



HALF YEARLY REPORT

DECEMBER 31, 2025

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COMPANY INFORMATION

Board of Directors

Chief Executive	Mr. Muhammad Faisal Ahmed
Chairman	Mr. Muhammad Iqbal Ahmed
Directors	Mr. Muhammad Yousuf Ahmed
	Ms. Zahra Faisal Ahmed
	Mr. Yazdani Zia
	Mr. Muneer Ahmed
	Mr. Muhammad Ozair Qureshi

Audit Committee

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

Human Resource and Remuneration Committee

Chairman	Mr. Muneer Ahmed
Members	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 Aamir 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 together with the unaudited condensed interim financial statements of Artistic Denim Mills Limited ("the Company") for the half year ended December 31, 2025.

FINANCIAL HIGHLIGHTS FOR THE PERIOD UNDER REVIEW

A summary of the Company's financial performance for the period under review, along with a comparison to the corresponding period of the previous year, is presented below:

	December 31, 2025 Rs. in ('000')	December 31, 2024 Rs. in ('000')
Sales - net	7,473,964	9,339,708
Gross profit	509,857	753,150
Finance costs	408,293	327,822
Net (loss) / profit	(294,242)	15,436
(Loss)/earnings per share (Rs. per share)	(3.50)	0.18

During the half-year ended December 31, 2025, the Company recorded net sales of Rs. 7,474 million, compared to Rs. 9,340 million in the corresponding period last year. The decline was primarily attributable to the subdued economic conditions, heightened pricing pressures in export markets, and a relatively stable exchange rate.

The Company recorded a gross profit of Rs. 509.857 million, compared to Rs. 753.150 million for the corresponding period of last year. This decline was mainly due to a significant increase in production costs, primarily driven by escalating energy costs, the imposition of off-the-grid levy and an increase in minimum wage rates.

Finance costs for the period increased to Rs. 408.293 million, compared to Rs. 327.822 million in the corresponding period last year, primarily due to working capital requirements.

As a result, the Company reported a net loss after tax of Rs. 294.242 million, as against a net profit after tax of Rs. 15.436 million in the corresponding period of the previous year. Accordingly, loss per share stood at Rs. 3.50, compared with earnings per share of Rs. 0.18 reported in the same period last year.

OUTLOOK AND CHALLENGES

The period under review continued to reflect a challenging operating environment for Pakistan's textile industry. Globally, slowdown in economic activity, ongoing trade tensions, and new tariff measures-particularly by the United States-disrupted supply chains and weakened demand, prompting cautious purchasing behavior from international buyers. These pressures have intensified pricing constraints as global brands increasingly shift the tariff burden onto suppliers.

Pakistan's export performance remained under pressure during July-December 2025, with merchandise exports declining by 8.7% to \$15.184 billion, while imports increased by 11.28%, widening the trade deficit by 34.57% to \$19.204 billion. The textile sector, which contributes over half of national exports, also recorded a sustained downturn, with textile exports falling by 8.11% year-on-year in December 2025, marking the fifth consecutive monthly decline.

Domestically, while macroeconomic indicators showed signs of stabilization with declining inflation and lower interest rates, the sector remained constrained by structural disadvantages, including high taxation, elevated energy tariffs, declining cotton production, delayed refunds, and inconsistent policy measures. The imposition of the Captive Power Plant (CPP) Levy have further increased the cost burden and impacted export competitiveness against regional peers.

Despite these challenges, the Management remains focused on strengthening operational resilience through cost optimization, improved capacity utilization and strategic customer and market diversification. The Company is also actively investing in renewable energy initiatives, including solar power projects, to enhance efficiency, reduce reliance on conventional energy sources, and support sustainability goals. While the near-term outlook remains cautious amid persistent global and domestic uncertainties, the Company's proactive strategies are expected to support long-term growth and competitiveness.

ACKNOWLEDGEMENTS

The Directors wish to express their sincere appreciation to all stakeholders, including customers, suppliers, lenders, and regulatory authorities, for their continued confidence and support. The Board also acknowledges, with gratitude, the commitment and dedicated efforts of the Company's employees.

On behalf of the BOARD of DIRECTORS



MUHAMMAD FAISAL AHMED
CHIEF EXECUTIVE



YAZDANI ZIA
DIRECTOR

Karachi: February 26, 2026



**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, 2025 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.

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

Pursuant to the requirement of section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts, are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2025, have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is **Farhan Ahmed Memon**.

