

A grayscale photograph of a large, modern industrial building with a grid-like facade of windows and panels. The ADM logo is visible on the upper part of the building. In the foreground, there is a parking lot with several cars and some greenery. The image is framed by dark blue corners with light blue diagonal stripes.

# **HALF YEARLY REPORT**

**DECEMBER 31, 2020**

---

Leading Supplier of Premium Denim  
Fabric and Garments in the World.

## CONTENTS

COMPANY INFORMATION .....	2
DIRECTORS' REVIEW REPORT TO THE MEMBERS .....	3
INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS.....	5
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION .....	6
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS .....	7
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME .....	8
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY .....	9
CONDENSED INTERIM STATEMENT OF CASH FLOWS .....	10
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS .....	11

## COMPANY INFORMATION

### Board of Directors

Chief Executive  
Chairman  
Directors

Mr. Muhammad Faisal Ahmed  
Mr. Muhammad Iqbal Ahmed  
Mr. Muhammad Yousuf Ahmed  
Mr. Muhammad Ali Ahmed  
Ms. Zahra Faisal Ahmed  
Mr. Mujeebullah Khan  
Mr. Yazdani Zia

### Audit Committee

Chairman  
Members

Mr. Mujeebullah Khan  
Mr. Muhammad Iqbal Ahmed  
Mr. Muhammad Ali Ahmed

### Human Resource and Remuneration Committee

Chairman  
Members

Mr. Yazdani Zia  
Mr. Muhammad Faisal Ahmed  
Ms. Zahra Faisal Ahmed

### Chief Financial Officer

Mr. Sagheer Ahmed

### Company Secretary

Mr. Muhammad Ozair Qureshi

### Chief Internal Auditor

Mr. Salman Arif

### Auditors

M/s. Reanda Haroon Zakaria & Company  
Chartered Accountants

### Legal Advisor

Monawwer Ghani  
Advocate

### Share Registrar

M/s F.D. Registrar Services (SMC Pvt.) Limited  
17th Floor, Saima Trade Tower-A,  
I.I. Chundrigar Road, Karachi.  
Tel: (+92-21) 35478192-3 / 32271905-6

### Bankers

Allied Bank Limited  
Bank Al Habib Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited  
Woori Bank

### Registered Office and Factory

Plot No. 5-9, 23-26, Sector 16,  
Korangi Industrial Area, Karachi.  
UAN: 111 236 236, Fax No. 3505 4652  
[www.admdenim.com](http://www.admdenim.com)

## DIRECTORS' REVIEW

The Directors of **Artistic Denim Mills Limited** ("the Company") are pleased to present the Directors' Review Report along with the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2020.

### PERIOD UNDER REVIEW

The summarized un-audited financial results for the Company for the half year ended December 31, 2020 are as follows:

	December 31, 2020 Rs. in ('000')	December 31, 2019 Rs. in ('000')
Net Sales	<b>4,449,803</b>	4,380,461
Gross profit	<b>665,807</b>	557,867
Other operating expenses	<b>153,099</b>	152,871
Finance costs	<b>103,846</b>	74,115
Net Profit	<b>219,902</b>	158,116
EPS (Rs. per share)	<b>2.62</b>	1.88

Despite challenging business environment filled with potential adverse implications of COVID-19 pandemic on the economy, your Company's performance during the period under consideration has remained satisfactory. During the half year under review, the Company's business achieved net sales of Rs. 4,450 million and gross profit of Rs. 666 million compared to a net sales of Rs. 4,380 million and gross profit of Rs. 558 million in the corresponding period of the last year, witnessing an increase of 1.58% in the net sales and 19.35% in gross profit respectively. The increase in sales was driven mainly by product mix, volume growth and aggressive marketing efforts and increase in gross profit was mainly due to cost controls put in place and synergies through consolidation of manufacturing facilities. However, other operating expenses were recorded at Rs. 153.099 million due to realized/unrealized exchange loss on export proceeds which eroded the profits of the Company notably. Finance costs recorded an increase of Rs. 29.731 million due to increase in working capital requirements. Net profit for the period was Rs. 219.902 million increasing by 39.08% compared to the same period of the last year, leading to earnings per share of Rs. 2.62 (December 31, 2019 Rs. 1.88).

### FUTURE OUTLOOK

Looking ahead, we are optimistic as the sector has recovered from COVID related slowdown, the management foresees positive growth trend in the second half of the financial year 2020-21 as observed in the first half of the current financial year. Growing volume and controlling the cost base remain key objectives for increasing the Company's profitability. The management expects that Pakistan's exports will increase significantly in the next six months and economy will improve further.

