



# Half Yearly Report

December 31,  
**2023**

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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. Salman Arif

### Auditors

M/s. Reanda Haroon Zakaria & Company  
Chartered Accountants

### Legal Advisor

Monawwer Ghani  
Advocate

### Share Registrar

M/s F. D. Registrar Services (Private) 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  
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.

Your Directors are pleased to present the Directors' Review of the Company along with the un-audited condensed interim financial statements of the Company for the half-year ended December 31, 2023.

### FINANCIAL HIGHLIGHTS FOR THE PERIOD UNDER REVIEW

The financial performance of the Company for the period under review along with the previous year's figures, are given below:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>Rs. in ('000')</b>	<b>Rs. in ('000')</b>
Sales - net	<b>10,781,307</b>	7,491,892
Gross profit	<b>1,363,204</b>	1,242,062
Finance costs	<b>654,395</b>	363,178
Net profit	<b>272,582</b>	465,764
EPS (Rs. per share)	<b>3.25</b>	5.54

During the six months ended December 31, 2023, the Company achieved significant sales growth, with sales increasing by 44%, rising from Rs. 7,492 million in half-year ended December 31, 2022, to Rs. 10,781 million in half-year ended December 31, 2023. This growth was on account of primarily to quantity and rate variances, as well as favorable changes in product mix.

The gross profit for the period increased from Rs. 1,242 million to Rs. 1,363 million in absolute terms; however, it decreased as a percentage of net sales from 16.58% to 12.64%. This decline was primarily attributed to considerably increases in raw material prices, soaring energy costs, and rising minimum wages; resulting in escalated production costs. Furthermore, the strengthening of the rupee against the US dollar exerted additional pressure on margins.

Finance costs for the period under review increased to Rs. 654 million as compared to Rs. 363 million for the corresponding period of the previous year, marking an unprecedented 80% rise in finance costs. This increase was the combined impact of higher effective interest rates and working capital requirements.

After providing Rs. 163 million for statutory tax provisions, including super tax provision, and considering the reasons elucidated above, the net profit stood at Rs. 273 million, compared to Rs. 466 million for the corresponding period last year.

### FUTURE OUTLOOK

In the current global macro-economic situation, Pakistan's economic outlook for Financial Year 2024 remains subdued, with growth forecasted at only 1.7pc. The monetary policy is expected to remain tight to curb inflation, while fiscal policy is expected set to be contractionary, reflecting pressures from high debt-service obligations. However, mitigating inflation requires a concerted effort to reduce the budget deficit. Simultaneously, to achieve sustainable growth, we must invest in human capital and increase their productivity and the country's productive capacity.

During the first half of the current Fiscal Year 2023-24, Pakistan witnessed a 4.97 percent decline in textile exports. Textile export figures from July to December 2023 stand at \$8.283 billion, compared to \$8.716 billion in corresponding period of Financial Year 2023.

Pakistan's economic relies on a market-driven exchange rate to buffer against external shocks, continue rebuilding foreign reserves, and support competitiveness and growth. Structural reforms, prudent budgetary management, focusing on increasing exports, and addressing issues in the gas sector are imperative to sustain consistent growth and build resilience against global economic uncertainties. Moreover, unprecedented rise in finance costs, withdrawal of energy subsidies and the imposition of super tax have significantly escalated the cost of doing business for businesses.

Nevertheless, our dedication remains steadfast as we refine our competencies and review our strategies to align with evolving market dynamics. Your company remains committed on making concerted efforts to improve performance through efficient and effective cost containment initiatives.

#### **ACKNOWLEDGEMENTS**

The Directors wish to extend their heartfelt appreciation for the enduring support received from our esteemed bankers, valued customers, regulators and various Government agencies. The Directors also express sincere gratitude to all employees for their contributions, support and continued cooperation throughout the period.

On behalf of the BOARD of DIRECTORS



**MUHAMMAD FAISAL AHMED**  
CHIEF EXECUTIVE



**YAZDANI ZIA**  
DIRECTOR

Karachi: February 22, 2024

**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, 2023** 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended **December 31, 2023**.

