive Officer

### Board Audit Committee

Mr. Moin M. Fudda  
Mr. Khaleequr Rahman  
Mr. Temoor Ashraf Mukaty  
Ms. Aminah Zahid Zaheer

Chairman  
Member  
Member  
Member

### Board HR & Remuneration Committee

Ms. Aminah Zahid Zaheer  
Mr. Moin M. Fudda  
Mr. Zain Ashraf Mukaty

Chairperson  
Member  
Member

### Chief Financial Officer

Ms. Javeria Siddiqui

### Company Secretary

Position Vacant

### Bankers

Allied Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
BankIslami Pakistan Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Meezan Bank Limited  
Standard Chartered Bank (Pakistan) Limited

### External Auditors

Grant Thornton Anjum Rahman, Chartered Accountants  
Modern Motors House, Beaumont Road, Karachi.

### Internal Auditors

A.F. Ferguson & Co. Chartered Accountants  
State Life Building No. 1-C, I.I Chundrigar Road, City Railway Colony Karachi.

### Registered Office

Plot # H-23/4-A, Scheme # 3, Landhi Industrial Area, Landhi, Karachi.

### Office Building

K&N Centre, 2<sup>nd</sup> and 3<sup>rd</sup> Floors, 160 Banglore Town, Shahrah -e-Faisal, Karachi

### Factory Addresses

#### Sindh:

- H-23/4-A, H-23/4-B, H-23/4-B1 and H-23/3-II, Scheme No. 3, Landhi, Industrial Area, Karachi
- Plot # B-4A, SITE, Karachi.
- Plot # A-5/D and A-5/D1, SITE, Karachi.
- Plot # C-3, SITE, Karachi.
- Plot # C-31 SITE, Karachi.
- Plot # F-89, SITE, Karachi.
- Plot # F-125, SITE, Karachi.
- Plot # F-342, SITE, Karachi.
- Plot # PL-15, North Karachi Industrial Area, Karachi.
- Plot # ST-03, North Karachi Industrial Area, Karachi.
- Plot # 342/A, Haroonabad, SITE, Karachi.
- Survey # 81, 242, 72 to 75, 165, 166, 171, 172, 176 to 181, 186 to 190, 156, 210, 211, 243, Deh Moachko, Tapo Gabopat, Keamari Town, Karachi.

#### Balochistan:

Plot# D-12 to D-17, K-1 to K-3, M-34, HITE, all in Mauza Pathra, Tehsil Hub, District Lasbela, Balochistan.

### Legal Advisor

Mohsin Tayebaly & Co.  
1st Floor, Dime Centre Khayaban-e- Iqbal,  
Block 9, Clifton, Karachi.

### Share Registrar / Transfer Agent

FAMCO Share Registration Services (Pvt.) Limited  
8-F, Next to Hotel Faran Nursery, Block-6,  
PECHS, Shahrah-e-Faisal, Karachi.

### Website

<http://www.feroze1888.com>

## **DIRECTORS' REPORT**

We are pleased to present the performance review and the un-audited Financial Statements along with auditors' review report thereon for the half year ended 31 December 2024.

### **ECONOMIC OVERVIEW**

The global economy has remained resilient this year, despite differences in the strength of activity across countries and sectors. Inflation has continued to moderate and headline inflation is now back to central bank targets in most economies. Labor market tightness has also eased, although unemployment rates generally remain at or near historical lows. However, risks are casting a shadow over what is otherwise a relatively benign central projection - key risks pertain to the intensification of geopolitical tensions, inflation turning out more persistent than anticipated and a sharp repricing of risk in financial markets. Amid numerous threats, it is time for a policy pivot. With monetary policy easing, shifting gears on fiscal policy to ensure sustainable debt dynamics and rebuilding of buffers is appropriate. Advancing structural reforms to boost long-term growth and accelerating the green transition remains as necessary as ever.

The Country's economy has continued to stabilize, with growth recovering to 2.5% in the fiscal year ended June 30, 2024. However, as the economic stabilization continues, macroeconomic risks remain high reflecting high financing needs, modest foreign exchange reserves, high debt and debt servicing costs, financial sector vulnerabilities, and a loss-making power sector that continues to weigh on public finances.

The path to recovery requires steady implementation of the structural reforms plan that aims to address long standing constraints to faster growth will be the key. These include reforming an inequitable and distortive tax system, reducing inefficient expenditures and untargeted subsidies, lessening the large state presence in the economy, reducing barriers to trade and investment, and reducing losses in the energy sector.

