



**HALF YEARLY
REPORT**
DECEMBER 31,

2024

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COMPANY INFORMATION

Board of Directors

Chief Executive
Chairman
Directors

Mr. Muhammad Faisal Ahmed
Mr. Muhammad Iqbal Ahmed
Mr. Muhammad Yousuf Ahmed
Ms. Zahra Faisal Ahmed
Mr. Yazdani Zia
Mr. Muneer Ahmed
Mr. Muhammad Ozair Qureshi

Audit Committee

Chairman
Members

Mr. Yazdani Zia
Mr. Muhammad Iqbal Ahmed
Mr. Muneer Ahmed

Human Resource and Remuneration Committee

Chairman
Members

Mr. Muneer Ahmed
Mr. Muhammad Faisal Ahmed
Ms. Zahra Faisal Ahmed

Chief Financial Officer

Mr. Sagheer Ahmed

Company Secretary

Mr. Muhammad Ozair Qureshi

Chief Internal Auditor

Mr. Muhammad Rashid Mughal

Auditors

M/s. Reanda Haroon Zakaria Amir Salman Rizwan & Company
Chartered Accountants

Legal Advisor

Monawwer Ghani
Advocate

Share Registrar

M/s F. D. Registrar Services (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
Bank Alfalah Limited
BankIslami Pakistan Limited
Faysal Bank Limited
Habib 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

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

Mills

Korangi Industrial Area, Karachi.

DIRECTORS' REVIEW

To
The Shareholders,
Artistic Denim Mills Limited.

On behalf of the Board of Directors, we are pleased to present the Directors' Review along with the un-audited condensed interim financial statements of Artistic Denim Mills Limited ("the Company") for the half year ended December 31, 2024.

FINANCIAL HIGHLIGHTS FOR THE PERIOD UNDER REVIEW

The Company's financial performance for the period under review, compared with the corresponding figures from the previous year, is summarized below:

	December 31, 2024 Rs. in ('000')	December 31, 2023 Rs. in ('000')
Sales - net	9,339,708	10,781,307
Gross profit	753,150	1,363,204
Finance costs	327,822	654,395
Net profit	15,436	272,582
EPS (Rs. per share)	0.18	3.25

During the half-year ended December 31, 2024, the Company achieved net sales of Rs. 9,340 million, compared to Rs. 10,781 million in the same period of the last year. This decline in sales was due to the economic slowdown and global inflationary pressures.

The Company reported a gross profit of Rs. 753.150 million, compared to Rs. 1,363.204 million for the corresponding period of last year. This decline was primarily driven by a significant increase in the cost of production, particularly due to escalating energy costs.

Finance costs decreased substantially by 49.90%, reflecting the Company's strategic initiatives to streamline borrowings through effective working capital management. Further, a well-balanced mix of local and foreign currency financing to control interest costs.

Consequently, the Company achieved a net profit after tax of Rs. 15.436 million, compared to Rs. 272.582 million in the same period last year. Resultantly, earnings per share decreased from Rs. 3.25 to Rs. 0.18.

FUTURE OUTLOOK

Pakistan's economic landscape is gradually evolving, with recent developments signaling cautious optimism for macroeconomic recovery. However, significant challenges persist. The International Monetary Fund (IMF) has revised Pakistan's GDP growth forecast for the current fiscal year downward to 3.0% from its earlier projection of 3.2%. Despite positive indicators, multiple risks remain, including geopolitical tensions, weakening external demand, debt sustainability concerns, and social unrest. Inflation is expected to remain in double digits, projected at 10.1% in 2025, before easing to 8.3% in 2026.

Pakistan's exports for July-December 2024 totaled USD 16.561 billion, reflecting a 10.52% increase from USD 14.985 billion in the same period last year, according to the Pakistan Bureau of Statistics (PBS). The textile sector, a key contributor to exports, recorded a 10% year-over-year increase in the first half of FY25, reaching USD 9.09 billion, up from USD 8.29 billion in FY24, as reported by the All Pakistan Textile Mills Association.

Textile industry associations continue to advocate for policy reforms aimed at enhancing sector competitiveness, including calls for a reduction in policy rates to single digits. However, persistent challenges remain, including rising production costs driven by higher income taxes on exports, the phase-out of gas-fired captive power plants, lower domestic cotton production, energy shortages and escalating utility prices could weaken the sector's competitiveness. The gas price hike by February 2025 has raised concerns about the sustainability of energy-intensive industries, further straining both household budgets and business operations.