The textile sector is highly sensitive to energy outages, so given Pakistan's troubled energy sector, these matters ballooned into a large-scale hindrance in its growth and made it difficult to meet costs. Further, high quality cotton rates increased to Rs.11,000 per maund, which is the highest level in the last 10 years so rising raw material prices will be another challenge for the industry. Despite the adverse effects of the first and second COVID-19 waves, the textile exports were recorded at \$7.4 billion in July-December (2020-21) against the exports of \$6.9 billion in July-December (2019-20), showing growth of 7.7 percent. We urge for an immediate implementation of Textile Policy after its approval so that export industry could obtain optimum benefits from the incentives envisaged in the policy.

The management of your company continues to target new markets and focusing on developing new, innovative and improved products. The Company will continue investing in Balancing, Modernization and Replacement (BMR) which is an ongoing process by utilizing SBP's LTFF / TERF Scheme to remain competitive in market and expect these investments will yield positive results in the long run.

#### **ACKNOWLEDGEMENTS**

We would like to place on record our appreciation for the passion and commitment shown by the management and staff towards Company's successful operations. We would also like to acknowledge the support and cooperation received from our esteemed customers, suppliers, bankers, regulators and stakeholders.

On behalf of the Board of Directors



**MUHAMMAD FAISAL AHMED**  
CHIEF EXECUTIVE



**YAZDANI ZIA**  
DIRECTOR

Karachi: February 24, 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF ARTISTIC DENIM MILLS LIMITED  
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of **Artistic Denim Mills Limited** (the Company) as at **December 31, 2020** and the related 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 and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2020.

***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 apply 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 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 Matter***

The condensed interim financial statements of the company for period ended December 31, 2019 were reviewed by another firm of chartered accountants, who through their review report dated February 22, 2020 expressed on unmodified conclusion.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Iqbal**.

  
Reanda Haroon Zakaria & Company  
Chartered Accountants

Place: Karachi  
Dated: **24 FEB 2021**

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020 (UN-AUDITED)

		December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 (Audited)
<b>ASSETS</b>	<b>Note</b>		
<b>Non-Current Assets</b>			
Property, plant and equipment	5	6,336,417	6,078,316
Intangible assets		2,340	3,165
Long term loans		28,366	14,407
Long-term deposits		1,572	1,572
		<u>6,368,695</u>	<u>6,097,460</u>
<b>Current Assets</b>			
Stores and spares		231,782	238,475
Stock-in-trade	6	4,221,419	3,219,581
Trade debts 7		2,490,522	2,242,433
Loans and advances		117,619	43,638
Trade deposits and prepayments		70,497	3,546
Other receivables		118,433	98,969
Short term investments	8	581,547	1,311,832
Sales tax refundable		231,711	166,434
Taxation - net		301,656	372,732
Cash and bank balances		415,773	884,428
		<u>8,780,959</u>	<u>8,582,068</u>
		<u>15,149,654</u>	<u>14,679,528</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital And Reserves</b>			
<b>Authorised share capital</b>			
100,000,000 ordinary shares of Rs.10/- each		1,000,000	1,000,000
<b>Issued, subscribed and paid-up capital</b>		840,000	840,000
<b>Reserves</b>		5,739,522	5,771,620
		<u>6,579,522</u>	<u>6,611,620</u>
<b>Non-Current Liabilities</b>			
Long-term financing		1,844,367	1,866,912
Deferred liability		122,729	101,895
		<u>1,967,096</u>	<u>1,968,807</u>
<b>Current Liabilities</b>			
Trade and other payables	9	2,176,055	1,776,981
Unclaimed dividend		3,082	2,794
Accrued mark-up		45,125	42,781
Short term borrowings		4,223,000	4,226,828
Current maturity of long-term financing		155,774	49,717
		<u>6,603,036</u>	<u>6,099,101</u>
<b>Contingencies and Commitments</b>	10	<u>15,149,654</u>	<u>14,679,528</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
**Muhammad Faisal Ahmed**  
Chief Executive Officer