### **INDUSTRY OVERVIEW**

The textile industry which has been a crucial sector of Pakistan's economy since its inception, contributing significantly to the country's GDP, employment and exports, faces challenges due to the Country's struggling economy and prolonged periods of political instability. Pakistan has been unable to capitalize on global opportunities that arise due to its own set of domestic issues including high energy costs - resolving energy crisis is critical – the current rates are almost twice the average cost in competing economies like Vietnam, India, and Bangladesh - directly affecting the competitiveness of Pakistani textiles in the global market. Unwarranted delay in payment of outstanding refunds and increase in advance income tax rate for exporters have severely strained the cash flows thereby increasing the financial costs as well.

In terms of USD, the exports during July – December, 2024 totaled US\$ 16,639 million against US\$ 14,985 million during the corresponding period of last year showing an increase of 11.0%. The textile sector exports increased by 9.7% during the first half, reaching US\$9.1billion compared to US\$8.28 billion in the same period last year.

### **REVIEW OF OPERATING RESULTS**

A brief overview of performance of your Company for the six months ended December 31<sup>st</sup>, 2024 is stated below:

#### **Statement of Profit or Loss for the Half year ended:**

	<b>December 2024</b>	<b>December 2023</b>
	----- (Rupees in '000) -----	
Sales- net	28,248,791	34,838,129
Gross profit	3,476,291	6,206,447
Profit/(Loss) before taxation	(118,833)	971,235
Profit/(Loss) after taxation	(374,501)	465,176
EPS/LPS (Rs/Share)	(0.94)	1.16

The Company's net sales have reduced by Rs. 6.6 billion i.e. by 19% in comparison with the corresponding period of last year. The bottom-line is resultantly impacted with reduction in profits after tax by Rs. 840 million.

## **FUTURE OUTLOOK**

The International Monetary Fund (IMF) has revised Country's economic outlook, downgrading its projected Gross Domestic Product (GDP) growth for 2025 to 3%, down from 3.2% forecasted just three months ago however, maintaining the outlook for 2026 @ 4%.

Pakistan commenced monetary policy normalization after holding the policy rate at 22% for around a year. By January 2025, the policy rate has been reduced by a cumulative 1000 basis points to 12% as inflationary pressures started to ease.

Country's high public debt, high interest-to-revenue ratios, and low interest reserve coverage leave the economy vulnerable to increases in global interest rates and high global energy prices. Such shocks could lead to capital outflows, currency depreciation, and a credit crunch that threatens the government's ability to refinance maturing government debt. Moreover, the trade outlook faces several risks, including weaker global demand and geopolitical tensions - trade policy uncertainty and the possibility of more protectionist measures, which would further impact trade and economic activity.

The situation is expected to remain challenging for the textile industry at large and for the Company as well - the Board and the Management strive to navigate the Company successfully in these turbulent times. The focus is on high service delivery with maintaining close coordination with the customers along with efforts to remain cost competitive - to protect the current levels of business whilst to capitalize on the arising opportunities.

## **ACKNOWLEDGEMENT**

We would like to place on record our profound gratitude to the shareholders, customers and business partners, whose continued cooperation and support have enabled the Company to strive to do better each day. We also like to acknowledge and thank all the employees of the Company for their dedicated efforts and persistence.

For and on behalf of the Board of Directors

---

**Rehan Rahman**  
Chief Executive Officer

---

**Abdul Rehman Yaqub**  
Director

**Karachi**  
**Date: 27<sup>th</sup> February 2025**

## ڈائریکٹر ز رپورٹ

31 دسمبر 2024 کو اختتام پزیر ششماہی سال کی کارکردگی کا جائزہ اور غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے ہم اُردو سرور ہیں۔

### اقتصادی جائزہ

عالمی معیشت اس سال مستحکم رہی ہے، اگرچہ مختلف ممالک اور شعبوں میں معاشی سرگرمی کی شدت میں فرق دیکھا گیا ہے۔ افراط زر میں کمی جاری ہے، اور زیادہ تر معیشتوں میں مجموعی مہنگائی اب مرکزی بینک کے اہداف پر واپس آگئی ہے۔ لیبر مارکیٹ کی سختی میں بھی کمی آئی ہے، حالانکہ بے روزگاری کی شرح حالمطور پر کم حد تک یا اس کے قریب ہی برقرار ہے۔ تاہم کچھ خطرات ایسے ہیں جو عمومی طور پر مثبت منظر نامے کو متاثر کر سکتے ہیں۔ ان میں ڈیفرانسیسی سیاسی تناؤ میں اضافہ، متوقع سے زیادہ دیر تک رہنے والی مہنگائی، اور مالیاتی منڈیوں میں قیمتوں میں اچانک اتار چڑھاؤ شامل ہیں۔ ان چیلنجز کے پیش نظر، پالیسی میں تبدیلی انا اب ناگزیر ہو چکا ہے۔ مانیٹری پالیسی میں نرمی کے ساتھ قرض کی پائیداری اور مالی ذخائر کی بحالی کو یقینی بنانے کے لیے مالیاتی پالیسی میں تبدیلی ہمیشہ کی طرح ضروری ہے۔ ریلوے کی ترقی کے لیے اصلاحات کرنا اور ماحول دوست تبدیلی کو تیز کرنا۔