Addressing Pakistan's structural economic challenges is crucial for long-term stability. Sustainable growth will depend on steadfast policy reforms, sound economic management, and strict fiscal discipline to mitigate risks and strengthen resilience.

As we look ahead, we remain committed to fostering economic prosperity and delivering long-term value for our shareholders. Our focus is on ensuring the sustainability and reliability of our existing operations, leveraging technological advancements, and upholding the highest standards of business ethics and world-class safety practices.


ACKNOWLEDGEMENTS

We extend our heartfelt gratitude to all our stakeholders, including customers, suppliers, lenders, and regulatory bodies, for their continued trust and support. We also take this opportunity to express sincere appreciation for the employees for their dedicated efforts and hard work.

On behalf of the BOARD of DIRECTORS



MUHAMMAD FAISAL AHMED
CHIEF EXECUTIVE



YAZDANI ZIA
DIRECTOR

Karachi: February 26, 2025



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ARTISTIC DENIM MILLS LIMITED
REPORT ON REVIEW OF CONDENSED 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, 2024 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 financial 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, 2024 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2024.

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.

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

R H Z A S R C O

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi

Dated: February 26, 2025

UDIN: AR2024101363EV6tKcBx

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants


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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024 (UN-AUDITED)

		December 31, 2024	June 30, 2024
		----- (Rupees in '000) -----	
ASSETS	Note	(Un-audited)	(Audited)
Non-Current Assets			
Property, plant and equipment	5	11,484,611	11,843,120
Long term loans		32,108	26,444
Long-term deposits		1,957	1,957
Deferred tax asset	6	-	-
		11,518,676	11,871,521
Current Assets			
Stores and spares		261,753	268,797
Stock-in-trade	7	7,044,236	5,245,029
Trade debts	8	3,696,016	3,938,238
Loans and advances		170,081	175,133
Trade deposits and prepayments		20,901	7,580
Other receivables		152,219	172,627
Short-term investments	9	403	135,379
Sales tax refundable		951,977	327,038
Taxation - net		45,361	-
Cash and bank balances		340,266	692,466
		12,683,213	10,962,287
		24,201,889	22,833,808
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized share capital			
500,000,000 (June 30, 2024: 100,000,000)			
ordinary shares of Rs.10/- each		5,000,000	1,000,000
Issued, subscribed and paid-up capital		840,000	840,000
Reserves		7,190,682	7,259,246
		8,030,682	8,099,246
Non-Current Liabilities			
Long-term financing	10	2,466,436	2,742,425
Deferred liability		410,993	372,240
		2,877,429	3,114,665
Current Liabilities			
Trade and other payables	11	3,398,307	3,775,702
Unclaimed dividend		3,794	3,541
Accrued mark-up		112,370	143,708
Short term borrowings	12	9,222,867	7,092,160
Current maturity of long-term financing		556,440	564,138
Taxation - net		-	40,648
		13,293,778	11,619,897
Contingencies and Commitments	13	24,201,889	22,833,808

The annexed notes from 1 to 19 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, 2024 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	------(Rupees in '000)-----			
	Restated		Restated	
Turnover - net	9,339,708	10,781,307	4,082,259	5,672,142
Cost of sales	(8,586,558)	(9,418,103)	(3,720,893)	(5,008,739)
Gross profit	753,150	1,363,204	361,366	663,403
Distribution costs	(258,766)	(227,534)	(123,577)	(131,906)
Administrative expenses	(132,847)	(117,158)	(66,891)	(60,828)
Other operating expenses	(13,776)	(41,082)	3,291	(23,503)
Other income	121,511	112,677	57,030	74,242
	(283,878)	(273,097)	(130,147)	(141,995)
Operating profit	469,272	1,090,107	231,219	521,408
Finance costs	(327,822)	(654,395)	(170,458)	(336,638)
Profit before Levies and Tax	141,450	435,712	60,761	184,770
Levies	15 (126,014)	(118,434)	(50,421)	(57,437)
Profit before Tax	15,436	317,278	10,340	127,333
Taxation	16 -	(44,696)	-	(30,481)
Net profit for the period	15,436	272,582	10,340	96,852
Basic & diluted earnings per share (Rupees)	0.18	3.25	0.12	1.15