Reanda Haroon Zakaria Aamir Salman Rizwan & Co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Chartered Accountants

UDIN: RR202510147YsJQ3F6wt

Place: Karachi

Dated: February 26, 2026

Reanda Haroon Zakaria Aamir Salman Rizwan & Company

Chartered Accountants

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025 (UN-AUDITED)

ASSETS	Note	December 31, 2025	June 30, 2025
		------(Rupees in '000)-----	
		(Un-audited)	(Audited)
Non-Current Assets			
Property, plant and equipment	5	10,887,528	11,262,288
Long term loans		25,343	28,048
Long-term deposits		1,957	1,957
Deferred tax	6	-	-
		10,914,828	11,292,293
Current Assets			
Stores and spares		266,963	246,802
Stock-in-trade		7,624,983	7,312,730
Trade debts	7	3,647,135	4,437,579
Loans and advances		66,933	88,114
Trade deposits and prepayments		11,666	8,137
Other receivables		148,849	206,070
Short-term investments	8	500,433	418
Sales tax refundable		430,572	195,200
Taxation - net		193,782	101,836
Cash and bank balances		241,088	595,922
		13,132,404	13,192,808
		24,047,232	24,485,101
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized share capital			
500,000,000 (June 30, 2025: 500,000,000) ordinary shares of Rs.10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up capital		840,000	840,000
Reserves		6,535,339	6,829,581
		7,375,339	7,669,581
Non-Current Liabilities			
Long-term financing	9	4,190,049	2,168,881
Deferred liability	10	433,328	377,886
		4,623,377	2,546,767
Current Liabilities			
Trade and other payables	11	3,151,112	3,235,129
Unclaimed dividend		3,760	3,771
Accrued mark-up		158,116	145,156
Short term borrowings	12	8,172,748	10,321,791
Current maturity of long-term financing		562,780	562,906
		12,048,516	14,268,753
Contingencies and Commitments	13	24,047,232	24,485,101

The annexed notes from 1 to 17 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, 2025 (UN-AUDITED)**

	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
------(Rupees in '000)-----				
Turnover - net	7,473,964	9,339,708	3,175,525	4,082,259
Cost of sales	(6,964,107)	(8,586,558)	(2,933,059)	(3,720,893)
Gross profit	509,857	753,150	242,466	361,366
Distribution costs	(215,511)	(258,766)	(98,591)	(123,577)
Administrative expenses	(130,326)	(132,847)	(66,663)	(66,891)
Other operating expenses	-	(13,776)	-	3,291
Other income	27,559	121,511	13,921	57,030
	(318,278)	(283,878)	(151,333)	(130,147)
Operating profit	191,579	469,272	91,133	231,219
Finance costs	(408,293)	(327,822)	(212,322)	(170,458)
(Loss) / profit before Levies and Tax	(216,714)	141,450	(121,189)	60,761
Levies	(77,528)	(126,014)	(23,458)	(50,421)
(Loss) / profit before Tax	(294,242)	15,436	(144,647)	10,340
Taxation	-	-	-	-
Net (loss) / profit for the period	(294,242)	15,436	(144,647)	10,340
Basic & diluted earnings per share (Rupees)	(3.50)	0.18	(1.72)	0.12

The annexed notes from 1 to 17 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, 2025 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	------(Rupees in '000)-----			
Net (loss) / profit for the period	(294,242)	15,436	(144,647)	10,340
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(294,242)</u>	<u>15,436</u>	<u>(144,647)</u>	<u>10,340</u>

The annexed notes from 1 to 17 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, 2025 (UN-AUDITED)**

	Issued, subscribed and paid-up capital	Revenue Reserves		Total Reserves	Total Equity
		Unappropriated profit	Actuarial (loss)/ gain on defined benefit plan		
----- (Rupees in '000) -----					
Balance as at July 1, 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 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
Balance as at July 01, 2025	840,000	6,794,884	34,697	6,829,581	7,669,581
Net loss for the period	-	(294,242)	-	(294,242)	(294,242)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(294,242)	-	(294,242)	(294,242)
Balance as at December 31, 2025	840,000	6,500,642	34,697	6,535,339	7,375,339

The annexed notes from 1 to 17 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, 2025 (UN-AUDITED)