  
**Yazdani Zia**  
Director

  
**Sagheer Ahmed**  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

	Half-Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
<b>Turnover - net</b>	<b>4,449,803</b>	4,380,461	<b>2,120,973</b>	2,557,533
Cost of sales	<b>(3,783,996)</b>	(3,822,594)	<b>(1,752,619)</b>	(2,216,938)
<b>Gross profit</b>	<b>665,807</b>	557,867	<b>368,354</b>	340,595
Distribution costs	<b>(123,780)</b>	(146,064)	<b>(68,577)</b>	(68,178)
Administrative expenses	<b>(80,580)</b>	(64,613)	<b>(52,757)</b>	(32,089)
Other operating expenses	<b>(153,099)</b>	(152,871)	<b>(101,536)</b>	(64,723)
Other income	<b>67,363</b>	100,081	<b>26,561</b>	40,259
	<b>(290,096)</b>	(263,467)	<b>(196,309)</b>	(124,731)
<b>Operating profit</b>	<b>375,711</b>	294,400	<b>172,045</b>	215,864
Finance costs	<b>(103,846)</b>	(74,115)	<b>(53,721)</b>	(39,716)
<b>Profit before taxation</b>	<b>271,865</b>	220,285	<b>118,324</b>	176,148
Taxation	<b>(51,963)</b>	(62,169)	<b>(24,064)</b>	(43,726)
<b>Net Profit for the period</b>	<b>219,902</b>	158,116	<b>94,260</b>	132,422
<b>Basic &amp; diluted earnings per share (Rupees)</b>	<b>2.62</b>	1.88	<b>1.12</b>	1.58

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
**Muhammad Faisal Ahmed**  
Chief Executive Officer

  
**Yazdani Zia**  
Director


  
**Sagheer Ahmed**  
Chief Financial Officer



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

	Half-Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----			
Net profit for the period	219,902	158,116	94,260	132,422
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>219,902</u>	<u>158,116</u>	<u>94,260</u>	<u>132,422</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
**Muhammad Faisal Ahmed**  
Chief Executive Officer

  
**Yazdani Zia**  
Director

  
**Sagheer Ahmed**  
Chief Financial Officer

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

			Revenue Reserves		
	Issued, subscribed and paid-up capital	Unappropriated profit	Actuarial loss on defined benefit plan	Total Reserves	Total Equity
	----- (Rupees in '000) -----				
<b>Balance as at July 01, 2019</b>	840,000	5,949,790	(35,631)	5,914,159	6,754,159
Net profit for the period	-	158,116	-	158,116	158,116
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	158,116	-	158,116	158,116
<b>Transactions with owners</b>					
Cash dividend paid @ Rs. 3.00 per ordinary share of Rs.10 each for the year ended June 30, 2019	-	(252,000)	-	(252,000)	(252,000)
<b>Balance as at December 31, 2019</b>	<b>840,000</b>	<b>5,855,906</b>	<b>(35,631)</b>	<b>5,820,275</b>	<b>6,660,275</b>
<b>Balance as at July 01, 2020</b>	840,000	5,811,480	(39,860)	5,771,620	6,611,620
Net profit for the period	-	219,902	-	219,902	219,902
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	219,902	-	219,902	219,902
<b>Transactions with owners</b>					
Cash dividend paid @ Rs. 3.00 per ordinary share of Rs.10 each for the year ended June 30, 2020	-	(252,000)	-	(252,000)	(252,000)
<b>Balance as at December 31, 2020</b>	<b>840,000</b>	<b>5,779,382</b>	<b>(39,860)</b>	<b>5,739,522</b>	<b>6,579,522</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
**Muhammad Faisal Ahmed**  
Chief Executive Officer