30 جون 2024 کو ختم ہونے والے مالی سال میں شرح نمو 2.5 فیصد تک بحال ہونے کے ساتھ ہی ملکی معیشت مستحکم ہو رہی ہے۔ تاہم، جیسے جیسے معاشی استحکام جاری ہے، ہیکرو آئٹم خطرات اب بھی زیادہ ہیں، جو کہ مالیاتی ضروریات، معمولی زرمبادلہ کے ذخائر، زیادہ قرضے اور قرضے کی ادائیگی کی لاگت، مالیاتی شعبے کی کمزوریاں، اور بجلی کے شعبے میں نقصانات کی وجہ سے ہیں جو عمومی مالیات پر بوجھ بنے ہوئے ہیں۔

بحالی کے عمل کے لئے ضروری ہے کہ اسٹرکچرل اصلاحات کے منصوبے کو مستحکم طریقے سے نافذ کیا جائے تاکہ ترقی کی راہ میں موجود رکاوٹوں کو دور کیا جاسکے۔ اس میں غیر مساوی اور غیر موثر ٹیکس نظام میں اصلاحات، غیر ضروری اخراجات اور غیر ہدف شدہ سبسڈیز کو کم کرنا، معیشت میں ریاست کے بڑے کردار کو محدود کرنا، تجارت اور سرمایہ کاری میں رکاوٹوں اور توانائی کے شعبے میں نقصانات کو کم کرنا شامل ہیں۔

### صنعتی جائزہ

پاکستان کی معیشت میں ٹیکسٹائل انڈسٹری ہمیشہ سے ایک اہم شعبہ رہی ہے۔ جو قیام پاکستان کے بعد سے جی ڈی پی، روزگار، اور برآمدات میں نمایاں کردار ادا کرتی ہے۔ اس صنعت کو اقتصادی بحران اور سیاسی عدم استحکام کے باعث مشکلات کا سامنا ہے۔ پاکستان عالمی مواقع سے فائدہ اٹھانے میں ناکام رہا ہے کیونکہ اسے اپنی اندرونی مشکلات جیسے کہ توانائی کی زیادہ لاگت کا سامنا ہے۔ توانائی کے بحران کا حل نکالنا نہایت ضروری ہے۔ اس وقت بجلی کی قیمت پاکستان میں دہشتاں اور بھارت اور بنگلہ دیش جیسے مسابقتی ممالک کے مقابلے میں تقریباً دو گنی ہے، جو عالمی منڈی میں پاکستانی ٹیکسٹائل کی مسابقت پر براہ راست اثر ڈال رہی ہے۔ مزید برآں، بتایا جاتا ہے کہ ادائیگی میں غیر ضروری تاخیر اور برآمد کنندگان پر ایڈوائس انکم ٹیکس کی شرح میں اضافے نے کیش فلو پر شدید اثر ڈالا ہے جس کے نتیجے میں مالی اخراجات میں بھی اضافہ ہوا ہے۔

ششماہی سال جولائی تا دسمبر 2024 کے دوران برآمدات کا مجموعی حجم 16,639 ملین امریکی ڈالر رہا، جو گزشتہ سال کی اسی مدت کے دوران 14,985 ملین امریکی ڈالر تھا۔ اس طرح برآمدات میں 11.0 فیصد اضافہ ہوا ہے۔ ٹیکسٹائل کے شعبے کی برآمدات پہلے چھ ماہ میں 9.7 فیصد بڑھ کر 9.1 ملین امریکی ڈالر تک پہنچ گئیں، جبکہ گزشتہ سال اسی مدت میں یہ 8.28 ملین امریکی ڈالر تھیں۔

### آپریٹنگ نتائج کا جائزہ

31 دسمبر 2024 کو ختم ہونے والے ششماہی سال کی کارکردگی کا مختصر جائزہ درج ذیل ہے:

نصف سال کے اختتام پر نفع و نقصان کا بیان

دسمبر 2023	دسمبر 2024
--- (روپے 000' میں) ---	
34,838,129	28,248,791
خالص فروخت	

6,206,447	3,476,291	مجموعی منافع
971,235	(118,833)	ٹیکس سے پہلے (نقصان) / منافع
465,176	(374,501)	ٹیکس کے بعد (نقصان) / منافع
1.16	(0.94)	روپے فی شیئر (EPS) / (LPS)

کمپنی کی خالص فروخت میں 16.6 ارب روپے یعنی 19% کمی واقع ہوئی ہے، جو پچھلے سال کی اسی مدت کے مقابلے میں کم ہے۔ نتیجتاً ٹیکس کے بعد منافع میں مجموعی طور پر 840 ملین روپے کمی واقع ہوئی ہے۔

