



ADM  
ARTISTIC DENIM MILLS

HALF YEARLY REPORT  
DECEMBER 31, 2018

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## COMPANY INFORMATION

### Board of Directors

Chief Executive  
Chairman  
Directors

Mr. Faisal Ahmed  
Mr. Muhammad Iqbal Ahmed  
Mrs. Maliha Faisal  
Mr. Muhammad Yousuf Ahmed  
Mr. Muhammad Ali Ahmed  
Mr. Muhammad Iqbal-ur-Rahim  
Mr. Zafar-ul-Mukhtar Ahmed Khan

### Audit Committee

Chairman  
Members

Mr. Zafar-ul-Mukhtar Ahmed Khan  
Mr. Muhammad Ali Ahmed  
Mr. Muhammad Iqbal-ur-Rahim

### Human Resource and Remuneration Committee

Chairman  
Members

Mr. Zafar-ul-Mukhtar Ahmed Khan  
Mr. Muhammad Ali Ahmed  
Mr. Muhammad Iqbal-ur-Rahim

### Chief Financial Officer

Mr. Sagheer Ahmed

### Company Secretary

Mr. Muhammad Ozair Qureshi

### Chief Internal Auditor

Mr. Salman Arif

### Auditors

M/s. EY Ford Rhodes  
Chartered Accountants

### Legal Advisor

Monawwer Ghani  
Advocate

### Share Registrar

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

### Bankers

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

### Registered Office and Factory

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

## DIRECTORS' REVIEW

The Directors of **Artistic Denim Mills Limited** are pleased to present to the shareholders the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2018.

### PERIOD UNDER REVIEW

Comparative financial results for the current period and that of the corresponding period last year are as follows:

	December 31, 2018 Rs. in ('000')	December 31, 2017 Rs. in ('000')
Net Sales	3,750,655	4,193,554
Gross profit	368,111	410,458
Other income	159,283	100,074
Finance costs	41,361	46,281
Net Profit	271,954	253,887
EPS (Rs. per share)	3.24	3.02

During the half year under review, the Company's net sales decreased by Rs. 443 million over the corresponding period of previous year. The decrease in sales was due to slow demand and stiff competition in the international market. Despite decrease in sales, the Company has managed the gross margin for the period at 9.81% of net sales, compared to 9.79% in comparative prior period. Other income increased from Rs. 100 million to Rs. 159 million due to realized and unrealized exchange gain on exports. Finance costs reduced by 10.63% over corresponding period last year and stood at Rs. 41 million. Net profit recorded at Rs. 272 million, an increase of Rs. 18 million over the corresponding period of preceding year. Earnings per share improved to Rs. 3.24 for the period as against Rs. 3.02 for the corresponding period.

### FUTURE OUTLOOK

Pakistan's exports would remain sluggish with international payment pressure to persist going forward. Pakistan's external accounts continue to deteriorate despite a steep drop in oil prices and with exports likely to come under pressure amid a global trade slowdown. Pakistani textile industry considered as the backbone of the export sector is facing new issues which should be dealt promptly. The textile industry crumbling under high energy prices, struck up refunds and tight monetary policy, therefore, facing tough competition from India, Bangladesh, Vietnam, Thailand and other states in the foreign market. Therefore, the government should take serious initiatives to safeguard local industry which is the highest foreign exchange earner and largest urban employment provider. We hope the government would undertake some concrete and sustainable reforms for the export sector, as without increasing the exports, the country would not be able to achieve sustainable economic growth.

Despite all the challenges, we will continue to focus on improvement of our operational efficiencies and minimize the production costs to compete in international market. In line with the Company's strategic decision regarding balancing, modernization and replacement (BMR), the Company has been investing in value additions, which is an ongoing process by utilizing SBP's LTFF Scheme to stay competitive in a global market.

### ACKNOWLEDGEMENTS

The Board of Directors would like to thank all customers, suppliers and financial institutions for their continued support and cooperation. The Board would also like to express sincere appreciation for the employees for their dedication and hard work.

On behalf of the BOARD of DIRECTORS



**FAISAL AHMED**  
Chief Executive



**MUHAMMAD IQBAL-UR-RAHIM**  
Director

Karachi: February 25, 2019



EY Ford Rhodes  
Chartered Accountants  
Progressive Plaza, Beaumont Road  
P.O. Box 15541, Karachi 75530  
Pakistan

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ey.com/pk

## **INDEPENDENT AUDITORS' REVIEW REPORT**

### **To the members of Artistic Denim Mills Limited (the Company) 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 **31 December 2018** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the 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 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 31 December 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2018.

#### **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 applying 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' report is Tariq Feroz Khan.

