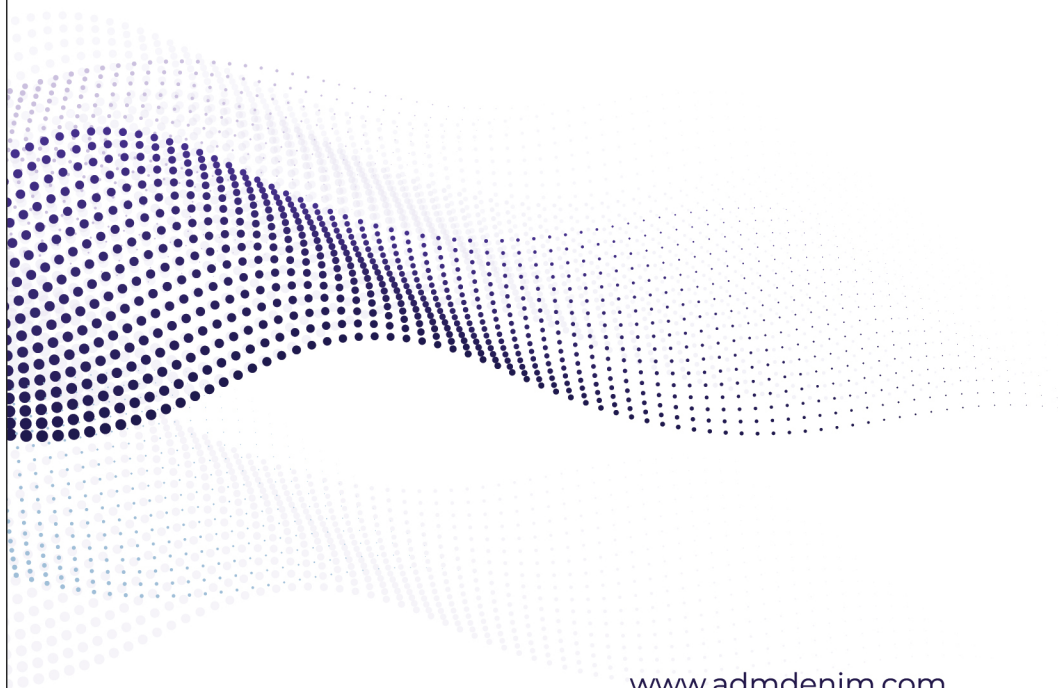




Half Yearly Report

December 31, 2022



www.admdenim.com

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

Audit Committee

Chairman
Members

Mr. Yazdani Zia
Mr. Muhammad Iqbal Ahmed
Mr. Muhammad Ali Ahmed

Human Resource and Remuneration Committee

Chairman
Members

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

Chief Financial Officer

Mr. Sagheer Ahmed

Company Secretary

Mr. Muhammad Ozair Qureshi

Chief Internal Auditor

Mr. Salman Arif

Auditors

M/s. Reanda Haroon Zakaria & Company
Chartered Accountants

Legal Advisor

Monawwer Ghani
Advocate

Share Registrar

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

Bankers

Allied Bank Limited
Bank Al Habib Limited
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 and Factory

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

DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present to the shareholders the Directors' Review Report of your Company together with the un-audited condensed interim financial statements for the half year ended December 31, 2022.

PERIOD UNDER REVIEW

Following is the gist of the Company's performance for the period under review as compared with the corresponding period last year:

	December 31, 2022	December 31, 2021
	Rs. in ('000')	Rs. in ('000')
Sales without exchange gain	7,011,239	7,859,581
Exchange gain	480,653	100,991
Sales - net	7,491,892	7,960,572
Gross profit	1,242,062	753,608
Finance costs	363,178	179,384
Net profit	465,764	242,179
EPS (Rs. per share)	5.54	2.88

Despite substantial macro-economic challenges, your Company achieved net sales of Rs.7,492 million as compared to Rs.7,961 million in the same period of last year, down 5.89%. The decrease in sales was primarily due to global inflation and recession, therefore, slowdown in demand in the international market.

