



Personal Care & Hygiene Products Company

Quarterly Report

January - September

2024

Content

Company Information	02
Directors' Review	03
Condensed Interim Statement of Financial Position (Un-audited)	04
Condensed Interim Statement of Profit or Loss (Un-audited)	05
Condensed Interim Statement of Comprehensive Income (Un-audited)	06
Condensed Interim Statement of Cash Flows (Un-audited)	07
Condensed Interim Statement of Changes in Equity (Un-audited)	08
Notes to the Condensed Interim Financial Statements (Un-audited)	09



Company Information

Board of Directors

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

Mr. Mubashir Hasan Ansari
Executive Director & Chief Executive Officer

Mrs. Feriel 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. Feriel Ali-Mehdi
Member

Mr. Ahsan Rashid
Member

Human Resource and Remuneration Committee

Mr. Ahsan Rashid
Chairman

Mrs. Feriel 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 announce the unaudited financial results of the Company for the nine-month period ended Sep 30, 2024.

Company's operating performance:

The Company achieved growth of 12% with a net sales value of PKR 4.71 billion compared to the corresponding period last year. This revenue growth was driven by higher investments in Marketing and Sales, and an improved sales mix.

Higher sales, improvement in product mix and smart procurement of raw materials has led to a gross profit of PKR 1,314M for the Company. However, the gross profit margin was lower compared to last year as a result of price rationalization.

The Company has boosted its investment in Marketing and Sales significantly as a part of its strategy to drive volume growth, especially for the long-term development of the business. This demonstrates the Company's dedication to brand investment and is expected to continue in the future as well. Moreover, the Company has expanded its distribution, particularly within the retail sector, and bolstered its salesforce to improve customer service and enhance oversight of sales operations. As a result, selling and distribution expenses have increased significantly throughout the current period. However, the marketing and sales investments have started to bear fruit, as the Company achieved significant volume growth over same period last year despite challenging business environment. Expenses related to administration rose as a result of an increase in emoluments, professional fee and travel costs. Consequently, the Company achieved a positive bottom line with a reported after-tax profit of PKR 10 million.

Financial Performance at a Glance:

	YTD Sep-24	YTD Sep-23
	PKR	
Net Sales Value	4.71Bn	4.19Bn
Gross Profit	1,314M	1,231M
Gross Profit %	27.9%	29.4%
Sales, Marketing & Distribution Expenses	875M	449M
Profit before taxation	63M	398M
Profit after taxation	10M	227M
Earnings per share - Rupees	1.68	37.04

Future Outlook:

Despite some positive economic indicators such as a steady exchange rate and a decrease in interest rates by the State Bank of Pakistan, inflation continues to remain a concern, coupled with a general slowdown in the overall business environment, which has been further worsened by the imposition of high taxes in the last federal budget. The challenging future environment is also influenced by rise in commodity prices from increasing global conflicts. The Company's management continually evaluates circumstances and takes prompt action to address issues for sustained growth. They will remain focused on maximizing value chain potential, monitoring consumer pricing for competitiveness, providing well-valued product options, and enhancing customer satisfaction to increase market penetration.

Acknowledgement:

The Board appreciates all employees of the Company for their dedication, hard work, and innovation, all of which have played a significant role in expanding Company's business. The Board also extends its deepest appreciation to the Company's esteemed business partners, such as consumers, distributors, dealers, financial institutions, suppliers, and all other stakeholders, for their ongoing support.

For and on behalf of the Board of Directors

Mubashir Hasan Ansari
CEO / Director

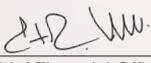
Karachi: October 21, 2024



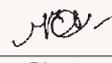
Condensed Interim Statement of Financial Position As at September 30, 2024

		September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	Note	(Rs. in '000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,255,528	1,170,070
Intangible asset		4,669	5,094
Long term deposits		23,743	12,286
Long term loans to employees		1,059	934
		<u>1,285,000</u>	<u>1,188,384</u>
CURRENT ASSETS			
Stock-in-trade	7	742,482	676,181
Trade debts	8	273,178	231,219
Advances, prepayments and other receivables	9	119,446	159,131
Short term investments	10	-	176,243
Cash and bank balances	11	222,523	127,293
		<u>1,357,628</u>	<u>1,370,067</u>
Assets classified as held for sale	12	578,555	588,362
		<u>3,221,183</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		<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		946,793	958,870
Revenue reserves			
General reserves		6,000	6,000
Unappropriated profit		<u>208,859</u>	<u>198,758</u>
		<u>1,222,878</u>	<u>1,224,854</u>
NON-CURRENT LIABILITIES			
Long term loan	13	708	6,228
Deferred taxation		196,069	204,010
Deferred staff liabilities		173,659	151,089
Lease liabilities		47,503	61,139
		<u>417,939</u>	<u>422,466</u>
CURRENT LIABILITIES			
Trade and other payables	14	1,249,488	1,169,205
Current maturity of long term liabilities		21,410	125,594
Contract liabilities		79,842	83,368
Short term borrowings	15	131,846	-
Taxation		96,295	119,916
Unclaimed dividends		1,485	1,410
		<u>1,580,366</u>	<u>1,499,493</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	16	<u>3,221,183</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 nine month ended September 30, 2024