The annexed notes from 1 to 19 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, 2024 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	----- (Rupees in '000) -----			
Net profit for the period	15,436	272,582	10,340	96,852
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	15,436	272,582	10,340	96,852

The annexed notes from 1 to 19 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, 2024 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserves	Actuarial (loss)/ gain on defined benefit plan	Total Reserves	Total Equity
		Unappropriated profit			
	----- (Rupees in '000) -----				
Balance as at July 1, 2023	840,000	7,292,264	(38,953)	7,253,311	8,093,311
Net profit for the period	-	272,582	-	272,582	272,582
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	272,582	-	272,582	272,582
Transactions with owners					
Cash dividend paid @ Rs. 3.5 per ordinary share of Rs.10 each for the year ended June 30, 2023	-	(294,000)	-	(294,000)	(294,000)
Balance as at December 31, 2023	840,000	7,270,846	(38,953)	7,231,893	8,071,893
Balance as at July 01, 2024	840,000	7,329,983	(70,737)	7,259,246	8,099,246
Net profit for the period	-	15,436	-	15,436	15,436
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	15,436	-	15,436	15,436
Transactions with owners					
Cash dividend paid @ Rs. 1.00 per ordinary share of Rs.10 each for the year ended June 30, 2024	-	(84,000)	-	(84,000)	(84,000)
Balance as at December 31, 2024	840,000	7,261,419	(70,737)	7,190,682	8,030,682

The annexed notes from 1 to 19 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, 2024 (UN-AUDITED)


		Half Year Ended	
		December 31, 2024	December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES	Note	----- (Rupees in '000) -----	
Profit before levies and taxation		141,450	435,712
Adjustments for non-cash charges and other items:			
Depreciation	5.1	509,428	389,753
Provision for gratuity		53,170	38,458
Unrealised gain on short-term investments	9	-	(56,519)
Gain on disposal of short term investment		(33,662)	-
Dividend income		(3,987)	(2,624)
Gain on disposal of operating fixed assets		(52,197)	(4,804)
Finance cost		327,822	654,395
		800,574	1,018,659
Profit before working capital changes		942,024	1,454,371
(Increase) / decrease in current assets			
Stores and spares		7,044	(14,811)
Stock-in-trade		(1,799,207)	(342,343)
Trade debts		242,222	(1,059,720)
Loans and advances		5,052	(22,740)
Trade deposits and short-term prepayments		(13,321)	51,421
Other receivables		(604,531)	(129,678)
		(2,162,741)	(1,517,871)
(Decrease) / increase in current liabilities			
Trade and other payables		(377,395)	1,406,086
Cash (used in) / generated from operations		(1,598,112)	1,342,586
Income taxes received / (paid) - net		(212,023)	81,015
Gratuity paid		(14,416)	(24,972)
Finance costs paid		(359,160)	(680,930)
		(585,599)	(624,887)
Net cash (used in) / generated from operating activities		(2,183,711)	717,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	5.1 & 5.2	(167,862)	(591,135)
Short-term investment -net		168,638	3,885
Long-term loans - net		(5,664)	2,384
Dividend received		3,987	2,624
Proceeds from disposal of operating fixed assets		69,139	8,554
Net cash generated from / (used in) investing activities		68,238	(573,688)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		(283,687)	(1,623,520)
Short-term borrowings obtained - net	12	2,130,707	1,031,858
Dividends paid		(83,747)	(293,697)
Net cash generated from / (used in) financing activities		1,763,273	(885,359)
Net decrease in cash and cash equivalents		(352,200)	(741,348)
Cash and cash equivalents at beginning of the period		692,466	1,173,574
Cash and cash equivalents at end of the period		340,266	432,226

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

The annexed notes from 1 to 19 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, 2024 (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 recycled fibre, yarn, rope dyed denim fabric, garments 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.

1.1 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS FACILITIES

The Company has two factory locations with manufacturing facility¹ located at Plot No. 5-9, 23-26, Sector 16, Korangi Industrial Area, Karachi and manufacturing facility 2 located at Plot No. 426 - 428, Deh Pihai of Sub Division Landhi, Korangi, 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, 2024 and December 31, 2023 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, 2024 and December 31, 2023.