The Company posted a gross profit of Rs. 1,242 million for the half year under review as compared to Rs. 754 million for the corresponding period of last year, up 64.82%, on account of devaluation of Pakistan Rupee and effective cost controls.

Finance costs for the period under review increased to Rs. 363 million as compared to Rs. 179 million for the corresponding period of last year, which was the combined impact of higher effective interest rates and working capital needs.

After providing Rs.92 million for taxation, the Company has been able to achieve a net profit of Rs. 466 million as compared to a net profit of Rs. 242 million during the same period last year, reflecting a remarkable increase in profit, up 92.32%. This resulted in Earnings per Share (EPS) of Rs. 5.54 as compared to Rs. 2.88 for the corresponding period of last year.

FUTURE OUTLOOK

We expect Pakistan's textile exports to remain muted in the coming months amid inflationary pressures and global economic meltdown followed by tough economic condition, persistent political instability and domestic gas shortages. Moreover, a higher working capital requirements and International Monetary Fund (IMF) coercion for increasing energy prices and jacking up export refinance rates will continue to pile pressure on textile exporters. Accordingly, based on World Bank's latest report forecast, Pakistan's real Gross Domestic Product (GDP) is to grow at 2.0% in the fiscal year 2022-23 (FY2023), while global growth is also expected to slow "perilously close" to recession in 2023, slashing its economic forecast on high inflation, rising interest rates and Russia's invasion of Ukraine.

In order to keep the mills operational and maintain the export growth it is essential that the raw material must be available to the entire sector so that the sector which exports 80 percent of its products does not come to a standstill.

Notwithstanding, under the leadership of the Board, the Management of your Company remains cognizant of the challenges and would continue to make all efforts to ensure that adequate measures are taken to minimize the negative impacts on the Company. Curbing costs and maintaining high quality of product will remain the focus of your Company. However, with rising cost pressures, maintaining market share as well as ensuring reasonable margins will be a challenge.

ACKNOWLEDGEMENTS

We would like to extend our appreciation to the Company's suppliers, customers, financial institutions and partners for their continued confidence and support in the achievement of the Company's results. The Board of Directors take this opportunity to thank all the employees for their devotion, untiring work, dedication and commitment.

On behalf of the BOARD of DIRECTORS

MUHAMMAD FAISAL AHMED
CHIEF EXECUTIVE

YAZDANI ZIA
DIRECTOR

Karachi: February 11, 2023

**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, 2022** 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, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended **December 31, 2022**.

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 & Company
Chartered Accountants

Place: Karachi
Dated: February 11, 2023
UDIN: PR202210086LTs68VfpH

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022 (UN-AUDITED)

		December 31, 2022	June 30, 2022
		----- (Rupees in '000) -----	
ASSETS	Note	(Un-audited)	(Audited)
Non-Current Assets			
Property, plant and equipment	5	10,238,482	9,644,964
Long term loans		28,608	29,864
Long-term deposits		1,957	1,732
		<u>10,269,047</u>	<u>9,676,560</u>
Current Assets			
Stores and spares		255,040	242,841
Stock-in-trade	6	7,006,763	5,106,292
Trade debts	7	3,445,427	3,753,777
Loans and advances		121,649	43,560
Trade deposits and prepayments		41,202	29,289
Other receivables		110,025	102,286
Short term investments	8	76,330	75,710
Sales tax refundable		676,359	177,467
Taxation - net		231,518	243,089
Cash and bank balances		609,729	629,129
		<u>12,574,042</u>	<u>10,403,440</u>
		<u>22,843,089</u>	<u>20,080,000</u>
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorised share capital			
100,000,000 ordinary shares of Rs.10/- each		1,000,000	1,000,000
Issued, subscribed and paid-up capital		840,000	840,000
Reserves		<u>6,697,513</u>	<u>6,399,749</u>
		7,537,513	7,239,749
Non-Current Liabilities			
Long-term financing	9	3,909,561	3,763,158
Deferred liability		188,847	173,612
		<u>4,098,408</u>	<u>3,936,770</u>
Current Liabilities			
Trade and other payables	10	3,355,701	2,314,880
Unclaimed dividend		3,238	3,135
Accrued mark-up		212,148	75,116
Short term borrowings	11	7,274,080	6,223,000
Current maturity of long-term financing		362,001	287,350
		<u>11,207,168</u>	<u>8,903,480</u>
Contingencies and Commitments	12	<u>22,843,089</u>	<u>20,080,000</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 PROFIT OR LOSS FOR THE HALF YEAR ENDED DECEMBER 31, 2022 (UN-AUDITED)