	Note	Half Year Ended	
		December 31, 2025	December 31, 2024
------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before levies and taxation		(216,714)	141,450
Adjustments for non-cash charges and other items:			
Depreciation	5.1	516,561	509,428
Provision for gratuity		66,880	53,170
Gain on disposal of short term investment		(3,708)	(33,662)
Dividend income		(22)	(3,987)
Income released from government grant		(1,669)	-
Gain on disposal of operating fixed assets		(6,330)	(52,197)
Finance cost		408,293	327,822
		<u>980,005</u>	<u>800,574</u>
Profit before working capital changes (Increase) / decrease in current assets		763,291	942,024
Stores and spares		(20,161)	7,044
Stock-in-trade		(312,253)	(1,799,207)
Trade debts		790,444	242,222
Loans and advances		21,181	5,052
Trade deposits and short-term prepayments		(3,529)	(13,321)
Other receivables		(178,151)	(604,531)
		<u>297,531</u>	<u>(2,162,741)</u>
(Decrease) / increase in current liabilities		(79,177)	(377,395)
Trade and other payables		(79,177)	(377,395)
Cash generated from / (used in) operations		981,645	(1,598,112)
Income taxes paid - net		(169,474)	(212,023)
Gratuity paid		(14,736)	(14,416)
Finance costs paid		(395,333)	(359,160)
		<u>(579,543)</u>	<u>(585,599)</u>
Net cash generated from / (used in) operating activities		402,102	(2,183,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	5.1 & 5.2	(145,014)	(167,862)
Short-term investment -net	8	(496,307)	168,638
Long-term loans - net		2,705	(5,664)
Dividend received		22	3,987
Proceeds from disposal of operating fixed assets		9,544	69,139
Net cash (used in) / generated from investing activities		(629,050)	68,238
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing obtained / (repaid) - net	9	2,021,167	(283,687)
Short-term borrowings (repaid) / obtained - net	12	(2,149,043)	2,130,707
Dividends paid		(10)	(83,747)
Net cash generated from / (used in) financing activities		(127,886)	1,763,273
Net decrease in cash and cash equivalents		(354,834)	(352,200)
Cash and cash equivalents at beginning of the period		595,922	692,466
Cash and cash equivalents at end of the period		241,088	340,266

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

The annexed notes from 1 to 17 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, 2025 (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, 2025 and December 31, 2024 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, 2025 and December 31, 2024.

- 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, 2025. 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.
- 2.5** These financial statements have been prepared on a going concern basis. The Board has assessed the company's ability to continue as a going concern and concluded no material uncertainties exist that cast significant doubt over this assessment.

3 MATERIAL ACCOUNTING POLICY INFORMATION

- 3.1** 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, 2025.
- 3.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period**

Other than certain amendments updating a reference to the Conceptual Framework and annual improvements made to a number of standards, which have not been enumerated here for brevity, there were no other amendments made which are effective during the current period.

3.3 Amendments to standards and IFRS interpretations that are not yet effective

The following standards, amendments to 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

Effective from accounting period beginning on or after

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

IFRS 18 Presentation and Disclosures in Financial Statements (first time applicability)

January 1, 2027

IFRS 19 Subsidiaries without Public Accountability: Disclosures (first time applicability)

January 1, 2027

IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information (applicable to listed companies and unlisted Public Interest Companies) (first time applicability)

July 1, 2026

IFRS S2 Climate-related Disclosures (applicable to listed companies and unlisted Public Interest Companies) (first time applicability)

July 1, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates': Amendments regarding translations to a hyperinflationary presentation currency

January 1, 2027

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.

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

IFRS 1 - First Time Adoption of International Financial Reporting Standards

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, 2025.

	Note	December 31, 2025 ------(Rupees in '000)----- (Un-audited)	June 30, 2025 ----- (Audited)
5			
PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	10,687,382	10,988,490
Capital work-in-progress (CWIP)	5.2	200,146	273,798
		<u>10,887,528</u>	<u>11,262,288</u>
5.1 Operating fixed assets			
Opening written down value		10,988,490	10,880,499
Additions during the period / year	5.1.1	462	1,457
Transfers from CWIP during the period / year	5.1.1	218,204	1,155,480
		<u>218,666</u>	<u>1,156,937</u>
		11,207,156	12,037,436
Disposals during the period / year at written down value	5.1.2	(3,213)	(20,503)
Depreciation for the period / year		(516,561)	(1,028,443)
		<u>10,687,382</u>	<u>10,988,490</u>
5.1.1 Additions / transfers* during the period / year			
Building on leasehold land		-	770,882
Plant and machinery	*	216,788	373,831
Factory equipment	*	1,416	10,767
Office equipment, including computers		462	1,226
Vehicles		-	231
		<u>218,666</u>	<u>1,156,937</u>
5.1.2 Disposals, at their written down values, during the period / year			
Vehicles		3,213	4,898
Plant and machinery		-	15,586
Office equipment, including computers		-	19
		<u>3,213</u>	<u>20,503</u>
5.2 Capital work-in-progress			
Opening written down value		273,798	962,621
Additions made during the period / year			
Civil works		-	38,942
Plant and machinery		43,956	130,403
Factory equipment		1,416	10,767
Advances		99,180	286,545
		<u>144,552</u>	<u>466,657</u>
Transfers to operating assets	5.1.1	* (218,204)	* (1,155,480)
	5.2.1	<u>200,146</u>	<u>273,798</u>