**Chartered Accountants**  
**Place:** Karachi  
**Date:** 25 February 2019

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2018

		December 31, 2018 ------(Rupees in '000)----- (Un-audited)	June 30, 2018 (Audited)
<b>ASSETS</b>	<b>Note</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	5,204,667	5,304,706
Intangible assets		5,642	6,468
Long-term loans		5,214	5,374
Long-term deposits		1,566	1,566
		<u>5,217,089</u>	<u>5,318,114</u>
<b>CURRENT ASSETS</b>			
Stores and spares		206,552	215,128
Stock-in-trade	6	3,269,099	1,717,868
Trade debts	7	2,124,336	1,807,006
Loans and advances		25,412	51,970
Trade deposits and short term prepayments		5,810	7,699
Other receivables		355,629	407,618
Sales tax refundable		100,203	112,074
Taxation - net		375,716	375,168
Cash and bank balances		127,163	86,896
		<u>6,589,920</u>	<u>4,781,427</u>
		<u>11,807,009</u>	<u>10,099,541</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised share capital</b>			
100,000,000 (June 30, 2018: 100,000,000)			
Ordinary shares of Rs. 10/- each		<u>1,000,000</u>	<u>1,000,000</u>
<b>Issued, subscribed and paid-up capital</b>		<u>840,000</u>	<u>840,000</u>
<b>Reserves</b>		<u>5,322,099</u>	<u>5,260,145</u>
		<u>6,162,099</u>	<u>6,100,145</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing		789,852	813,274
Deferred liability - Employees' gratuity		35,068	23,940
		<u>824,920</u>	<u>837,214</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	1,614,720	1,487,539
Unclaimed dividend		4,485	2,100
Accrued mark-up		23,392	16,927
Short-term borrowings	9	3,079,892	1,570,000
Current maturity of long-term financing		97,501	85,616
		<u>4,819,990</u>	<u>3,162,182</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10	<u>11,807,009</u>	<u>10,099,541</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

  
**Faisal Ahmed**  
 Chief Executive

  
**Muhammad Iqbal-ur-Rahim**  
 Director

  
**Sagheer Ahmed**  
 Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF-YEAR ENDED DECEMBER 31, 2018 (UN-AUDITED)

	Half-Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----			
Turnover - net	3,750,655	4,193,554	2,108,913	2,058,876
Cost of sales	(3,382,544)	(3,783,096)	(1,894,825)	(1,869,159)
<b>GROSS PROFIT</b>	<b>368,111</b>	<b>410,458</b>	<b>214,088</b>	<b>189,717</b>
Distribution costs	(100,821)	(101,741)	(56,307)	(48,750)
Administrative expenses	(52,515)	(59,570)	(26,933)	(29,519)
Other operating expenses	(22,399)	(20,314)	(14,334)	(11,925)
Other income	159,283	100,074	122,480	86,738
	(16,452)	(81,551)	24,906	(3,456)
<b>OPERATING PROFIT</b>	<b>351,659</b>	<b>328,907</b>	<b>238,994</b>	<b>186,261</b>
Finance costs	(41,361)	(46,281)	(26,362)	(28,583)
<b>PROFIT BEFORE TAXATION</b>	<b>310,298</b>	<b>282,626</b>	<b>212,632</b>	<b>157,678</b>
Taxation	(38,344)	(28,739)	(21,541)	(7,942)
<b>NET PROFIT FOR THE PERIOD</b>	<b>271,954</b>	<b>253,887</b>	<b>191,091</b>	<b>149,736</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (Rupees)</b>	<b>3.24</b>	<b>3.02</b>	<b>2.27</b>	<b>1.78</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



**Faisal Ahmed**  
Chief Executive



**Muhammad Iqbal-ur-Rahim**  
Director



**Sagheer Ahmed**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED DECEMBER 31, 2018 (UN-AUDITED)**

	Half-Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----			
Net profit for the period	271,954	253,887	191,091	149,736
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>271,954</u>	<u>253,887</u>	<u>191,091</u>	<u>149,736</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



**Faisal Ahmed**  
Chief Executive



**Muhammad Iqbal-ur-Rahim**  
Director



**Sagheer Ahmed**  
Chief Financial Officer



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED DECEMBER 31, 2018 (UN-AUDITED)