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, 2024. 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 are presented in Pakistan Rupees which is the Company's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the consistent with those applied in the preparation of the annual financial statements for the year ended June 30, 2024, except for restatement of comparative information related to levies & taxation and first time adoption of deferred tax policy.

3.1 Levies and taxation

Taxation comprises of current and deferred tax. It is recognized in the profit or loss, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

3.1.1 Current tax and levies

Income tax expense for the period, determined in accordance with the Income Tax Ordinance, 2001, is recognized as current to the extent it is based on taxable income at the current rate of taxation after taking into account tax credit available, if any. Any excess, representing tax determined on the basis other than taxable income, e.g. taxes under FTR / MTR regime, ACT, etc., are recognized as an expense and termed as levies in the profit or loss.

However, if the tax expense is determined on the basis of minimum tax on turnover or ACT, while the management expects that the available credit may not be realizable / adjustable in future tax years, then the tax expense determined on the basis minimum tax or ACT, will be recognized as the levy in the profit or loss.

Restatement

During the previous year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of cash flows and earning per share as a result of this change.

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	----- (Rupees in '000) -----		
For the period ended December 31, 2024			
Profit before income tax	141,450	(126,014)	15,436
Levies	-	(126,014)	(126,014)
Income tax expense	(126,014)	126,014	-
For the period ended December 31, 2023			
Profit before income tax	435,712	(118,434)	317,278
Levies	-	(118,434)	(118,434)
Income tax expense	(163,130)	118,434	(44,696)

3.1.2 Deferred taxation

Policy

Deferred tax is provided using the liability method for all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

Implication

With effect from July 01, 2024, Income Tax Ordinance, 2001 has been amended vide Finance Act 2024. Consequently, exporters have been removed from the Final Tax Regime (FTR) and will be subject to minimum tax under the Normal Tax Regime (NTR). Accordingly, the company has carried out assessment of deferred tax on temporary timing differences and its impact has been disclosed in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of profit and loss, the statement of cash flows and earning per share as a result of this change as deferred tax asset has not been recognised for reason as disclosed in note 6.1 to these financial statements.

3.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current 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:

	Effective for period beginning on or after
Amendments to IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements.	January 1, 2024
Amendments to IFRS 16 'Leases'-Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
Amendments to IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debts with covenants	January 1, 2024

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

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

3.3 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 financial statements other than certain additional disclosures:

**Effective from
accounting period
beginning on or after**

Amendments to IFRS 7 'Financial Instruments - Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments.

January 1, 2026

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.

IFRS 17 - Insurance Contracts

January 1, 2026

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 19 Subsidiaries without Public Accountability: Disclosures

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate-related Disclosures

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, 2024 except for restatement of comparative information related to levies & taxation and retrospective adoption of accounting policy in respect of deferred taxation as disclosed in note 3.1.2.

	Note	December 31, 2024 ------(Rupees in '000)----- (Un-audited)	June 30, 2024 ------(Rupees in '000)----- (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	10,371,035	10,880,499
Capital work-in-progress (CWIP)	5.2	1,113,576	962,621
		11,484,611	11,843,120
5.1 Operating fixed assets			
Opening written down value		10,880,499	8,427,700
Additions during the period / year	5.1.1	1,030	35,574
Transfers from CWIP during the period / year	5.1.1	15,877	3,238,642
		16,907	3,274,216
		10,897,406	11,701,916
Disposals during the period / year at written down value	5.1.2	(16,943)	(12,643)
Depreciation for the period / year		(509,428)	(808,774)
		10,371,035	10,880,499
5.1.1 Additions / transfers* during the period / year			
Building on leasehold land	*	1,600	1,503,824
Plant and machinery	*	5,383	1,692,754
Factory equipment	*	8,894	42,065
Furniture and fixtures		-	191
Office equipment, including computers		1,030	1,997
Vehicles		-	33,386
		16,907	3,274,217
5.1.2 Disposals, at their written down values, during the period / year			
Vehicles		1,337	6,243
Plant and machinery		15,587	6,400
Office equipment, including computers		19	-
		16,943	12,643
5.2 Capital work-in-progress			
Opening written down value		962,621	3,341,918
Additions made during the period / year			
Civil works		23,363	436,644
Plant and machinery		130,160	127,157
Factory equipment		722	42,065
Advances		12,587	253,479
		166,832	859,345
Transfers to operating assets	5.1.1	* (15,877)	* (3,238,642)
	5.2.1	1,113,576	962,621