### مستقبل کا نقطہ نظر

بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) نے ملک کے اقتصادی منظر نامے پر نظر ثانی کرتے ہوئے 2025 کے لیے مجموعی قومی پیداوار (جی ڈی پی) کی شرح نمو کے تخمینے کو کم کر کے 3 فیصد کر دیا ہے، جو تین ماہ قبل 3.2 فیصد کی پیش گوئی کی گئی تھی۔ تاہم، 2026 کے لیے شرح نمو کا تخمینہ 4 فیصد برقرار رکھا گیا ہے۔

پاکستان نے تقریباً ایک سال تک پالیسی ریٹ کو 22 فیصد پر برقرار رکھنے کے بعد مائیکرو پالیسی کی معمول پر واپسی کا آغاز کیا۔ جنوری 2025 تک، مہنگائی کے دباؤ میں کمی کے باعث پالیسی ریٹ میں مجموعی طور پر 1000 بیسیس پوائنٹس کمی کی کر کے اسے 12 فیصد تک لایا گیا۔

ملک کا زیادہ عوامی قرضہ سود سے آمدنی کا بلند تناسب، اور کم سودی ذخائر کا احاطہ معیشت کو عالمی سود کی شرح میں اضافے اور توانائی کی بلند عالمی قیمتوں کے اثرات کے لیے کمزور بنا دیتا ہے۔ ایسے جھکے سرمائے کے اخراج، کرنسی کی قدر میں کمی، اور مالیاتی بحران کا سبب بن سکتے ہیں، جو حکومت کی ٹیکور ہونے والے قرضے کی دوبارہ فنانسنگ کی صلاحیت کو خطرے میں ڈال سکتے ہیں۔ مزید برآں، تجارتی مضر نامہ کی خطرات سے دوچار ہے، جن میں کمزور عالمی طلب، جغرافیائی سیاسی تناؤ، تجارتی پالیسی کی غیر یقینی صورتحال، اور مزید تخفیفاتی اقدامات کا امکان شامل ہے، جو تجارت اور اقتصادی سرگرمیوں کو مزید متاثر کر سکتے ہیں۔

صورت حال مجموعی طور پر ٹیکنیکل صنعت اور کمپنی کے لیے چیلنجنگ رہنے کی توقع ہے، پورے اور انتظامیہ اس مشکل وقت میں کمپنی کو کامیابی سے چلانے کی کوشش میں سرگرداں ہیں۔ کمپنی کو فوس اسٹی سرورس کی فراہمی پر ہے، جس کے لیے صارفین کے ساتھ قریبی رابطہ برقرار رکھا جا رہا ہے، جبکہ اگست میں مسابقت برقرار رکھنے کی بھی کوشش کی جا رہی ہے۔ اس کا مقصد صرف موجودہ کاروباری سطح کو محفوظ رکھنا ہے بلکہ ابھرتے ہوئے مواقع سے فائدہ اٹھانا بھی ہے۔

### اظہار تشکر

ہم اپنے معزز شیئر ہولڈرز، صارفین اور کاروباری شراکت داروں کا تہ دل سے شکریہ ادا کرتے ہیں جن کے مسلسل تعاون اور حمایت کی بدولت کمپنی ہر روز بہتر کارکردگی کے لیے کوشاں ہے۔ ہم کمپنی کے تمام ملازمین کی انتھک محنت، ثابت قدمی کے بھی معترف ہیں۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

عبدالرحمن یعقوب  
ڈائریکٹر

ربحان رحمن  
چیف ایگزیکٹو آفیسر  
کراچی، 27 فروری 2025



**Grant Thornton Anjum  
Rahman**

1st & 3rd Floor,  
Modern Motors House,  
Beaumont Road,  
Karachi, Pakistan.

**T** +92 21 35672951-56

**INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of Feroze1888 Mills Limited**

**Report on review of condensed interim financial statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Feroze1888 Mills Limited 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 changes in equity, and condensed interim statement of cash flows for the half year then ended, and notes to the condensed interim financial statements (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these 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 condensed 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.





#### Other Matters

The condensed interim financial statements for the half year ended 31 December 2023 and financial statements for the year ended 30 June 2024 were reviewed and audited respectively by EY Ford Rhodes, Chartered Accountants who expressed an unqualified conclusion and unqualified opinion thereon dated 29 February 2024 and 04 October 2024, respectively.