		Half Year Ended		Quarter Ended	
		December 31, 2 0 2 2	December 31, 2 0 2 1	December 31, 2 0 2 2	December 31, 2 0 2 1
	Note	----- (Rupees in '000) -----			
Turnover - net	14	7,491,892	7,960,572	3,832,192	3,529,209
Cost of sales	14	(6,249,830)	(7,206,964)	(3,159,250)	(3,206,372)
Gross profit		1,242,062	753,608	672,942	322,837
Distribution costs		(218,979)	(172,794)	(132,221)	(81,960)
Administrative expenses		(104,218)	(79,618)	(45,283)	(44,961)
Other operating expenses		(39,593)	(33,726)	(15,494)	(5,455)
Other income	14	41,395	34,325	22,671	17,339
		(321,395)	(251,813)	(170,327)	(115,037)
Operating profit		920,667	501,795	502,615	207,800
Finance costs		(363,178)	(179,384)	(232,082)	(108,841)
Profit before taxation		557,489	322,411	270,533	98,959
Taxation		(91,725)	(80,232)	(49,850)	(35,144)
Net Profit for the period		465,764	242,179	220,683	63,815
Basic & diluted earnings per share (Rupees)		5.54	2.88	2.63	0.76

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, 2022 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- (Rupees in '000) -----			
Net Profit for the period	465,764	242,179	220,683	63,815
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	465,764	242,179	220,683	63,815

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, 2022 (UN-AUDITED)

		Revenue Reserves			
	Issued, subscribed and paid-up capital	Unappropriated profit	Actuarial (loss)/ gain on defined benefit plan	Total Reserves	Total Equity
	(Rupees in '000)				
Balance as at July 1, 2021	840,000	5,913,382	(25,864)	5,887,518	6,727,518
Net profit for the period	-	242,179	-	242,179	242,179
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	242,179	-	242,179	242,179
Transactions with owners					
Cash dividend paid @ Rs. 2.00 per ordinary share of Rs.10 each for the year ended June 30, 2021	-	(168,000)	-	(168,000)	(168,000)
Balance as at December 31, 2021	840,000	5,987,561	(25,864)	5,961,697	6,801,697
Balance as at July 1, 2022	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	-	-	-	-	-
Total comprehensive income for the period	-	465,764	-	465,764	465,764
Transactions with owners					
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)
Balance as at December 31, 2022	840,000	6,697,398	115	6,697,513	7,537,513

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, 2022 (UN-AUDITED)