	Issued, subscribed and paid-up capital	Revenue Reserves		Total	Total equity
		Unappropriated profit	Actuarial loss on defined benefit plan		
----- (Rupees in '000) -----					
<b>Balance as at July 01, 2017</b>	840,000	4,952,839	(33,934)	4,918,905	5,758,905
Net profit for the period	-	253,887	-	253,887	253,887
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	253,887	-	253,887	253,887
Cash dividend @ Rs. 2.1 per Ordinary share of Rs.10 each for the year ended June 30, 2017	-	(176,400)	-	(176,400)	(176,400)
<b>Balance as at December 31, 2017</b>	<u>840,000</u>	<u>5,030,326</u>	<u>(33,934)</u>	<u>4,996,392</u>	<u>5,836,392</u>
<b>Balance as at July 01, 2018</b>	840,000	5,292,970	(32,825)	5,260,145	6,100,145
Net profit for the period	-	271,954	-	271,954	271,954
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	271,954	-	271,954	271,954
Cash dividend @ Rs. 2.5 per Ordinary share of Rs.10 each for the year ended June 30, 2018	-	(210,000)	-	(210,000)	(210,000)
<b>Balance as at December 31, 2018</b>	<u>840,000</u>	<u>5,354,924</u>	<u>(32,825)</u>	<u>5,322,099</u>	<u>6,162,099</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



**Faisal Ahmed**  
Chief Executive



**Muhammad Iqbal-ur-Rahim**  
Director



**Sagheer Ahmed**  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

### FOR THE HALF-YEAR ENDED DECEMBER 31, 2018 (UN-AUDITED)

	Half-Year Ended	
	December 31, 2018	December 31, 2017
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	310,298	282,626
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation / Amortisation	226,592	224,391
Provision for gratuity	12,887	12,000
Finance costs	41,361	46,281
Gain on disposal of operating fixed assets	(2,790)	(892)
	<u>278,050</u>	<u>281,780</u>
<b>Profit before working capital changes</b>	<b>588,348</b>	<b>564,406</b>
<b>Working capital changes</b>		
<b>Increase in current assets</b>		
Stores and spares	8,576	(43,924)
Stock-in-trade	(1,551,230)	(684,109)
Trade debts	(317,330)	(248,166)
Loans and advances	26,559	31,104
Trade deposits and short-term prepayments	1,889	(2,516)
Other receivables and sales tax refundable	63,861	(26,506)
	<u>(1,767,675)</u>	<u>(974,117)</u>
<b>Increase in trade and other payables</b>	<b>127,181</b>	<b>179,010</b>
<b>Cash used in operations</b>	<b>(1,052,146)</b>	<b>(230,701)</b>
Income tax paid	(38,893)	(46,522)
Gratuity paid	(1,759)	-
Finance costs paid	(34,896)	(43,435)
Long-term deposits - net	-	(302)
	<u>(75,548)</u>	<u>(90,259)</u>
<b>Net cash used in operating activities</b>	<b>(1,127,694)</b>	<b>(320,960)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(129,767)	(118,136)
Long-term loans	159	(324)
Proceeds from disposal of operating fixed assets	6,829	2,612
<b>Net cash used in investing activities</b>	<b>(122,779)</b>	<b>(115,848)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term financing repaid	(55,768)	(11,900)
Long-term financing acquired	44,231	7,143
Short-term borrowings acquired	1,509,892	500,000
Dividends paid	(207,615)	(176,263)
<b>Net cash generated from financing activities</b>	<b>1,290,740</b>	<b>318,980</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>40,267</b>	<b>(117,828)</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD</b>	<b>86,896</b>	<b>63,232</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	<b>127,163</b>	<b>(54,596)</b>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.



**Faissal Ahmed**  
Chief Executive



**Muhammad Iqbal-ur-Rahim**  
Director



**Sagheer Ahmed**  
Chief Financial Officer

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED DECEMBER 31, 2018 (UN-AUDITED)**

### **1. THE COMPANY AND ITS OPERATIONS**

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

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

### **2. BASIS OF PREPARATION**

**2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards 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 Standards 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 for the quarters ended December 31, 2018 and December 31, 2017 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they are required to review only the cumulative figures for the half year ended December 31, 2018 and December 31, 2017.

**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, 2018. These condensed interim financial statements are unaudited, however, have been subject 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 the Companies Act, 2017.

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those adopted in the preparation of the annual financial statements for the year ended June 30, 2018 except for;

#### New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

#### Standard or Interpretation

IFRS 2	-	Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 4	-	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)
IFRS 9	-	Financial Instruments
IFRS 15	-	Revenue from Contracts with Customers
IAS 40	-	Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	-	Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and amendments in the accounting standards did not have effect on the accounting policies of the Company except as follows:

#### IFRS 15 Revenue From Contracts with Customers

According to IFRS 15, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue as well as related interpretations.

The Company has assessed that significant performance obligation in contracts with customers are closely related and therefore are discharged over the period of the relationship with relevant customers. Hence, the Company has concluded that it is in compliance with the requirements of the new accounting standard.

#### IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP).

The Company's financial assets mainly include trade debts, deposits, loans and bank balances held with commercial banks.

The adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking Expected Credit Loss (ECL) approach. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using historical data and forward looking information. Based on such exercise, the Company has concluded that it is in compliance with the requirements of the new accounting standard and that the impact of impairment on its financial assets is immaterial to these condensed interim financial statements.