**Yazdani Zia**  
Director

  
**Sagheer Ahmed**  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)

		Half-Year Ended	
		December 31, 2020	December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES	Note	------(Rupees in '000)-----	
Profit before taxation		271,865	220,285
Adjustments for non-cash charges and other items:			
Depreciation / amortization		243,355	239,787
Provision for gratuity		23,207	17,156
Gain on disposal of short-term investments		-	(10,749)
Unrealised loss on short-term investments		-	3,268
Dividend income		(32,287)	-
Gain on disposal of operating fixed assets		(105)	(14,587)
Finance cost		103,846	74,115
		338,016	308,990
Profit before working capital changes		609,881	529,275
(Increase) / decrease in current assets			
Stores and spares		6,693	(6,656)
Stock-in-trade		(1,001,838)	(1,177,523)
Trade debts		(248,089)	48,246
Loans and advances		(73,981)	(37,471)
Trade deposits and short-term prepayments		(66,951)	(21,905)
Other receivables and sale tax refundable		(84,741)	(141,303)
		(1,468,907)	(1,336,612)
Increase in current liabilities			
Trade and other payables		399,074	425,545
Cash used in operations		(459,952)	(381,792)
Income tax received / (paid)		19,112	(55,166)
Gratuity paid		(2,373)	(3,741)
Finance costs paid		(101,502)	(72,291)
		(84,763)	(131,198)
Net cash used in operating activities		(544,715)	(512,990)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	5.1 & 5.2	(500,816)	(226,812)
Long-term investment		-	45,900
Short-term investment -net		730,285	(61,089)
Long-term loans		(13,959)	(7,638)
Dividend received		32,287	-
Proceeds from disposal of operating fixed assets		291	30,677
Net cash generated from / (used in) investing activities		248,088	(218,962)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		-	(52,052)
Long-term financing availed		83,512	138,134
Short-term borrowings - net		(3,828)	-
Dividends paid		(251,712)	(251,657)
Net cash used in financing activities		(172,028)	(165,575)
Net decrease in cash and cash equivalents		(468,655)	(897,527)
Cash and cash equivalents at beginning of the period		884,428	1,196,961
Cash and cash equivalents at end of the period		415,773	299,434

\* Cash and cash equivalents comprise of cash and bank balances.

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

  
**Muhammad Faisal Ahmed**  
Chief Executive Officer

  
**Yazdani Zia**  
Director

  
**Sagheer Ahmed**  
Chief Financial Officer

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2020 (UN-AUDITED)**

### **1 STATUS AND NATURE OF BUSINESS**

Artistic Denim Mills Limited (the Company) was incorporated in Pakistan on May 18, 1992 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is currently listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sell rope dyed denim fabric, yarn and value added textile products.

The registered office and factory premises of the Company is situated at Plot No. 5 - 9, 23 - 26, Sector 16, Korangi Industrial Area, Karachi.

### **2 BASIS OF PREPARATION**

**2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standard 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; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act 2017 have been followed.

**2.2** The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and notes forming part thereof have not been reviewed by the statutory auditors of the company, as they have reviewed the cumulative figures for the half year ended December 31, 2020 and December 31, 2019.

**2.3** 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 company's annual financial statements for the year ended June 30, 2020. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the statutory auditors and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange limited and section 237 of companies Act, 2017.

- 2.4** These condensed interim financial statements is presented in Pakistan Rupees which is the Company's functional and presentation currency.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended June 30, 2020.

#### **3.1 Standards, amendments and improvements to IFRS's effective during the period:**

The company has adopted the following accounting standards and amendments to IFRSs and the improvements to accounting standards which became for the effective for the current period:

	<b>Effective for period beginning on or after</b>
Amendments to IFRS 3 'Business Combinations': Amendments to clarify the definition of a business	January 1, 2020
Amendments to IFRS 7 'Financial Instruments - Disclosures', IFRS 9 'Financial Instruments' and IAS 39 'Financial Instruments - Recognition and Measurement': Amendments regarding pre-replacement issues in the context of the IBOR reform	January 1, 2020
Amendments to IFRS 16 'Leases': Amendment to provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification	June 1, 2020
Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of material	January 1, 2020
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 1, 2020

The adoption of the above standards, amendments, improvements to accounting standards did not have any material effect on these condensed interim financial statements.

### 3.2 Amendments to standards and IFRS interpretations that are not yet effective

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's condensed interim financial statements other than certain additional disclosures:

	Effective from accounting period beginning on or after
Classification of Liabilities as Non Current or Current - Amendments to IAS 1	January 1, 2022
Amendments to IFRS 4 'Insurance Contracts': Amendments regarding the expiry date of the deferral approach	January 1, 2023
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures': Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
Amendments to IAS 16 'Property, Plant and Equipment': Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use.	January 1, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets': Amendments regarding the costs to include when assessing whether a contract is onerous	January 1, 2022
Annual improvements to IFRS standards 2018-2020	January 1, 2022

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 - First Time Adoption of International Financial Reporting Standards  
IFRS 17 - Insurance Contracts

#### 4 ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these condensed interim financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires the management to make estimates, judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by the management in applying the company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual financial statements of the company as at and for the year ended June 30, 2020.