		Half Year Ended	
		December 31, 2022	December 31, 2021
	Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		557,489	322,411
Adjustments for non-cash charges and other items:			
Depreciation		301,694	250,595
Provision for gratuity		33,227	27,665
Unrealised loss on short-term investments		-	8,605
Dividend income		(4,401)	(2,419)
Gain on disposal of operating fixed assets		(5)	(478)
Finance cost		363,178	179,384
		693,693	463,352
Profit before working capital changes		1,251,182	785,763
(Increase) / decrease in current assets			
Stores and spares		(12,199)	(16,885)
Stock-in-trade		(1,900,471)	(1,585,239)
Trade debts		308,350	(352,107)
Loans and advances		(78,089)	(48,782)
Long term deposit		(225)	-
Trade deposits and short-term prepayments		(11,913)	99
Other receivables and sale tax refundable		(506,631)	(247,012)
		(2,201,178)	(2,249,926)
Increase in current liabilities			
Trade and other payables		1,040,822	645,187
Cash generated from / (used in) operations		90,826	(818,976)
Income taxes paid		(80,143)	(79,247)
Gratuity paid		(17,991)	(3,352)
Finance costs paid		(226,146)	(159,102)
		(324,280)	(241,701)
Net cash used in operating activities		(233,454)	(1,060,677)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	5.1 & 5.2	(895,244)	(1,327,020)
Short-term investment -net		(621)	(7)
Long-term loans - net		1,255	(2,836)
Dividend received		4,401	2,419
Proceeds from disposal of operating fixed assets		26	1,243
Net cash used in investing activities		(890,183)	(1,326,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing repaid		(134,912)	(104,200)
Long-term financing availed		355,966	649,794
Short-term borrowings obtained - net		1,051,080	2,022,395
Dividends paid		(167,897)	(167,791)
Net cash generated from financing activities		1,104,237	2,400,198
Net (decrease) / increase in cash and cash equivalents		(19,400)	13,320
Cash and cash equivalents at beginning of the period		629,129	370,701
Cash and cash equivalents at end of the period		609,729	384,021

* 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, 2022 (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.

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, 2022 and December 31, 2021 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, 2022 and December 31, 2021.

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, 2022. 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 same as those applied in the preparation of the annual financial statements for the year ended June 30, 2022.

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:

Effective for period beginning on or after

Amendments to IAS 16 'Property, Plant and Equipment': January 1, 2022
Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use

Amendments to IAS 37 'Provisions, Contingent Liabilities and January 1, 2022
Contingent Assets': Amendments regarding the costs to include when assessing whether a contract is onerous

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:

	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.
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
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, 2022.

	Note	December 31, 2022 ----- (Un-audited)	June 30, 2022 ----- (Audited)
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	6,524,249	6,626,575
Capital work-in-progress (CWIP)	5.2	3,714,233	3,018,389
		10,238,482	9,644,964
5.1 Operating fixed assets			
Opening written down value		6,626,575	5,577,115
Additions during the period / year	5.1.1	11,925	10,885
Transfers from CWIP during the period / year	5.1.1	187,475	1,569,981
		199,400	1,580,866
		6,825,975	7,157,981
Disposals during the period / year at written down value	5.1.2	(32)	(1,047)
Depreciation / amortization charge for the period / year		(301,694)	(530,359)
		6,524,249	6,626,575
5.1.1 Additions / transfers* during the period / year			
Building on leasehold land		* -	* 356,078
Plant and machinery		* 179,632	* 1,165,998
Factory equipment		* 7,843	* 47,905
Furniture and fixtures		1,021	1,914
Office equipment, including computers		765	8,898
Vehicles		10,139	73
		199,400	1,580,866