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

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



Chartered Accountants  
Place: Karachi  
Date: 28 February 2025  
UDIN: RR202410093DomxQNzCh

**FEROZE1888 MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

		Un-audited 31 December 2024	Audited 30 June 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	36,420,572	36,480,872
Intangible assets		107,247	67,320
Long term deposits		239,784	234,075
		<u>36,767,603</u>	<u>36,782,267</u>
<b>Current assets</b>			
Store and spares		2,700,563	2,953,568
Stock-in-trade	5	27,018,404	18,898,257
Trade debts	6	11,027,617	15,967,407
Advances, deposits, prepayments and other receivables		6,489,252	4,520,245
Taxation - net		634,455	218,463
Short-term investments	7	-	2,688,956
Cash and bank balances		540,070	1,054,766
		<u>48,410,361</u>	<u>44,101,662</u>
<b>Total assets</b>		<u><u>85,177,964</u></u>	<u><u>80,883,929</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital		4,000,000	4,000,000
Issued, subscribed and paid-up capital		3,994,090	3,994,090
Capital reserves		2,115,146	2,115,146
Revenue reserve		24,163,231	24,537,732
Revaluation surplus on property, plant and equipment		3,010,172	3,010,172
		<u>33,282,639</u>	<u>33,657,140</u>
<b>Non-current liabilities</b>			
Long term financing	8	6,080,369	6,573,385
Lease liabilities		67,587	143,596
Deferred liabilities		1,700,622	1,621,440
		<u>7,848,578</u>	<u>8,338,421</u>
<b>Current liabilities</b>			
Trade and other payables		9,959,885	10,910,875
Provisions		4,778,251	4,402,049
Short term borrowings	9	27,111,564	20,735,854
Current portion of long term financing	8	1,531,716	1,827,050
Current portion of lease liabilities		234,390	308,336
Current portion of deferred liabilities		108,584	113,326
Accrued mark-up		319,963	588,661
Unclaimed dividend		2,395	2,417
		<u>44,046,747</u>	<u>38,888,368</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>Total equity and liabilities</b>		<u><u>85,177,964</u></u>	<u><u>80,883,929</u></u>

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**FEROZE1888 MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Note	Half year ended		Quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		(Rupees in '000)			
Sales - net		28,248,791	34,838,129	12,545,881	17,139,170
Cost of sales	11	(24,772,500)	(28,631,682)	(11,223,986)	(14,626,303)
<b>Gross profit</b>		<b>3,476,291</b>	<b>6,206,447</b>	<b>1,321,895</b>	<b>2,512,867</b>
Administrative cost		(731,344)	(676,466)	(351,453)	(327,426)
Distribution cost		(1,908,759)	(2,448,382)	(732,760)	(1,155,839)
Other expenses		(39,311)	(512,250)	(17,495)	(379,838)
		<b>(2,679,414)</b>	<b>(3,637,098)</b>	<b>(1,101,708)</b>	<b>(1,863,103)</b>
		<b>796,877</b>	<b>2,569,349</b>	<b>220,187</b>	<b>649,764</b>
Other income	12	773,113	190,753	234,634	12,966
<b>Operating profit</b>		<b>1,569,990</b>	<b>2,760,102</b>	<b>454,821</b>	<b>662,730</b>
Finance cost		(1,688,823)	(1,788,867)	(778,580)	(974,082)
<b>(Loss) / profit before levies</b>		<b>(118,833)</b>	<b>971,235</b>	<b>(323,759)</b>	<b>(311,352)</b>
Levies		(255,668)	(506,059)	(53,436)	(229,382)
<b>Net (loss) / profit for the period</b>		<b>(374,501)</b>	<b>465,176</b>	<b>(377,195)</b>	<b>(540,734)</b>
<b>(Loss) / earning per share basic and diluted (Rupees)</b>		<b>(0.94)</b>	<b>1.16</b>	<b>(0.94)</b>	<b>(1.36)</b>

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

92

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**FEROZE1888 MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Half year ended		Quarter ended	
	31 December, 2024	31 December, 2023	31 December, 2024	31 December, 2023
	----- (Rupees in '000) -----			
Net (loss) / profit for the period	(374,501)	465,176	(377,195)	(540,734)
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(374,501)</b>	<b>465,176</b>	<b>(377,195)</b>	<b>(540,734)</b>

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

*g z*

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**FEROZE1888 MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

Share capital	Capital reserves		Revenue reserve	Revaluation surplus on property, plant and equipment	Total	
	Amalgamation reserve	Share premium	Accumulated profit			
----- (Rupees '000) -----						
Balance as at 30 June 2023 (Audited)	3,994,090	543,413	1,571,733	27,566,474	3,010,172	36,685,882
Final cash dividend for the year ended 30 June 2023 @ Rs. 8.88 per share	-	-	-	(3,546,752)	-	(3,546,752)
Net profit for the period	-	-	-	465,176	-	465,176
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	465,176	-	465,176
<b>Balance as at 31 December 2023 (Un-audited)</b>	<b>3,994,090</b>	<b>543,413</b>	<b>1,571,733</b>	<b>24,484,898</b>	<b>3,010,172</b>	<b>33,604,306</b>
Balance as at 30 June 2024 (Audited)	3,994,090	543,413	1,571,733	24,537,732	3,010,172	33,657,140
Net loss for the period	-	-	-	(374,501)	-	(374,501)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(374,501)	-	(374,501)
<b>Balance as at 31 December 2024 (Un-audited)</b>	<b>3,994,090</b>	<b>543,413</b>	<b>1,571,733</b>	<b>24,163,231</b>	<b>3,010,172</b>	<b>33,282,639</b>