	Note	December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 (Audited)
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>5,604,835</b>	5,452,914
Capital work-in-progress	5.2	<b>731,582</b>	625,402
		<b>6,336,417</b>	6,078,316
<b>5.1 Operating fixed assets</b>			
Opening written down value		<b>5,452,914</b>	5,043,565
Additions during the period / year	5.1.1	<b>2,096</b>	14,855
Transfers from CWIP during the period / year	5.1.1	<b>392,540</b>	906,186
		<b>394,636</b>	921,041
		<b>5,847,550</b>	5,964,606
Disposals during the period / year			
at written down value	5.1.2	<b>(186)</b>	(16,285)
Depreciation charge for the period / year		<b>(242,529)</b>	(495,407)
		<b>5,604,835</b>	5,452,914
<b>5.1.1 Additions / transfers* during the period / year</b>			
Building on leasehold land	*	<b>35,118</b>	74,245
Plant and machinery	*	<b>346,273</b>	786,041
Factory equipment	*	<b>11,149</b>	40,575
Furniture and fixtures		-	2,626
Office equipment, including computers		<b>1,214</b>	1,269
Vehicles		<b>882</b>	10,960
Vehicles	*	-	5,325
		<b>394,636</b>	921,041

	Note	December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 (Audited)
<b>5.1.2 Disposals, at their written down values, during the period / year</b>			
Plant and machinery		-	13,894
Vehicles		186	2,391
		<u>186</u>	<u>16,285</u>
<b>5.2 Capital work-in-progress</b>			
Opening written down value		625,402	863,627
Additions made during the period / year			
Civil works		183,782	44,769
Plant and machinery		100,263	376,487
Factory equipment		8,199	39,325
Advances		206,476	207,380
		<u>498,720</u>	<u>667,961</u>
Transfers to operating assets	5.1.1	(392,540)	(906,186)
		<u>731,582</u>	<u>625,402</u>
<b>5.2.1 Capital work-in progress as at period / year end</b>			
Civil works		272,546	45,715
Plant and machinery		246,628	375,419
Advances		212,408	204,268
		<u>731,582</u>	<u>625,402</u>
<b>6 STOCK IN TRADE</b>			
<b>Raw and packing material</b>			
In hand		2,564,961	1,989,109
In transit		21,881	9,005
		<u>2,586,842</u>	<u>1,998,114</u>
<b>Work-in-process</b>		754,891	769,080
<b>Finished goods</b>		879,686	452,387
		<u>4,221,419</u>	<u>3,219,581</u>
<b>7 TRADE DEBTS - considered good</b>			
<b>Secured - against letters of credit</b>			
<b>Related party</b>			
Artistic Fabric & Garment Industries (Pvt). Limited		8,339	-
<b>Others</b>		1,231,929	557,837
		<u>1,240,268</u>	<u>557,837</u>
<b>Unsecured</b>			
<b>Related parties</b>			
DL1961 Premium Denim Inc.		208,929	598,930
Artistic Fabric & Garment Industries (Pvt). Limited		1,484	-
Casual Sports Wear (SMC-Pvt) Limited		2,386	7,503
Regency Brands		9,969	-
Premium Distributors		31,008	23,659
Casual Sports Wear		37,126	62,181
		<u>290,902</u>	<u>692,273</u>
<b>Others</b>		959,352	992,323
		<u>2,490,522</u>	<u>2,242,433</u>



	Note	December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 ------(Rupees in '000)----- (Audited)
<b>8 SHORT - TERM INVESTMENT</b>			
- At fair value through profit or loss			
In units of mutual funds	8.1	474,426	1,212,402
In Quoted securities			
Carry value		104,410	94,902
Gain on re-measurement of investment	8.2	2,711	4,528
		<u>107,121</u>	<u>99,430</u>
		<u>581,547</u>	<u>1,311,832</u>

#### 8.1 Mutual funds

December 31, 2020	June 30, 2020		December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 ------(Rupees in '000)----- (Audited)
Number in units				
10,572	11,020,615	Al-Meezan Rozana Amdani Fund	528	551,031
47,389,775	66,137,087	NPB Islamic Daily Dividend Fund	473,898	661,371
<u>47,400,347</u>	<u>77,157,702</u>		<u>474,426</u>	<u>1,212,402</u>

**8.1.1** During the period the company disposed off 11,010,043 units and 18,747,313 units of Al-Meezan Rozana Amdani Fund and NPB Islamic Daily Dividend Fund respectively amounting to Rs. 550.50 million and 187.47 million respectively.