**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 Iqbal**.

*Reanda Haroon Zakaria QED*

**Reanda Haroon Zakaria & Company**  
**Chartered Accountants**

**Place:** Karachi  
**Dated:** February 22, 2024  
**UDIN:** RR202310086Z3g98srVw

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023 (UN-AUDITED)

ASSETS	Note	December 31, 2023	June 30, 2023
		(Un-audited)	(Audited)
------(Rupees in '000)-----			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	11,967,250	11,769,618
Long term loans		30,218	32,602
Long-term deposits		1,957	1,957
		<u>11,999,425</u>	<u>11,804,177</u>
<b>Current Assets</b>			
Stores and spares		263,092	248,281
Stock-in-trade	6	5,811,679	5,469,336
Trade debts	7	4,501,253	3,441,533
Loans and advances		97,281	74,541
Trade deposits and prepayments		15,871	67,292
Other receivables		180,367	139,745
Short term investments	8	124,136	71,502
Sales tax refundable		283,775	194,719
Taxation - net		-	209,098
Cash and bank balances		432,226	1,173,574
		<u>11,709,680</u>	<u>11,089,621</u>
		<u>23,709,105</u>	<u>22,893,798</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital And Reserves</b>			
<b>Authorized 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>			
		7,231,893	7,253,311
		<u>8,071,893</u>	<u>8,093,311</u>
<b>Non-Current Liabilities</b>			
Long-term financing	9	3,255,049	4,954,652
Deferred liability		281,952	268,466
		<u>3,537,001</u>	<u>5,223,118</u>
<b>Current Liabilities</b>			
Trade and other payables	10	4,199,875	2,793,789
Unclaimed dividend		3,541	3,238
Accrued mark-up		315,059	341,594
Short term borrowings	11	7,004,858	5,973,000
Current maturity of long-term financing		541,830	465,748
Taxation - net		35,048	-
		<u>12,100,211</u>	<u>9,577,369</u>
<b>Contingencies and Commitments</b>			
	12	<u>23,709,105</u>	<u>22,893,798</u>

The annexed notes from 1 to 16 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, 2023 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	------(Rupees in '000)-----			
<b>Turnover - net</b>	<b>10,781,307</b>	7,491,892	<b>5,672,142</b>	3,832,192
Cost of sales	<b>(9,418,103)</b>	(6,249,830)	<b>(5,008,739)</b>	(3,159,250)
<b>Gross profit</b>	<b>1,363,204</b>	1,242,062	<b>663,403</b>	672,942
Distribution costs	<b>(227,534)</b>	(218,979)	<b>(131,906)</b>	(132,221)
Administrative expenses	<b>(117,158)</b>	(104,218)	<b>(60,828)</b>	(45,283)
Other operating expenses	<b>(41,082)</b>	(39,593)	<b>(23,503)</b>	(15,494)
Other income	<b>112,677</b>	41,395	<b>74,242</b>	22,671
	<b>(273,097)</b>	(321,395)	<b>(141,995)</b>	(170,327)
<b>Operating profit</b>	<b>1,090,107</b>	920,667	<b>521,408</b>	502,615
Finance costs	<b>(654,395)</b>	(363,178)	<b>(336,638)</b>	(232,082)
<b>Profit before taxation</b>	<b>435,712</b>	557,489	<b>184,770</b>	270,533
Taxation	<b>(163,130)</b>	(91,725)	<b>(87,918)</b>	(49,850)
<b>Net Profit for the period</b>	<b>272,582</b>	465,764	<b>96,852</b>	220,683
<b>Basic &amp; diluted earnings per share (Rupees)</b>	<b>3.25</b>	5.54	<b>1.15</b>	2.63

The annexed notes from 1 to 16 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, 2023 (UN-AUDITED)**

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	------(Rupees in '000)-----			
Net Profit for the period	272,582	465,764	96,852	220,683
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>272,582</u>	<u>465,764</u>	<u>96,852</u>	<u>220,683</u>