	Note	December 31, 2024 ------(Rupees in '000)----- (Un-audited)	June 30, 2024 (Audited)
5.2.1 Capital work-in-progress as at period / year end			
Civil works		710,620	685,604
Plant and machinery		252,565	127,790
Advances		150,390	149,227
		<u>1,113,576</u>	<u>962,621</u>

6 DEFERRED TAX ASSET

Deductible temporary difference arising on:

Decelerated tax depreciation		(1,751,641)	(1,526,925)
Provision for gratuity		(119,188)	(107,950)
Provision for Levies (chargeable by utility company and government authorities)		(408,934)	(401,954)
Unabsorbed tax depreciation - TY 2025		(171,551)	-
Minimum Tax credit		(116,746)	-
Net Deferred tax Assets		<u>(2,568,060)</u>	<u>(2,036,829)</u>
Deferred tax asset not recognized	6.1	<u>2,568,060</u>	<u>2,036,829</u>
		<u>-</u>	<u>-</u>

- 6.1** Deferred tax asset (refer to policy note 3.1.2), amounting to Rs. 2,568.060 million (June 30,2024: Rs. 2,036.829) million, as on the reporting date has not been recognized on the deductible temporary differences as it is not probable that sufficient taxable profits in the foreseeable future will be available against which such benefits can be utilized.

(Unaudited)
December 31,
2024

6.2 Particulars of available tax credits and their expiry dates are as follows:

Minimum tax credit	Expiry date	Rupees in '000'
Tax year 2025	30-Jun-28	116,746
Unabsorbed tax depreciation - TY 2025	Indefinite	591,554

	Note	December 31, 2024 ------(Rupees in '000)----- (Un-audited)	June 30, 2024 (Audited)	
7 STOCK-IN-TRADE				
Raw and packing material				
In hand		2,114,196	1,454,482	
In transit		50,724	24,382	
		2,164,920	1,478,864	
Work-in-process		3,516,721	2,264,153	
Finished goods		1,362,595	1,502,012	
		7,044,236	5,245,029	
8 TRADE DEBTS				
- Considered good				
Secured - against letters of credit				
Others than related party		1,361,328	673,522	
Unsecured				
Related Parties - Associated Companies				
DL1961 Premium Denim Inc. - Export		453,058	465,061	
Premium Distributors - Export		66,154	78,146	
Artistic Fabric Mills (Private) Limited		7,077	-	
Regency Brands LLC. - Export		1,146,884	1,843,225	
		1,673,174	2,386,432	
Others		661,514	878,284	
		3,696,016	3,938,238	
9 SHORT-TERM INVESTMENTS				
- At fair value through profit or loss				
In units of mutual funds	9.1	403	5,546	
In Quoted securities				
Carrying value		-	67,305	
Gain / (loss) on re-measurement of investment		-	62,528	
	9.2	-	129,833	
		403	135,379	
9.1 Mutual funds				
December 31, 2024	June 30, 2024	December 31, 2024	June 30, 2024	
Number in units		------(Rupees in '000)----- (Un-audited)	(Audited)	
2,769	2,435	Al-Meezan Rozana Amdani Fund.	138	121
26,537	542,490	NPB Islamic Daily Dividend Fund.	265	5,425
29,306	544,925	403	5,546	

9.2 Quoted Shares

December 31, 2024	June 30, 2024		December 31, 2024 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2024 ----- (Rupees in '000) ----- (Audited)
Number of shares			Market value	
-	180,500	Oil & Gas Development Company Ltd.	-	24,434
-	900,000	Pakistan Petroleum Limited	-	105,399
-	1,080,500	9.2.1	-	129,833

9.2.1 During the period all investments are disposed off.

10 LONG-TERM FINANCING

10.1 There are no major changes in the terms and conditions of long term financings as disclosed in note 17 of the annual audited financial statements for the year ended June 30, 2024.