	Note	Nine month ended		Quarter ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Rupees in '000)					
Sales - net	17	4,709,221	4,194,141	1,697,124	1,641,464
Cost of sales	18	(3,395,619)	(2,963,280)	(1,203,334)	(1,149,389)
Gross profit		1,313,602	1,230,861	493,790	492,075
Selling and distribution expenses		(875,138)	(449,412)	(331,256)	(175,605)
Administrative expenses		(295,484)	(227,307)	(98,671)	(91,274)
		(1,170,622)	(676,719)	(429,928)	(266,879)
Other income		14,683	12,370	4,957	5,392
		157,662	566,512	68,819	230,587
Other charges		(5,499)	(75,730)	(3,504)	(26,292)
Financial charges		(88,994)	(92,449)	(29,078)	(32,163)
		(94,493)	(168,179)	(32,581)	(58,454)
Profit/(loss) before tax and minimum tax differential		63,169	398,333	36,238	172,133
Minimum tax differential	19	(29,525)	-	(7,582)	-
Profit/(loss) before tax		33,644	398,333	28,656	172,133
Taxation					
Current - For the year		(30,853)	(170,567)	(15,143)	(89,141)
- Prior year		(463)	(402)	-	-
Deferred		7,942	(566)	241	(1,632)
		(23,375)	(171,535)	(14,902)	(90,773)
Profit after tax for the period		10,269	226,798	13,754	81,360
Earnings per share - basic and diluted (Rupees)		1.68	37.04	2.25	13.29

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 nine month ended September 30, 2024**

	<u>Nine month ended</u>		<u>Quarter ended</u>	
	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>----- (Rupees in '000) -----</u>			
Profit for the period	10,269	226,798	13,754	81,360
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>10,269</u>	<u>226,798</u>	<u>13,754</u>	<u>81,360</u>

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


Chief Financial Officer


Chief Executive Officer

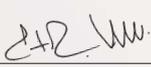

Director



Condensed Interim Statement of Cash Flows (Un-audited) For the nine month ended September 30, 2024

	September 30, 2024	September 30, 2023
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	63,169	398,333
Adjustments for:		
Depreciation and amortization	89,861	65,011
Provision of slow moving obsolete stock	-	(7,711)
Provision against staff gratuity	54,883	33,885
Provision against other staff retirement benefits	-	493
Return on bank deposit	(4,409)	(652)
Dividend income on short term Investments	(7,350)	(5,293)
Finance costs	88,994	92,309
Loss on disposal of operating fixed assets	1,037	19
	<u>223,016</u>	<u>178,061</u>
Profit before working capital changes	286,185	576,394
Working Capital Changes		
Decrease/(increase) in current assets:		
Stock-in-trade	(66,306)	(140,072)
Trade debts	(41,959)	(93,514)
Loans to employees	626	(1,490)
Long term deposits	(1,650)	(6,310)
Advances, prepayments and other receivables	16,846	(127,053)
	<u>(92,443)</u>	<u>(368,439)</u>
Increase/(decrease) in current liabilities:		
Contract liabilities	3,526	(14,437)
Trade and other payables	72,753	279,425
	<u>76,279</u>	<u>264,988</u>
	270,021	472,943
Income taxes paid	(61,130)	(48,038)
Staff gratuity paid	(32,314)	(2,324)
Other staff retirement benefits paid	-	(325)
Return received on bank deposits - under markup arrangements	4,409	651
Dividend received on short term Investments	7,350	5,293
Finance costs paid	(79,738)	(85,651)
	<u>(161,423)</u>	<u>(130,394)</u>
Net cash flows from operating activities	108,598	342,549
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in capital expenditure	(182,767)	(149,859)
Proceeds from disposal of operating fixed assets	6,831	434
Short term investments	175,000	4,520
Net cash flows (used in) / generated from investing activities	(937)	(144,905)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease repayment	(27,915)	(23,030)
Long term loan Repaid	(104,191)	1,069
Short term loan received	131,846	-
Dividend paid	(12,171)	-
Net cash (used in) / generated from financing activities	(12,431)	(21,961)
Net increase in cash and cash equivalents	95,230	175,683
Cash and cash equivalents at the beginning of the period	127,293	73,356
Cash and cash equivalents at the end of the period	<u>222,523</u>	<u>249,039</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 nine month ended September 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	-	-	-	226,798	226,798	226,798
Other comprehensive income						
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(12,121)	-	12,121	12,121	-
	-	(12,121)	-	238,919	238,919	226,798