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

G

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**FEROZE1888 MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	31 December 2024	31 December 2023
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(118,833)	971,235
<b>Adjustment for:</b>		
Depreciation	1,506,149	1,425,824
Amortization	2,940	2,989
Write-off of property, plant and equipment	-	19,557
Finance cost	1,688,823	1,834,619
Provision for gratuity	276,204	193,267
Allowance for ECL	(12)	145
Profit on bank balances	(19,669)	(29,869)
Dividend income	(39,636)	(157,099)
Loss / (gain) on disposal of operating fixed assets	1,251	(3,640)
	<b>3,416,050</b>	<b>3,285,793</b>
<b>Working capital changes</b>		
Stores and spares	253,005	(1,098,629)
Stock in trade	(10,320,147)	(4,779,395)
Trade debts	4,939,802	656,344
Advances, deposits, prepayments and other receivables	(1,969,007)	1,504,568
Trade and other payables	(950,990)	(295,593)
	<b>(4,750,120)</b>	<b>244,323</b>
Finance cost paid	(1,957,521)	(1,536,227)
Income tax paid	(671,661)	(385,800)
Gratuity paid	(143,876)	(34,614)
Long-term deposits - net	(5,709)	(6,084)
Provisions made during the year	376,202	198,567
<b>Net cash used in operating activities</b>	<b>(7,152,685)</b>	<b>(1,519,835)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(1,519,573)	(2,994,392)
Proceeds from disposal of operating fixed assets	29,606	9,445
Short-term investments redeemed	2,728,592	4,519,686
Profit received on bank balances	19,669	29,869
<b>Net cash generated from investing activities</b>	<b>1,258,294</b>	<b>1,564,608</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(22)	(3,546,431)
Lease rentals paid	(149,955)	(208,492)
Short term borrowings - net	6,375,908	3,374,425
Long term financing - net	(846,236)	(532,619)
<b>Net cash generated from / (used in) financing activities</b>	<b>5,379,695</b>	<b>(913,117)</b>
<b>Net decrease in cash and cash equivalent</b>	<b>(514,696)</b>	<b>(868,344)</b>
Cash and cash equivalent at beginning of the period	1,054,766	1,336,630
<b>Cash and cash equivalent at end of the period</b>	<b>540,070</b>	<b>468,286</b>

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**1 THE COMPANY AND ITS OPERATIONS**

Feroze1888 Mills Limited (the Company) was incorporated in Pakistan as a Public Limited Company in October 1972 under the Companies Act, VII of 1913 (repealed with the enactment of the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in production and export of towels. The registered office of the Company is situated at H-23/4-A Scheme # 3, Landhi Industrial Area, Karachi.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial statements of the Company for six-months period ended 31 December 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Act;
- 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.

**2.2** These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024.

**2.3** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Act. Further, the figures of the condensed interim statement of profit and loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed.

**3 ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK POLICIES**

The accounting policies, estimates, judgements and financial risk policies used in these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2024.

FEROZE1888 MILLS LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	(Un-audited)	(Audited)
		31 December 2024	30 June 2024
----- (Rupees in '000) -----			
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	30,606,176	29,460,698
Capital work-in-progress	4.2	5,584,792	6,666,574
Right of use asset		229,604	353,600
		<u>36,420,572</u>	<u>36,480,872</u>

**4.1 Operating fixed assets**

Balance at the beginning of the period / year		29,460,698	26,600,371
Addition during the period / year	4.1.1	<u>2,558,480</u>	<u>5,400,766</u>
		32,019,178	32,001,137
Disposals / write-offs during the period / year - NBV	4.1.1	(30,848)	(36,314)
Depreciation charged during the period / year		<u>(1,382,153)</u>	<u>(2,504,125)</u>
		(1,413,001)	(2,540,439)
Balance at the end of the period / year		<u>30,606,176</u>	<u>29,460,698</u>