The annexed notes from 1 to 16 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, 2023 (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) -----					
<b>Balance as at July 1, 2022</b>	840,000	6,399,634	115	6,399,749	7,239,749
Net profit for the period	-	465,764	-	465,764	465,764
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	465,764	-	465,764	465,764
<b>Transactions with owners</b>					
Cash dividend paid @ Rs. 2.00 per ordinary share of Rs.10 each for the year ended June 30, 2022	-	(168,000)	-	(168,000)	(168,000)
<b>Balance as at December 31, 2022</b>	<b>840,000</b>	<b>6,697,398</b>	<b>115</b>	<b>6,697,513</b>	<b>7,537,513</b>
<b>Balance as at July 1, 2023</b>	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	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	272,582	-	272,582	272,582
<b>Transactions with owners</b>					
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)
<b>Balance as at December 31, 2023</b>	<b>840,000</b>	<b>7,270,846</b>	<b>(38,953)</b>	<b>7,231,893</b>	<b>8,071,893</b>

The annexed notes from 1 to 16 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, 2023 (UN-AUDITED)

	Note	Half Year Ended	
		December 31, 2023	December 31, 2022
(Rupees in '000)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		435,712	557,489
Adjustments for non-cash charges and other items:			
Depreciation	5.1	389,753	301,694
Provision for gratuity		38,458	33,227
Unrealised gain on short-term investments	8	(56,519)	-
Dividend income		(2,624)	(4,401)
Gain on disposal of operating fixed assets		(4,804)	(5)
Finance cost		654,395	363,178
		<u>1,018,659</u>	<u>693,693</u>
Profit before working capital changes (Increase) / decrease in current assets		1,454,371	1,251,182
Stores and spares		(14,811)	(12,199)
Stock-in-trade		(342,343)	(1,900,471)
Trade debts		(1,059,720)	308,350
Loans and advances		(22,740)	(78,089)
Long term deposit		-	(225)
Trade deposits and short-term prepayments		51,421	(11,913)
Other receivables		(129,678)	(506,631)
		<u>(1,517,871)</u>	<u>(2,201,178)</u>
Increase in current liabilities			
Trade and other payables		1,406,086	1,040,822
Cash generated from / (used in) operations		<u>1,342,586</u>	<u>90,826</u>
Income taxes received / (paid) - net		81,015	(80,143)
Gratuity paid		(24,972)	(17,991)
Finance costs paid		(680,930)	(226,146)
		<u>(624,887)</u>	<u>(324,280)</u>
Net cash generated from / (used in) operating activities		<u>717,699</u>	<u>(233,454)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure	5.1 & 5.2	(591,135)	(895,244)
Short-term investment - net		3,885	(621)
Long-term loans - net		2,384	1,255
Dividend received		2,624	4,401
Proceeds from disposal of operating fixed assets		8,554	26
Net cash used in investing activities		<u>(573,688)</u>	<u>(890,183)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing repaid	9	(1,623,520)	(134,912)
Long-term financing availed		-	355,966
Short-term borrowings obtained - net	11	1,031,858	1,051,080
Dividends paid		(293,697)	(167,897)
Net cash (used in) / generated from financing activities		<u>(885,359)</u>	<u>1,104,237</u>
Net decrease in cash and cash equivalents		<u>(741,348)</u>	<u>(19,400)</u>
Cash and cash equivalents at beginning of the period		<u>1,173,574</u>	<u>629,129</u>
Cash and cash equivalents at end of the period		<u>432,226</u>	<u>609,729</u>

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

The annexed notes from 1 to 16 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, 2023 (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 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 facility<sup>1</sup> 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, 2023 and December 31, 2022 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, 2023 and December 31, 2022.

**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, 2023. 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 SIGNIFICANT ACCOUNTING POLICIES**

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, 2023.

#### **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 IAS 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and disclosure of accounting policies	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors': Amendments regarding the definition of accounting estimates	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments regarding deferred tax on leases and decommissioning obligations.	January 1, 2023
Amendments to IAS 12 'Income Taxes': Amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 1, 2023

### 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 financial statements other than certain additional disclosures:

	<b>Effective from accounting period beginning on or after</b>
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 1 'Presentation of Financial Statements': Amendments regarding the classification of liabilities and debt with covenants	January 1, 2024
Amendments to IAS 7 'Statement of Cash flows'-Supplier Finance agreements	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 IFRS 7 'Financial Instruments' Disclosures-Supplier finance arrangements	January 1, 2024
Amendments to IAS 21 'Effect of changes in foreign exchange rates'	January 1, 2025

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, 2023.