Balance as at September 30, 2023 (unaudited) 61,226 964,623 6,000 174,825 180,825 1,206,674

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

Profit for the period	-	-	-	10,269	10,269	10,269
Other comprehensive income						
Transferred from surplus on revaluation of property, plant and equipment - net of tax (incremental depreciation)	-	(12,077)	-	12,077	12,077	-
	-	(12,077)	-	22,347	22,347	10,269

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

Balance as at September 30, 2024 (unaudited) 61,226 946,793 6,000 208,859 214,859 1,222,878

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 nine month ended September 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, 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 nine month ended September 30, 2024

These condensed interim financial statements of the Company for the nine month ended September 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 nine month ended September 30, 2023.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the nine month ended September 30, 2024 and September 30, 2023 and notes forming part thereof have not been reviewed by the auditors of the Company.

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 nine month ended September 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 nine month ended September 30, 2024

5.1 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 as a result of applying "Approach 2" 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 nine month ended September 30, 2024**

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
6 PROPERTY, PLANT AND EQUIPMENT			
(Rs. in '000)			
Owned assets	6.1	1,109,989	1,046,498
Right-of-use assets	6.2	54,652	73,700
Capital work in progress	6.3	90,887	49,872
		<u>1,255,528</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	140,721	240,177
		1,187,219	1,126,848
Disposals (at NBV) during the period / year	6.1.2	(7,873)	(12,552)
Depreciation charged during the period / year		(69,357)	(67,798)
		(77,230)	(80,350)
Closing net book value (NBV)		<u>1,109,989</u>	<u>1,046,498</u>

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

Owned			
Building on leasehold land		-	36,507
Plant and machinery		7,607	19,105
Furniture and fixtures		17,359	2,764
Dies and change part		600	2,400
Vehicles		100,395	154,654
Computers		14,760	24,747
		<u>140,721</u>	<u>240,177</u>

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

Plant and machinery		195	61
Furniture and Fixtures		-	52
Computers		112	783
Vehicles		7,566	11,656
		<u>7,873</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 land 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 nine month ended September 30, 2024**

Note	September 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>(19,048)</u>	<u>(22,145)</u>
	<u>54,652</u>	<u>73,700</u>
6.3 Capital work in progress		
Building on leasehold land	40,076	40,076
Vehicles	47,263	12
Plant, machinery and equipment	885	9
Furniture & Fixtures	852	9,775
Computers	1,812	-
6.3.1	<u>90,887</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	182,767	182,177
Transferred to operating fixed asset and intangibles	<u>(140,721)</u>	<u>(235,812)</u>
Balance at the end of the period / year	<u>91,918</u>	<u>49,872</u>
7 STOCK IN TRADE		
Raw material		
In hand	155,658	162,635
In transit	<u>64,910</u>	<u>92,776</u>
	220,567	255,411
Packing material	59,773	48,336
Finished goods	<u>464,740</u>	<u>375,033</u>
	745,081	678,780
Provision for slow moving inventory	<u>(2,599)</u>	<u>(2,599)</u>
	<u>742,482</u>	<u>676,181</u>
8 TRADE DEBTS		
Unsecured - considered good	273,178	231,219
Considered doubtful	<u>9,397</u>	<u>9,397</u>
	282,575	240,616
Less: allowance for expected credit loss	<u>(9,397)</u>	<u>(9,397)</u>
	<u>273,178</u>	<u>231,219</u>



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the nine month ended September 30, 2024**

Note **September 30, 2024** (Un-audited) **December 31, 2023** (Audited)
(Rs. in '000)

9 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Considered good

Advance taxation	112,303	135,634
Advances to suppliers and contractors	793	79
LC margin against imports	-	16,161
Current maturity of loans to employees	1,827	2,578
Prepayments	4,006	877
Other receivables	516	3,802
	<u>119,446</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>119,446</u>	<u>159,131</u>

10 SHORT TERM INVESTMENTS

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

11 CASH AND BANK BALANCES

Cash in hand		196	216
Cash with banks			
Current / Collection accounts		215,334	120,933
PLS saving accounts	11.1	6,993	6,144
		<u>222,327</u>	<u>127,077</u>
		<u>222,523</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 nine month ended September 30, 2024**

	September 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
	<u>578,555</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 completely during the period despite the excessive efforts of the management.