	Note	December 31, 2022 ------(Rupees in '000)----- (Un-audited)	June 30, 2022 (Audited)
5.1.2 Disposals, at their written down values, during the period / year			
Vehicles		32	1,047
5.2 Capital work-in-progress			
Balances at the beginning of the period / year		3,018,389	2,168,764
Additions made during the period / year			
Civil works		367,017	487,232
Plant and machinery	5.2.1	405,709	1,293,367
Factory equipment		7,843	47,905
Advances		102,750	591,102
		883,319	2,419,606
Transfers to operating assets	5.1.1	(187,475)	(1,569,981)
		3,714,233	3,018,389
5.2.1	Includes borrowing cost incurred in respect of plant and machinery capitalized during the year amounting to Rs: 17.748 (2022: Rs Nil) Million.		
5.2.2 Capital work-in progress as at period / year end			
Civil works		1,603,697	1,214,743
Plant and machinery		696,204	1,186,376
Advances		1,414,332	617,270
		3,714,233	3,018,389
6 STOCK IN TRADE			
Raw and packing material			
In hand		4,852,165	3,289,700
In transit		10,503	89,775
		4,862,668	3,379,475
Work-in-process		1,607,062	1,148,137
Finished goods		537,033	578,680
		7,006,763	5,106,292
7 TRADE DEBTS - considered good			
Secured - against letters of credit			
Related Party Associate Company			
Casual Sports Wear (SMC-Pvt) Limited - Indirect export		-	4,840
		-	4,840
Others		731,478	974,103
		731,478	978,943
Unsecured			
Related Party Associate Companies			
DL1961 Premium Denim Inc. - Export		150,793	229,364
Premium Distributors - Export		27,361	31,195
Regency Brands LLC. - Export		1,222,464	1,614,759
Artistic Fabric Mills (Private) Limited		-	67
		1,400,618	1,875,385
Others		1,313,331	899,449
		3,445,427	3,753,777

	Note	December 31, 2022 ------(Rupees in '000)----- (Un-audited)	June 30, 2022 ------(Rupees in '000)----- (Audited)
8 SHORT - TERM INVESTMENT			
- At fair value through profit or loss			
In units of mutual funds	8.1	625	751
In Quoted securities			
Carrying value		74,959	95,300
Gain / (loss) on re-measurement of investment	8.2	746	(20,341)
		<u>75,705</u>	<u>74,959</u>
		<u>76,330</u>	<u>75,710</u>

8.1 Mutual funds

December 31, 2022	June 30, 2022		December 31, 2022 ------(Rupees in '000)----- (Un-audited)	June 30, 2022 ------(Rupees in '000)----- (Audited)
Number in units				
10,581	10,577	Al-Meezan Rozana Amdani Fund (S-Plan)	529	529
		Al-Meezan Rozana Amdani Fund		
1,108	-	(Growth Plan)	55	-
4,100	22,160	NPB Islamic Daily Dividend Fund	41	222
<u>15,789</u>	<u>32,737</u>		<u>625</u>	<u>751</u>

8.2 Quoted Shares

December 31, 2022	June 30, 2022		December 31, 2022 ------(Rupees in '000)----- (Un-audited)	June 30, 2022 ------(Rupees in '000)----- (Audited)
Number of shares			Market value	
180,500	180,500	Oil & Gas Development Company Ltd.	14,379	14,200
900,000	900,000	Pakistan Petroleum Limited	61,326	60,759
<u>1,080,500</u>	<u>1,080,500</u>		<u>75,705</u>	<u>74,959</u>

	Note	December 31, 2022 ------(Rupees in '000)----- (Un-audited)	June 30, 2022 ------(Rupees in '000)----- (Audited)
9 LONG TERM FINANCING			
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		695,944	730,526
Commercial bank - II	9.1	2,675,918	2,390,916
Commercial bank - III		899,700	929,066
	9.2	4,271,562	4,050,508
Current maturities shown under current liabilities		(362,001)	(287,350)
		3,909,561	3,763,158

9.1 Includes new loan tranche of Rs. 355.966 million received during the period from commercial bank - II for import of eligible plant and machinery, by the Company under the SBP's LTFF Scheme, as announced by the SBP in their MFD, Circular No. 07, dated December 31, 2007.

9.2 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, 2022.