4.1.1 Details of addition and disposal are as follows:

	Additions (Cost)		Disposal / write-offs (NBV)	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
----- Rupees in '000 -----				
Land - Leasehold	75,965	-	-	-
Building on leasehold land	1,058,219	1,157,001	-	-
Plant and machinery	1,287,784	3,920,861	(28,467)	(30,612)
Electric fittings / equipments	77,621	211,523	-	(393)
Office equipments	18,981	39,446	(317)	(2,117)
Computers	17,498	42,127	-	(355)
Furniture and fixtures	4,160	15,413	-	(705)
Vehicles	18,252	14,395	(2,065)	(2,132)
	<u>2,558,480</u>	<u>5,400,766</u>	<u>(30,848)</u>	<u>(36,314)</u>

**4.2 Capital work-in-progress**

	(Un-audited)	(Audited)
	31 December 2024	30 June 2024
----- (Rupees in '000) -----		
Balance at the beginning of the period / year	6,666,574	6,668,148
Additions during the period / year	<u>1,308,026</u>	<u>5,225,325</u>
	7,974,600	11,893,473
Transferred to operating fixed assets	<u>(2,389,808)</u>	<u>(5,226,899)</u>
Balance at the end of the period / year	<u>5,584,792</u>	<u>6,666,574</u>



**FEROZE1888 MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

		<u>(Un-audited)</u>	<u>(Audited)</u>
		31 December	30 June
		2024	2024
		----- (Rupees in '000) -----	
<b>5</b>	<b>STOCK-IN-TRADE</b>		
	Raw material in:		
	- hand	9,371,391	4,407,269
	- transit	<u>5,065,413</u>	<u>2,482,302</u>
		<u>14,436,804</u>	<u>6,889,571</u>
	Work-in-progress	6,767,779	5,648,309
	Finished goods	<u>5,813,821</u>	<u>4,160,377</u>
		<u><u>27,018,404</u></u>	<u><u>16,698,257</u></u>
<b>6</b>	<b>TRADE DEBTS</b>		
	<b>Considered good</b>		
	Export	10,867,414	15,809,572
	Local	<u>160,203</u>	<u>157,835</u>
		<u>11,027,617</u>	<u>15,967,407</u>
	Considered doubtful	<u>68,467</u>	<u>68,455</u>
	Allowance for ECL	<u>(68,467)</u>	<u>(68,455)</u>
		<u><u>11,027,617</u></u>	<u><u>15,967,407</u></u>
6.1	Include Rs. 869 million (30 June 2024: Rs. 1,557 million) and Rs. 1.8 million (30 June 2024: Rs. 100 million) due from 1888 Mills LLC and Premier 1888 Limited (related parties) respectively.		

7 SHORT TERM INVESTMENTS

The Company held investments in Open Ended Shariah Compliant mutual funds which were fully matured during the period.

		(Un-audited) 31 December 2024	(Audited) 30 June 2024
8 LONG TERM FINANCING	Note	----- (Rupees in '000) -----	
<b>Conventional</b>			
Long Term Finance Facility		2,115,704	2,617,010
Temporary Economic Refinance Facility		3,594,862	3,882,793
Renewable Solar Financing Scheme		<u>622,053</u>	<u>556,223</u>
		<u>6,332,619</u>	<u>7,056,026</u>
<b>Islamic</b>			
Long Term Finance Facility		53,880	76,980
Temporary Economic Refinance Facility		1,112,586	1,154,429
Renewable Solar Financing Scheme		<u>113,000</u>	<u>113,000</u>
		<u>1,279,466</u>	<u>1,344,409</u>
Less: Current portion		<u>(1,531,716)</u>	<u>(1,827,050)</u>
		<u>6,080,369</u>	<u>6,573,385</u>

		(Un-audited) 31 December 2024	(Audited) 30 June 2024
9 SHORT TERM BORROWINGS	Note	----- (Rupees in '000) -----	
<b>Conventional</b>			
Export re-finance		10,250,000	14,729,000
Foreign exchange loans against import facilities	9.1	<u>7,143,629</u>	<u>840,654</u>
		<u>17,393,629</u>	<u>15,569,654</u>
<b>Islamic</b>			
Export re-finance		5,150,000	5,166,000
Foreign exchange loans against import facilities	9.1	4,090,915	-
Foreign exchange loans against export bills	9.2	<u>477,020</u>	<u>-</u>
		<u>9,717,935</u>	<u>5,166,000</u>
		<u>27,111,564</u>	<u>20,735,654</u>

9.1 Represent foreign exchange loans from various conventional and Islamic banks carrying mark-up at the rates ranging from 5.25% to 8.80% (30 June 2024: 6% to 7%) per annum.