	Note	December 31, 2024 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2024 ----- (Rupees in '000) ----- (Audited)
11 TRADE AND OTHER PAYABLES			
Creditors	11.1	1,140,177	1,413,468
Accrued liabilities	11.2	2,150,134	1,901,481
Book overdraft		-	229,111
Advances from customers - unsecured		41,448	116,847
Advance against expenses	11.3	5,227	9,995
Staff contribution for vehicle		25,835	28,379
Worker's Profit Participation Fund		7,597	33,423
Worker's Welfare Fund		2,887	17,004
Withholding tax		25,002	25,994
		3,398,307	3,775,702

11.1 This includes balance with Artistic Fabric Mills (Private) Limited amounting to Rs. 0.31825 (June 30, 2024: Rs. 18.354) million.

11.2 This includes provision of Rs. 1,410.118 (June 30, 2024: Rs. 1,386.047) 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 year ended June 30, 2021, 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. Being aggrieved, the Company has filed suit before Honorable High Court of Sindh against billing of GID Cess by the Gas company (at captive power rates instead of industrial rates) considering it to be in contrast with the decision of SCP. Accordingly, the payment of GID Cess is dependent on the decision of the said case which is pending till the reporting date.

- 11.3** This represents amount of Rs. 5.227 (2024: Rs. 5.844) million and Rs nil (2024: 4.152) million received from Regency Brand LLC - related party and DL 1961 Premium Denim inc - related party respectively for reimbursable expenses.

	Note	December 31, 2024 ------(Rupees in '000)----- (Un-audited)	June 30, 2024 (Audited)
12 SHORT TERM BORROWINGS			
- secured			
Short term loans	12.1	3,176,000	996,000
Short term running finances under FE-25	12.2	4,998,052	4,986,012
Short term running finances under EFS	12.3	643,888	1,110,148
Short term loans - Money Market	12.4	200,000	-
Short term running finances	12.5	204,927	-
		9,222,867	7,092,160
12.1 Short term loans			
Export refinance II	12.1.1	828,000	928,000
Export refinance II	12.1.1	248,000	68,000
Export refinance II	12.1.2	1,125,000	-
Export refinance- I & II	12.1.3	400,000	-
Export refinance- II	12.1.4	575,000	-
		3,176,000	996,000

- 12.1.1** There are no major changes in the terms and conditions of short term loans as disclosed in note 21 of the annual audited financial statements for the year ended June 30, 2024.

- 12.1.2** During the period, the Company arranged a facility for short-term loan under export refinance II, amounting to Rs.1,125 million (2024: Rs. Nil million), from a commercial bank on mark-up basis, repayable by February 28, 2025 and is secured against the first pari passu registered hypothecation charge on movables and receivables of the Company, aggregating to Rs.1,587.5 million. It carries mark-up at the rate of 1% per annum (2024: 1% per annum) above the SBP's Minimum Export Refinance rate, payable quarterly.

12.1.3 During the period, the Company arranged a facility for running musharakah under islamic export refinance I & II, amounting to Rs.400 million (2024: Rs. Nil), from a islamic bank on mark-up basis, repayable by February 28, 2025 and is secured against the first pari passu registered hypothecation charge on present & future current assets of the Company, aggregating to Rs.1,250 million. It carries mark-up at the rate of 1% per annum (2024: 1% per annual) above the SBP's Minimum Islamic Export Refinance rate, payable quarterly.

12.1.4 During the period, the Company arranged a facility for short-term loan under export refinance II, amounting to Rs. 575 million (2024: Rs. Nil million), from a commercial bank on mark-up basis, repayable by February 28, 2025 and is secured against the first pari passu registered hypothecation charge on all present and future current assets of the Company, aggregating to Rs. 1,250 million. It carries mark-up at the rate of 1% per annum (2024: 1% per annum) above the SBP's Minimum Islamic Export Refinance rate, payable quarterly.

		December 31, 2024	June 30, 2024
	Note	------(Rupees in '000)----- (Un-audited)	(Audited)
12.2 Short term running finance- FE-25			
RF-I	12.2.1	138,900	278,250
RF-II	12.2.1	918,355	833,700
RF-III	12.2.1	138,856	1,113,200
RF-IV	12.2.1	2,829,766	2,760,862
RF-V	12.2.2	416,625	-
RF-VI	12.2.3	555,550	-
		4,998,052	4,986,012

12.2.1 There are no major changes in the terms and conditions of short term loans as disclosed in note 21 of the annual audited financial statements for the year ended June 30, 2024.