		December 31, 2022 ------(Rupees in '000)----- (Un-audited)	June 30, 2022 ------(Rupees in '000)----- (Audited)
10 TRADE AND OTHER PAYABLES			
Creditors	10.1 & 10.2	1,126,270	646,051
Accrued liabilities	10.3	1,845,535	1,490,653
Bank overdraft	10.4	266,069	-
Advances from customers - unsecured		19,712	49,526
Advance against expenses		13,261	22,642
Staff contribution for vehicle		35,930	33,301
Worker's Profit Participation Fund		29,668	46,921
Worker's Welfare Fund		6,186	13,550
Withholding tax		13,070	12,236
		3,355,701	2,314,880

10.1 This includes balance with Artistic Fabric Mills (Private) Limited amounting to Rs. 6.046 (June 30, 2022: Rs. 4.052) million.

10.2 This includes foreign bills payable amounting to Rs. 107.257 (June 30, 2022: Nil) million.

10.3 This includes provision of Rs. 1,328.633 (June 30, 2022: Rs. 1,309.240) 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 Honourable 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 dependant on the decision of the said case which is pending till the reporting date.

10.4 This represents balance arising on account of unpresented cheques issued as on reporting date which is to be cleared subsequent to the year end.

		December 31, 2022	June 30, 2022
		----- (Rupees in '000) -----	
		(Un-audited)	(Audited)
11	SHORT TERM BORROWINGS		
	- secured		
	Short term loans	11.1 5,973,000	5,923,000
	Short term loans - money market	11.2 1,301,080	300,000
		<u>7,274,080</u>	<u>6,223,000</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, 2022.

		December 31, 2022	June 30, 2022
	Note	------(Rupees in '000)----- (Un-audited)	(Audited)
11.2 Short term loans - money market			
Commercial Bank I		600,000	100,000
Commercial Bank II		300,000	200,000
Commercial Bank III	11.2.1	401,080	-
		<u>1,301,080</u>	<u>300,000</u>

11.2.1 During the period, the Company has arranged a money market loan amounting to Rs. 401 million, from a commercial bank to meet working capital requirements. It carries markup at the rate of one month KIBOR plus 0.15% per annum and is secured against registered first pari passu hypothecation charge of Rs. 1,250 million over moveables and receivables of the Company.

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, 2022.

	December 31, 2022	June 30, 2022
	------(Rupees in '000)----- (Un-audited)	(Audited)
12.1.1 Outstanding counter guarantees	<u>570,328</u>	<u>550,328</u>

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. 479.579 (June 30, 2022: Rs. 272.040) million.

12.2.2 Outstanding letters of credit at the end of the period amounted to Rs. 1,520.801 (June 30, 2022: Rs. 798.070) million.

12.2.3 Post dated cheques issued in favour of Custom Authorities aggregating to Rs. 468.825 (June 30, 2022: Rs. 384.671) million, against various statutory notifications.

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 2022	December 2021
			----- (Rupees in '000) -----	
			(Un-audited)	
Associated Companies	Common directorship	Sales	44,045	276,702
		Purchases	126,003	22,255
		Services received	127	41,644
		Services rendered	39	4,556
Directors & Executives	Key management personnel	Salaries	9,522	8,700
		Retirement benefits	794	745
		Directorship fee	360	420
		Dividend paid to directors	136,266	136,266
Relative of directors	Others - spouse / daughter of a director	Sales	1,995,745	2,901,045
		Reimbursement of expenses	11,438	93,257

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

14 CORRESPONDING FIGURES

Corresponding figures have been reclassified, whenever necessary for the purpose of compliance, comparison and better presentation. Major reclassifications during the year are as follows;

Reclassification from the caption component	Reclassification to the caption component	----- (Rupees in '000) -----
Other Income	Sales	
Exchange Gain / (Loss)	(Export Sales)	100,991
Other Income	Cost of Sales	
Exchange Gain / (Loss)	(Purchases)	(3,016)

15 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statement do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2022. 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

These condensed interim financial statements were authorised for issue on February 11, 2023 by the Board of Directors of the Company.

17 GENERAL

17.1 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



HEAD OFFICE + FACTORY

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