	Note	December 31, 2023 ----- (Un-audited)	June 30, 2023 ----- (Audited)
(Rupees in '000)			
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>8,134,716</b>	8,427,700
Capital work-in-progress (CWIP)	5.2	<b>3,832,534</b>	3,341,918
		<u><b>11,967,250</b></u>	<u>11,769,618</u>
<b>5.1 Operating fixed assets</b>			
Opening written down value		<b>8,427,700</b>	6,626,575
Additions during the period / year	5.1.1	<b>33,576</b>	14,223
Transfers from CWIP during the period / year	5.1.1	<b>66,943</b>	2,505,473
		<u><b>100,519</b></u>	<u>2,519,696</u>
		<b>8,528,219</b>	9,146,271
Disposals during the period / year at written down value	5.1.2	<b>(3,750)</b>	(15,904)
Depreciation for the period / year		<b>(389,753)</b>	(702,667)
		<u><b>8,134,716</b></u>	<u>8,427,700</u>
<b>5.1.1 Additions / transfers* during the period / year</b>			
Building on leasehold land	*	-	* 961,883
Plant and machinery	*	<b>40,926</b>	* 1,519,152
Factory equipment	*	<b>26,017</b>	* 24,438
Furniture and fixtures		<b>190</b>	1,796
Office equipment, including computers		-	2,288
Vehicles		<b>33,386</b>	10,139
		<u><b>100,519</b></u>	<u>2,519,696</u>

	December 31, 2023	June 30, 2023
Note	----- (Rupees in '000) -----	
	(Un-audited)	(Audited)
<b>5.1.2 Disposals, at their written down values, during the period / year</b>		
Vehicles	3,750	117
Plant and machinery	-	15,787
	<u>3,750</u>	<u>15,904</u>
<b>5.2 Capital work-in-progress</b>		
Opening written down value	3,341,918	3,018,389
<b>Additions made during the period / year</b>		
Civil works	334,198	517,744
Plant and machinery	39,300	2,006,313
Factory equipment	26,017	24,438
Advances	158,044	280,507
	<u>557,559</u>	<u>2,829,002</u>
Transfers to operating assets	5.1.1 (66,943)	(2,505,473)
	5.2.2 <u>3,832,534</u>	<u>3,341,918</u>
<b>5.2.1</b> Includes borrowing cost incurred in respect of plant and machinery capitalized during the period / year amounting to Rs: Nil (2023: Rs 22.838) Million.		
<b>5.2.2 Capital work-in progress as at period / year end</b>		
Civil works	1,728,758	1,206,761
Plant and machinery	1,739,737	1,693,386
Advances	364,039	441,771
	<u>3,832,534</u>	<u>3,341,918</u>
<b>6 STOCK IN TRADE</b>		
<b>Raw and packing material</b>		
In hand	2,985,025	3,258,840
In transit	73,520	324,371
	<u>3,058,545</u>	<u>3,583,211</u>
<b>Work-in-process</b>	1,968,517	1,268,952
<b>Finished goods</b>	784,617	617,173
	<u>5,811,679</u>	<u>5,469,336</u>
<b>7 TRADE DEBTS</b>		
<b>- Considered good</b>		
<b>Secured - against letters of credit</b>		
<b>Related Party - Associated Company</b>		
Artistic Fabric Mills (Private) Limited	108,150	-
<b>Others</b>	1,009,201	738,254
	<u>1,117,351</u>	<u>738,254</u>
<b>Unsecured</b>		
<b>Related Parties - Associated Companies</b>		
DL1961 Premium Denim Inc. - Export	328,611	327,651
Premium Distributors - Export	53,861	48,715
Regency Brands LLC. - Export	1,722,825	909,608
	<u>2,105,297</u>	<u>1,285,974</u>
<b>Others</b>	1,278,605	1,417,305
	<u>4,501,253</u>	<u>3,441,533</u>