#### 8.2 Quoted Shares

December 31, 2020	June 30, 2020		December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 ------(Rupees in '000)----- (Audited)
Number of shares			Market value	
-	612,000	Fauji Cement Company Limited	-	10,331
180,500	180,500	Oil & Gas Development Company Ltd.	18,730	19,675
900,000	800,000	Pakistan Petroleum Limited	81,297	69,424
180,000	-	Agha Steel Industries Limited	7,094	-
<u>1,260,500</u>	<u>1,592,500</u>		<u>107,121</u>	<u>99,430</u>

	Note	December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 (Audited)
<b>9</b>	<b>TRADE AND OTHER PAYABLES</b>		
Creditors	9.1	<b>633,639</b>	366,195
Accrued liabilities	9.2	<b>1,384,719</b>	1,275,229
Advances from customers		<b>86,079</b>	76,399
Advance against expenses		<b>11,338</b>	-
Staff contribution for vehicle		<b>29,333</b>	27,169
Worker's Profit Participate Fund		<b>14,501</b>	12,135
Worker's Welfare Fund		<b>8,993</b>	13,558
Withholding tax		<b>7,453</b>	6,296
		<b>2,176,055</b>	1,776,981

**9.1** This includes balance with Artistic Fabric & Garment Industries (Private) Limited amounting to Rs. 3.133 (June 30, 2020: Rs. 1.901) million.

**9.2** This includes provision of Rs.1,177.408 (June 30, 2020: Rs. 1,162.797) million prudently recorded against increase in tariff / levies by utility company and government authority which are subjudice in the Honourable Courts of Laws, hence the relevant details are not disclosed.

During the period, Honourable Supreme Court of Pakistan (SCP) has, in its original decision and decision against the review petition, ordered Industrial Gas Consumers to Pay GID Cess (included in aforementioned provision as per GIDC Act, 2015) in accordance with the parameters mentioned therein. The Company has filed suit before Honourable High Court of Sindh against billing of GID Cess by the Gas company considering it to be in contrast with the decision of SCP. Accordingly, the payment of GID Cess is dependant on the decision of the said case which is pending till the reporting date.

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

There are no major changes in the status and nature of contingencies as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2020.

	December 31, 2020 ------(Rupees in '000)----- (Un-audited)	June 30, 2020 (Audited)
<b>10.1.1 Outstanding counter guarantees</b>	<b>245,252</b>	240,252

## 10.2 Commitments

**10.2.1** Commitments in respect of Building on leasehold land at the end of the period amounted to Rs. 749.880 ( June 30, 2020: Rs. 44.992) million.

**10.2.2** Outstanding letters of credit at the end of the period amounted to Rs. 1,671.757 (June 30, 2020: Rs. 262.699) million.

**10.2.3** Post dated cheques issued in favour of Custom Authorities aggregating to Rs. 373.221 (June 30, 2020: Rs. 276.418) million, against various statutory notifications.

**10.2.4** Outstanding foreign currency forward contracts of Rs.1,132.357 (June 30, 2020: Rs. Nil) million.

## 11 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise associated companies, directors, major shareholders of the Company 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. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Type of Related Parties	Relationship	Nature of Transactions	Half-year ended	
			December 2020	December 2019
			------(Rupees in '000)----- (Un-audited)	(Un-audited)
Associated Companies	Common directorship	Sales	50,719	67,440
		Purchases	38,634	26,612
		Services rendered	48,623	-
Directors & Executive	Key management personnel	Salaries	6,160	6,480
		Retirement benefits	685	540
		Directorship fee	600	320
		Dividend paid to directors	205,432	205,432
Relative of directors	Others - spouse / daughter of a director	Sales	239,191	527,973
		Reimbursement of expenses	46,944	78,396

11.1 The above transactions are at arms length using admissible valuation methods.

## 12 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statement do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2020. There have been no change in any risk management policies since the year end.

The carrying value of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial statements approximate their fair values.

## 13 DATE OF AUTHORISATION FOR ISSUE

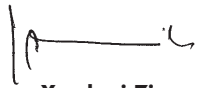
This condensed interim financial statements were authorised for issue on February 24, 2021 by the Board of Directors of the Company.

## 14 GENERAL

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



**Muhammad Faisal Ahmed**  
Chief Executive Officer



**Yazdani Zia**  
Director



**Sagheer Ahmed**  
Chief Financial Officer

## CONTACT US

Plot No. 5-9, 23-26, Sector-16,  
Korangi Industrial Area,  
Karachi-74900, Pakistan.

Tel: +92 21 111 236 236  
Fax: +92 21 3505 4652  
Email: [sales@admdenim.com](mailto:sales@admdenim.com)

[admdenim.com](http://admdenim.com)