	December 31, 2025	June 30, 2025
	----- (Rupees in '000) -----	
	(Un-audited)	(Audited)
5.2.1 Capital work-in progress as at period / year end		
Civil works	80,195	86,896
Plant and machinery	3,880	29,422
Advances	116,071	157,481
	<u>200,146</u>	<u>273,798</u>
6 DEFERRED TAX	-	-

- 6.1 As per the guidelines issued by ICAP on application of IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes', no deferred tax is required to be booked as the Company, based on the projections of taxable income, expected to be taxed under Minimum Tax u/s 113 of the Income Tax Ordinance, 2001 for the foreseeable future. Hence the Company has not recorded any deferred tax asset or liability as at 31 December 2025.

	Note	December 31, 2025	June 30, 2025
		----- (Rupees in '000) -----	
		(Un-audited)	(Audited)
7 TRADE DEBTS			
- Considered good			
Secured - against letters of credit			
Others than related party		604,047	984,569
Unsecured			
Related Parties - Associated Companies			
DL1961 Premium Denim Inc. - Export		-	453,518
Premium Distributors - Export		60,860	58,151
Artistic Fabric Mills (Private) Limited		3,844	-
Regency Brands LLC. - Export		1,575,975	1,029,727
		<u>1,640,679</u>	1,541,396
Others		1,402,409	1,911,614
		<u>3,647,135</u>	<u>4,437,579</u>
8 SHORT-TERM INVESTMENTS			
- At fair value through profit or loss			
In units of mutual funds	8.1	500,433	418

8.1 Mutual funds

December 31, 2025	June 30, 2025		December 31, 2025	June 30, 2025
			(Un-audited)	(Audited)
Number in units			----- (Rupees in '000) -----	
2,962	2,868	Al-Meezan Rozana Amdani Fund	148	143
28,530	27,516	NBP Islamic Daily Dividend Fund	285	275
<u>46,978,192</u>	-	NBP Islamic Money Market Fund	<u>500,000</u>	-
<u>47,009,684</u>	<u>30,384</u>		<u>500,433</u>	<u>418</u>

9 LONG-TERM FINANCING	Note	December 31, 2025	June 30, 2025
		(Un-audited)	(Audited)
Term finances from banks under the State Bank of Pakistan's (SBP's) scheme for Export Oriented Projects (EOP) and Long-Term Financing Facility (LTFF)			
Commercial bank - I		389,775	442,061
Commercial bank - II		1,484,948	1,652,757
Commercial bank - III		576,330	635,068
	9.1	<u>2,451,053</u>	<u>2,729,886</u>
Term finances from banks			
Commercial bank - I	9.2	800,000	-
Commercial bank - II	9.3	1,500,000	-
		<u>2,300,000</u>	-
		4,751,053	2,729,886
Current maturities shown under current liabilities		<u>(561,004)</u>	<u>(561,005)</u>
		<u>4,190,049</u>	<u>2,168,881</u>

9.1 There are no major changes in the terms and conditions of long term financings as disclosed in note 19 of the annual audited financial statements for the year ended June 30, 2025.

9.2 The loan is repayable in 16 equal semi-annual installments, commencing and ranging from June 17, 2028 to December 17, 2035, carrying mark-up at the 6 months KIBOR plus spread per annum, which are payable semi-annual on the outstanding principal sum of loan. The said loan is secured against the first pari-passu charge over fixed assets of the Company, to the extent of Rs. 1,000 million.

9.3 The loan is repayable in 20 equal quarterly installments, commencing and ranging from January 30, 2028 to October 30, 2032, carrying mark-up at the 3 months KIBOR plus spread per annum, which are payable quarterly on the outstanding principal sum of loan. The said loan is secured against the first pari-passu charge over all present and future plant & machinery of the Company, to the extent of Rs. 2,000 million.

	Note	December 31, 2025 ------(Rupees in '000)----- (Un-audited)	June 30, 2025 ------(Rupees in '000)----- (Audited)
10 DEFERRED LIABILITY			
Defined benefit obligation		424,898	367,913
Deferred government grant	10.1	10,206	11,874
		<u>435,104</u>	<u>379,787</u>
Current portion of deferred government grant	10.1	(1,776)	(1,901)
		<u>433,328</u>	<u>377,886</u>

10.1 Movement in deferred government grant

Total government grant	10,206	11,874
Released to profit or loss	(1,669)	-
	<u>8,537</u>	<u>11,874</u>
Current portion	1,776	1,901
Non current portion	6,761	9,973
	<u>8,537</u>	<u>11,874</u>

11 TRADE AND OTHER PAYABLES

11.1 This includes balance with Artistic Fabric Mills (Private) Limited - related party amounting to Rs. 27.947 (June 30, 2025: Rs. 4.253) million against the purchase of raw materials in the ordinary course of business. The outstanding balance is unsecured.