	Note	December 31, 2023 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2023 (Audited)
<b>8 SHORT - TERM INVESTMENT</b>			
- At fair value through profit or loss			
In units of mutual funds	8.1	312	4,197
In Quoted securities			
Carrying value		67,305	74,959
Gain / (loss) on re-measurement of investment	8.2	56,519	(7,654)
		<u>123,824</u>	<u>67,305</u>
		<u>124,136</u>	<u>71,502</u>

**8.1 Mutual funds**

	December 31, 2023	June 30, 2023		December 31, 2023 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2023 (Audited)
	Number in units				
	2,243	44,997	Al-Meezan Rozana Amdani Fund (S-Plan)	112	2,250
	20,014	194,679	NPB Islamic Daily Dividend Fund	200	1,947
	<u>22,257</u>	<u>239,676</u>		<u>312</u>	<u>4,197</u>

**8.2 Quoted Shares**

	December 31, 2023	June 30, 2023		December 31, 2023 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2023 (Audited)
	Number of shares			Market value	
	180,500	180,500	Oil & Gas Development Company Ltd.	20,297	14,079
	900,000	900,000	Pakistan Petroleum Limited	103,527	53,226
	<u>1,080,500</u>	<u>1,080,500</u>		<u>123,824</u>	<u>67,305</u>

	Note	December 31, 2023 ------(Rupees in '000)----- (Un-audited)	June 30, 2023 ----- (Audited)
<b>9 LONG TERM FINANCING</b>			
<b>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)</b>			
Commercial bank - I		600,336	656,334
Commercial bank - II		2,131,137	3,145,343
Commercial bank - III		1,065,406	1,618,723
	9.1	<u>3,796,879</u>	<u>5,420,400</u>
Current maturities shown under current liabilities		<u>(541,830)</u>	<u>(465,748)</u>
		<u><u>3,255,049</u></u>	<u><u>4,954,652</u></u>

9.1 There are no major changes in the terms and conditions of long term financings as disclosed in note 18 of the annual audited financial statements for the year ended June 30, 2023.

		December 31, 2023 ------(Rupees in '000)----- (Un-audited)	June 30, 2023 ----- (Audited)
<b>10 TRADE AND OTHER PAYABLES</b>			
Creditors	10.1	1,773,175	1,056,669
Accrued liabilities	10.2	2,144,842	1,558,252
Book overdraft	10.3	101,663	10,781
Advances from customers - unsecured		76,536	13,550
Advance against expenses	10.4	15,676	13,010
Staff contribution for vehicle		34,068	38,566
Worker's Profit Participation Fund		23,394	69,642
Worker's Welfare Fund		8,773	14,544
Withholding tax		21,748	18,776
		<u><u>4,199,875</u></u>	<u><u>2,793,789</u></u>

**10.1** This includes balance with Artistic Fabric Mills (Private) Limited amounting to Rs. 21.11 (June 30, 2023: Rs. 5.40) million.

**10.2** This includes provision of Rs. 1,403.231 (June 30, 2023: Rs. 1,373.884) 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.

**10.3** This represents balance arising on account of unrepresented cheques issued as on reporting date which are to be cleared subsequent to the year end.

**10.4** This represents amount of Rs. 5.837 (2023: Rs. 5.837) million and Rs 9.837 (2023: 7.712) million received from Regency Brand LLC - related party and DL 1961 Premium Denim inc - related party respectively for reimbursable expenses.

		<b>December 31, 2023</b>	<b>June 30, 2023</b>
		----- <b>(Rupees in '000)</b> -----	
		<b>(Un-audited)</b>	<b>(Audited)</b>
<b>11</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>- secured</b>		
	Short term loans	11.1 <b>5,178,000</b>	5,973,000
	Short term loans - money market	11.2 <b>683,000</b>	-
	Short term running finances	11.3 <b>1,143,858</b>	-
		<u><b>7,004,858</b></u>	<u>5,973,000</u>

**11.1** There are no major changes in the terms and conditions of short terms loans as disclosed in note 22.1 of the annual audited financial statements for the year ended June 30, 2023.