12.2.2 The Company has borrowed short-term running finances under Foreign Exchange Circular No.25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 1.500 million equivalent to Rs. 416.625 million (2024: Rs. Nil million). The rates of mark-up on these finances are 5% (2024: Nil) per annum. It is secured against the first pari passu registered hypothecation charge on all present and future current assets of the Company, aggregating to Rs. 1,250 million.

12.2.3 The Company has also borrowed short-term running finances under Foreign Exchange Circular No.25, dated June 20, 1998 for the purpose of meeting import requirements. The facilities availed are for an amount of USD 2.00 million equivalent to Rs. 555.550 million (2024: Rs. Nil million). The rates of mark-up on these finances are 5.5% (2024: Nil) per annum. It is secured against the first pari passu registered hypothecation charge on present & future current assets of the Company, aggregating to Rs.1,875 million.

		December 31, 2024	June 30, 2024
	Note	------(Rupees in '000)----- (Un-audited)	(Audited)
12.3 Short term running finances - EFS (Rupee based discounting)			
EFS-I		254,737	554,067
EFS-II		389,151	556,081
	12.3.1	643,888	1,110,148

12.3.1 There are no major changes in the terms and conditions of short term loans as disclosed in note 21 of the annual audited financial statements for the year ended June 30, 2024.

12.4 During the period, the company has arranged a money market loan amounting to Rs. 200 million from an islamic bank to meet its working capital requirements . It carries markup at the rate of 1 month KIBOR plus 0.15% per annum and is secured against first pari passu charge over present and future current assets of the company aggregating to Rs. 1,250 million.

12.5 During the period, the company has arranged a running musharakah loan facility amounting to Rs. 204.927 million from an islamic bank to meet its working capital requirements. It carries markup at the rate of 3 month KIBOR plus 0.5% per annum and is secured against first pari passu hypothecation charge over current assets of the Company, aggregating to Rs. 312.50 million with 20% margin.

13 CONTINGENCIES AND COMMITMENTS

13.1 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, 2024.

	December 31, 2024	June 30, 2024
	------(Rupees in '000)----- (Un-audited)	(Audited)
13.1.1 Outstanding counter guarantees	969,906	939,906

13.2 Commitments

13.2.1 Commitments in respect of Building on leasehold land and machinery at the end of the period amounted to Rs. 12.488 (June 30, 2024: Rs. 96.708) million.

13.2.2 Outstanding letters of credit at the end of the period amounted to Rs.1,103.536 (June 30, 2024: Rs.585.860) million.

13.2.3 Post dated cheques issued in favour of Custom Authorities and Nazir High Court aggregating to Rs. 579.039 million (June 30, 2024: Rs. 774.559 million) and Rs. 162.065 million (June 30, 2024: Rs. 162.065 million) against various statutory notifications.

14 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 2024	December 2023
			----- (Rupees in '000) ----- (Un-audited)	
Associated Companies	Common directorship	Sales	-	404,961
		Purchases	87,423	80,276
		Services rendered	11,207	20,151
Directors & Executives	Key management personnel	Salaries	12,378	10,986
		Retirement benefits	1,032	1,032
		Directorship fee	240	420
		Dividend paid to directors	76,633	238,466
Relative of Directors	Others	Sales	2,428,336	3,559,134
		Reimbursement of expenses	13,890	2,870

14.1 The above transactions are entered into at agreed terms (based on arms length using admissible valuation methods) in the normal course of business as approved by the Board of Directors of the Company.

	Note	December 31, 2024	December 31, 2023
		----- (Rupees in '000) ----- (Un-audited)	----- (Rupees in '000) ----- (Un-audited)
15 LEVIES	15.1	126,014	118,434
15.1 Represents final taxes recognized as levies in accordance with the requirements of IFRIC 21 / IAS37.			
16 TAXATION - NET			
Current		-	44,696
		-	44,696

17 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements 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, 2024. 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.

18 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorized for issue on February 26, 2025 by the Board of Directors of the Company.

19 GENERAL

19.1 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



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