9.2 Represents foreign exchange loan from Islamic bank carrying mark-up rate of 6% per annum.

10 CONTINGENCIES AND COMMITMENTS

There are no material changes in the status of contingencies and commitments as reported in the annual financial statements for the year ended June 30, 2024

**FEROZE1888 MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Note	(Un-audited)		(Un-audited)	
		Half year ended		Quarter Ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		----- Rupees in '000 -----			
<b>11 COST OF SALES</b>					
Opening stock of finished goods		4,160,377	3,087,914	4,854,740	2,670,603
Cost of goods manufactured	11.1	26,425,944	29,050,576	12,183,066	15,473,654
		<u>30,586,321</u>	<u>32,138,490</u>	<u>17,037,806</u>	<u>18,144,257</u>
Closing stock of finished goods		(5,813,821)	(3,506,808)	(5,813,821)	(3,506,808)
		<u>24,772,500</u>	<u>28,631,682</u>	<u>11,223,986</u>	<u>14,626,303</u>
<b>11.1 Cost of goods manufactured</b>					
Raw material consumed	11.1.1	13,742,690	16,926,598	5,936,695	8,516,466
Stores and spares consumed		3,138,536	3,855,810	1,635,101	2,142,230
Salaries, wages and other benefits		5,173,256	4,665,228	2,537,310	2,289,465
Fuel, power and water		3,705,780	3,189,590	1,825,515	1,839,280
Repair and maintenance		132,517	124,359	70,853	96,681
Communication and transportation		87,787	110,044	32,940	63,841
Depreciation		1,447,849	1,369,096	737,847	701,121
Amortization		2,940	2,989	1,470	1,494
Others		114,059	129,907	69,267	78,105
		<u>27,545,414</u>	<u>30,373,621</u>	<u>12,846,998</u>	<u>15,728,683</u>
Opening work-in-process		5,648,309	4,172,233	6,103,847	5,240,249
Closing work-in-process		(6,767,779)	(5,495,278)	(6,767,779)	(5,495,278)
		<u>26,425,944</u>	<u>29,050,576</u>	<u>12,183,066</u>	<u>15,473,654</u>
<b>11.1.1 Raw material consumed</b>					
Opening stock		6,889,572	8,189,437	6,687,378	11,600,993
Purchases during the period		21,289,922	19,964,053	13,686,121	8,142,365
		<u>28,179,494</u>	<u>28,153,490</u>	<u>20,373,499</u>	<u>19,743,358</u>
Closing stock		(14,436,804)	(11,226,893)	(14,436,804)	(11,226,893)
		<u>13,742,690</u>	<u>16,926,598</u>	<u>5,936,695</u>	<u>8,516,466</u>

**12 OTHER INCOME**

Includes exchange gain of Rs. 714 million (31 December 2023: exchange loss of Rs. 424 million).

**13 TRANSACTIONS WITH RELATED PARTIES**

Related parties of the Company comprise associated companies, directors, major shareholders of the Company, key management personnel and staff provident fund and gratuity fund. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

	(Un-audited)		(Un-audited)	
	Half year ended		Quarter Ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>Associated companies</b>	----- Rupees in '000 -----			
Sales	<u>2,784,736</u>	<u>3,442,976</u>	<u>838,960</u>	<u>1,917,257</u>
Purchases	<u>10,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
Marketing fee	<u>1,002,259</u>	<u>1,256,685</u>	<u>450,818</u>	<u>591,089</u>
Lease rentals	<u>132,238</u>	<u>120,658</u>	<u>63,453</u>	<u>60,031</u>
Rent expense	<u>4,829</u>	<u>3,799</u>	<u>2,181</u>	<u>3,162</u>
Donation	<u>1,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
<b>Directors</b>				
Meeting fee	<u>9,806</u>	<u>12,842</u>	<u>3,839</u>	<u>4,405</u>
<b>Key management personnel</b>				
Remuneration paid	<u>55,728</u>	<u>61,881</u>	<u>26,348</u>	<u>36,707</u>
Post-employment benefits	<u>3,106</u>	<u>3,127</u>	<u>1,553</u>	<u>1,858</u>
<b>Other related parties</b>				
Contribution to staff provident fund	<u>89,312</u>	<u>96,096</u>	<u>44,631</u>	<u>50,606</u>
Contribution to staff gratuity fund	<u>276,204</u>	<u>193,267</u>	<u>138,102</u>	<u>96,633</u>

FEROZE1888 MILLS LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

---

**14 FAIR VALUE OF ASSETS AND LIABILITIES**

There were no transfers amongst level of fair value analysis of financial assets and liabilities during the period.

**15 OPERATING SEGMENTS**

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

Revenue from export sales represents 96% (31 December 2023: 98%) of the total gross revenue of the Company.

All non-current assets of the Company as at 31 December 2024 are located in Pakistan.

Sales made by the Company to its two major customers during the period constituted 41% (31 December 2023: 48%) of total sales.

**16 DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on February 27, 2025 by the Board of Directors of the Company.

**17 GENERAL**

Figures have been rounded-off to the nearest thousand rupees, unless otherwise stated.

92

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director