	Note	December 31, 2023 ------(Rupees in '000)----- (Un-audited)	June 30, 2023 ----- (Audited)
<b>11.2 Breakup of short term loans - money market</b>			
Commercial Bank I	11.2.1	<b>300,000</b>	-
Islamic Bank II	11.2.2	<b>383,000</b>	-
		<u><b>683,000</b></u>	<u>-</u>

**11.2.1** During the period, the company has arranged a money market loan amounting to Rs. 300 million from a commercial bank to meet its working capital requirements. It carries markup at the rate of corresponding tenor KIBOR plus 0.3% per annum and is secured against registered first pari passu hypothecation charge over movables and receivables of the company aggregating to Rs. 4,400 million.

**11.2.2** During the period, the company has arranged a money market loan amounting to Rs. 383 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.

	Note	December 31, 2023 ------(Rupees in '000)----- (Un-audited)	June 30, 2023 ----- (Audited)
<b>11.3 Breakup of short term running finance</b>			
Commercial Bank I	11.3.1	<b>504,165</b>	-
Islamic Bank II	11.3.2	<b>574,223</b>	-
Commercial Bank III	11.3.3	<b>19,946</b>	-
Islamic Bank IV	11.3.4	<b>45,524</b>	-
		<u><b>1,143,858</b></u>	<u>-</u>

**11.3.1** During the period, the company has arranged a loan under Export Refinance Scheme- I/II amounting to Rs. 504.165 million from a commercial bank to meet its export related working capital requirements. It carries markup at the respective SBP refinance rate plus 1% per annum and is secured against first pari passu hypothecation charge of Rs. 1,500 Million over stocks and receivables of the company.

**11.3.2** During the period, the company has arranged a running musharakah loan under IERS amounting to Rs. 574.223 million from an Islamic bank to meet its working capital requirements. It carries markup at the SBP refinance rate plus 1% per annum and is secured against first pari passu hypothecation charge over all present and future current assets of the company aggregating to Rs. 1,875 million.

**11.3.3** During the period, the company has arranged a running finance facility amounting to Rs. 19.946 million from a commercial bank to meet its working capital requirements. It carries markup at the SBP refinance rate plus 1% per annum and is secured against first pari passu hypothecation charge on movables and receivables of the Company, aggregating to Rs. 1,587.500 million.

**11.3.4** During the period, the company has arranged a running musharakah loan facility amounting to Rs. 45.524 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.

## 12 CONTINGENCIES AND COMMITMENTS

### 12.1 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, 2023.

	December 31, 2023	June 30, 2023
	----- (Rupees in '000) -----	
	(Un-audited)	(Audited)
<b>12.1.1 Outstanding counter guarantees</b>	<b>663,410</b>	633,410

### 12.2 Commitments

**12.2.1** Commitments in respect of Building on leasehold land and machinery at the end of the period amounted to Rs. 280.983 (June 30, 2023: Rs. 226.913) million.

**12.2.2** Outstanding letters of credit at the end of the period amounted to Rs. 570.345 (June 30, 2023: Rs. 1009.703) million.

**12.2.3** Post dated cheques issued in favor of Custom Authorities aggregating to Rs. 860.546 (June 30, 2023: Rs. 1275.613) million, against various statutory notifications.

**12.2.4** Outstanding foreign currency forward contracts of Rs. 717.727 (June 30, 2023: Nil) million.

## 13 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 2023	December 2022
			------(Rupees in '000)-----	
(Un-audited)				
Associated Companies	Common directorship	Sales	<b>404,961</b>	44,045
		Purchases	<b>80,276</b>	126,003
		Services received	-	127
		Services rendered	<b>20,151</b>	39
Directors & Executives	Key management personnel	Salaries	<b>10,986</b>	9,522
		Retirement benefits	<b>1,032</b>	794
		Directorship fee	<b>420</b>	360
		Dividend paid to directors	<b>238,466</b>	136,266
Relative of directors	Others - spouse / daughter of a director	Sales	<b>3,559,134</b>	1,995,745
		Reimbursement of expenses	<b>2,870</b>	11,438

13.1 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.

#### 14 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, 2023. 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.

#### 15 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial statements were authorized for issue on February 22, 2024 by the Board of Directors of the Company.

#### 16 GENERAL

16.1 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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