Company entered into a contract with a buyer for the disposal of some plant, machinery and related assets; delivery of some of those assets have already been completed and related remittance have appropriately been disclosed in note number 14. Since it is decided to shift the SSGC connection to new location, so deposit related to SSGC moved from non current assets held for sale to long term deposits

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
		(Rs. in '000)	
13 LONG TERM LOAN			
Diminishing musharaka	13.1	4,675	8,870
Loan from director	13.2	-	100,000
		<u>4,675</u>	<u>108,870</u>
Less: current maturity shown under current liability		<u>(3,966)</u>	<u>(102,642)</u>
		<u>708</u>	<u>6,228</u>



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the nine month ended September 30, 2024**

- 13.1** The Company had acquired vehicles under diminishing musharka agreement from First Habib Modaraba. The arrangement 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	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
		(Rs. in '000)	
14 TRADE AND OTHER PAYABLES			
Trade creditors		712,507	835,638
Accrued expenses		345,139	262,959
Sales tax payable		44,600	31,132
Deduction on account of vehicles for the employees		9,210	4,738
Accrued mark-up on short term borrowings		623	1,836
Workers' welfare fund		5,631	9,162
Workers' profit participation fund		3,530	2,770
Deposit against held for sale assets		108,862	20,000
Other liabilities		19,386	970
		<u>1,249,488</u>	<u>1,169,205</u>
15 SHORT TERM BORROWINGS			
From banking companies - secured			
Salam financing	15.1	100,000	-
From New Future Consumer International LLC	15.3	31,846	-
		<u>131,846</u>	<u>-</u>



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the nine month ended September 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. The facility is valid up to April 30, 2025 and is generally renewable.
- 15.2** At September 30, 2024, unutilised letter of credit facilities from certain banks amounted to Rs.86 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. 132.6 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. 29.106 million (December 31, 2023: Rs. 52.953 million).

	Nine month ended		Quarter ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----			

17 SALES - NET

Gross sales	6,616,358	5,738,123	2,385,737	2,278,425
Sales tax	(1,113,057)	(955,480)	(401,924)	(382,285)
Trade discount	(792,404)	(588,434)	(286,413)	(254,676)
Sales return and rebate	(1,677)	(68)	(276)	-
	(1,907,137)	(1,543,982)	(688,613)	(636,961)
Net sales	4,709,221	4,194,141	1,697,124	1,641,464



**Notes to the Condensed Interim
Financial Statements (Un-audited)
For the nine month ended September 30, 2024**

	Nine month ended		Quarter ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	(Un-audited)		(Un-audited)	
	----- (Rupees in '000) -----			
18 COST OF SALES				
Raw & packing material consumed	3,194,464	2,932,023	1,166,229	1,064,765
Salaries, wages and benefits	93,324	86,463	30,345	32,119
Goods purchased for resale	114,160	98,225	45,613	36,287
Depreciation and amortisation	31,202	26,509	11,340	9,003
Fuel and power	4,082	3,693	699	1,436
Freight and handling charges	7,290	3,902	3,162	1,792
Stores and spares consumed	3,294	2,250	1,295	1,056
Rent, rates and taxes	12,909	16,126	9,089	6,174
Travelling and conveyance	12,089	6,026	3,163	2,497
Insurance	1,693	1,543	636	544
Repair and maintenance	266	397	198	57
Postage and telephones	311	327	101	129
Legal and professional charges	234	70	174	48
Printing and stationery	75	111	24	54
Subscription charges	360	626	1	-
Prov for slow moving stock-in-trade	-	1,278	-	278
Product research and development	6,804	4,494	1,161	1,782
Others	2,768	2,244	752	665
	3,485,326	3,186,309	1,273,982	1,158,688
Opening work in process	-	1,550	-	-
Closing work in process	-	-	-	-
	-	1,550	-	-
Cost of goods manufactured	3,485,326	3,187,859	1,273,982	1,158,688
Opening stock of finished goods	375,033	269,227	394,092	484,507
Closing stock of finished goods	(464,740)	(493,806)	(464,740)	(493,806)
	(89,707)	(224,579)	(70,648)	(9,299)
	3,395,619	2,963,280	1,203,334	1,149,389

19 MINIMUM TAX DIFFERENTIAL

This represents portion of minimum tax payable 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 nine month ended September 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).

	Nine months ended	
	September 30, 2024	September 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 16,269	10,484
Directors and chief executive officer (key management personnel)		
Remuneration	20.4 59,423	48,390
Other directors remuneration -meeting fees	20.4 1,920	750
Repayment of long term loan to a Director	100,000	-
Interest on loan from director	4,840	15,177
Dividend paid	1,230	-
Other key management personnel		
Managerial remuneration (excluding directors and chief executive officer)	242,843	121,726

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 nine month ended September 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 October 21, 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