11.2 This includes book overdraft balance of Rs. 68.871 million (June 30, 2025: Nil) arising on account of un-presented cheques issued as on reporting date which is to be cleared subsequent to the period end.

	Note	December 31, 2025 ------(Rupees in '000)----- (Un-audited)	June 30, 2025 ------(Rupees in '000)----- (Audited)
12 SHORT TERM BORROWINGS			
- secured			
Short term loans - export refinance	12.1	4,226,000	3,816,000
Short term loans - money market	12.2	-	276,000
Short term overdraft	12.2	-	291
Short term running finances under FE-25	12.3	3,068,957	5,380,469
Short term running finances under EFS	12.4	877,791	849,031
		<u>8,172,748</u>	<u>10,321,791</u>

12.1 There are no major changes in the terms and conditions of short term loans as disclosed in note 23 of the annual audited financial statements for the year ended June 30, 2025.

12.2 These loans have been fully repaid during the year in accordance with the terms of agreement.

	Note	December 31, 2025 ----- (Un-audited)	June 30, 2025 ----- (Audited)
12.3 Short term running finance- FE-25			
RF-I	12.3.1	512,898	843,693
RF-II	12.3.1	714,205	984,801
RF-III	12.3.1	621,544	702,050
RF-IV	12.3.1	520,391	1,546,318
RF-V	12.3.1	280,775	422,560
RF-VI	12.3.1	98,508	642,061
RF-VII	12.3.1	179,936	238,985
RF-VIII	12.3.2	140,700	-
		<u>3,068,957</u>	<u>5,380,469</u>

12.3.1 There are no major changes in the terms and conditions of short term loans as disclosed in note 23 of the annual audited financial statements for the year ended June 30, 2025.

12.3.2 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 0.500 million equivalent to Rs. 140.700 million (June 30, 2025: Rs.Nil). It is secured against the first pari passu registered hypothecation charge on present & future current assets of the Company, aggregating to Rs.1,250 million.

	Note	December 31, 2025 ----- (Un-audited)	June 30, 2025 ----- (Audited)
12.4 Short term running finances - EFS (Rupee based discounting)			
EFS-I	12.4.1	253,873	252,638
EFS-II	12.4.1	573,919	596,393
EFS-III	12.4.2	49,999	-
		<u>877,791</u>	<u>849,031</u>

12.4.1 There are no major changes in the terms and conditions of short term loans as disclosed in note 23 of the annual audited financial statements for the year ended June 30, 2025.

12.4.2 The Company has also borrowed short-term running finances under Export Finance Scheme (EFS) Circular No.03, dated February 16, 2022. The facilities availed are for an amount of USD 0.177 million equivalent to Rs. 49.999 million (June 30, 2025: Rs. Nil). The rates of mark-up on these finances are 2% (June 30, 2025: Nil) per annum. These facilities are secured against the first pari passu hypothecation charge over the movables and receivables.

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, 2025.

	December 31, 2025	June 30, 2025
	----- (Rupees in '000) -----	
	(Un-audited)	(Audited)
13.1.1 Outstanding counter guarantees	1,037,874	1,017,874

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. 3.800 (June 30, 2025: Rs. 10.981) million.

13.2.2 Outstanding letters of credit at the end of the period amounted to Rs. 741.952 (June 30, 2025: Rs. 202.181) million.

13.2.3 Post dated cheques issued in favour of Custom Authorities aggregating to Rs. 449.990 (June 30, 2025: Rs. 449.990) 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 2025	December 2024
			----- (Rupees in '000) -----	
			(Un-audited)	
Associated Companies	Common directorship	Purchases	116,237	87,423
		Services rendered	3,290	11,207
Directors & Executives	Key management personnel	Salaries	12,378	12,378
		Retirement benefits	1,032	1,032
		Directorship fee	330	240
		Dividend paid to directors	-	76,633
Relative of Directors	Others	Sales	2,322,137	2,428,336
		Reimbursement of expenses	16,170	13,890

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.

15 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, 2025. 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.

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorized for issue on February 26, 2026 by the Board of Directors of the Company.

17 GENERAL

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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