#### 4. ACCOUNTING ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with the approved accounting standards, as applicable in Pakistan, requires the management to make estimates, judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Estimates and judgments made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2018. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

	Note	December 31, 2018 ------(Rupees in '000)----- (Un-audited)	June 30, 2018 (Audited)
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>5,119,099</b>	5,194,049
Capital work-in-progress (CWIP)	5.2	<b>85,568</b>	110,657
		<b>5,204,667</b>	5,304,706

	Note	December 31, 2018 ----- (Rupees in '000) ----- (Un-audited)	June 30, 2018 (Audited)
<b>5.1 Operating fixed assets</b>			
Opening net written down value		5,194,049	5,206,444
Additions during the period / year		1,801	36,104
Transfer from CWIP during the period / year	5.2	153,054	419,470
	5.1.1	154,855	455,574
		5,348,904	5,662,018
Disposals, at their written down values, during the period / year		(4,039)	(2,393)
Depreciation charge during the period / year		(225,766)	(465,576)
		(229,805)	(467,969)
		5,119,099	5,194,049
<b>5.1.1 Additions/ transfers during the period / year</b>			
Building on leasehold land		47,094	167,768
Plant and machinery		71,469	208,044
Factory equipment		13,012	43,658
Furniture and fixtures		438	2,374
Vehicles		21,480	29,728
Office equipment, including computers		1,362	4,002
		154,855	455,574
<b>5.2 Capital work-in-progress</b>			
Balance at the beginning of the period / year		110,657	251,270
Additions during the period / year:			
Civil works		30,430	44,115
Plant and machinery		56,152	139,736
Factory equipment		13,012	43,658
Vehicles		6,075	-
Advances		22,296	51,348
		127,965	278,857
Transfers to operating fixed assets		(153,054)	(419,470)
		85,568	110,657
<b>6. STOCK IN TRADE</b>			
<b>Raw and packing material</b>			
In hand		2,005,985	794,921
In transit		37,491	96,529
		2,043,476	891,450
<b>Work-in-process</b>		1,039,247	630,600
<b>Finished goods</b>		186,376	195,818
		3,269,099	1,717,868

		December 31, 2018 ------(Rupees in '000)----- (Un-audited)	June 30, 2018 ------(Rupees in '000)----- (Audited)
<b>7. TRADE DEBTS - considered good</b>			
<b>Secured - against letters of credit</b>			
Related party:			
Artistic Fabric & Garment Industries (Private) Limited		6,912	-
Others		949,093	1,054,249
		<u>956,005</u>	<u>1,054,249</u>
<b>Unsecured</b>			
Related Parties:			
Casual Sports Wear		135,307	92,625
DL1961 Premium Denim Inc.		118,293	178,793
Artistic Fabric & Garment Industries (Private) Limited		-	23,184
Premium Distributor		6,728	856
		<u>260,328</u>	<u>295,458</u>
Others		908,003	457,299
		<u>2,124,336</u>	<u>1,807,006</u>
<b>8. TRADE AND OTHER PAYABLES</b>			
Creditors	8.1	403,867	406,586
Accrued liabilities		1,128,229	988,584
Advances from customers		25,814	22,720
Advance from related party			
- DL1961-Premium Denim Inc.		4,494	5,072
Staff contribution from vehicle		20,506	15,120
Workers' Profit Participation Fund		16,493	31,936
Workers' Welfare Fund		8,410	12,026
Tax deducted at source		6,907	5,495
		<u>1,614,720</u>	<u>1,487,539</u>
<b>8.1</b>	Includes Rs. 1.056 million (30 June 2018: Nil) payable to Artistic Fabric & Garment Industries (Private) Limited, a related party.		
<b>9. SHORT-TERM BORROWINGS - secured</b>			
<b>Conventional banks</b>			
Short-term loans	9.1	3,065,000	1,570,000
Bank overdrafts		14,892	-
		<u>3,079,892</u>	<u>1,570,000</u>

	December 31, 2018 ------(Rupees in '000)----- (Un-audited)	June 30, 2018 ------(Rupees in '000)----- (Audited)
<b>9.1 Short term loans</b>		
Export refinance-II	550,000	550,000
Export refinance-II	400,000	420,000
Export refinance-II	600,000	-
Export refinance-II	250,000	250,000
Export refinance-II	<u>1,265,000</u>	<u>350,000</u>
	<u>3,065,000</u>	<u>1,570,000</u>

**10. CONTINGENCIES AND COMMITMENTS****Contingencies**

<b>10.1</b>	Outstanding counter guarantees	<u>238,403</u>	<u>299,069</u>
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**Commitments**

**10.2** Commitments in respect of Building on leasehold land at the end of the period amounted to Rs. 29.000 (June 30, 2018: Rs. 29.000) million.

**10.3** Outstanding letters of credit at the end of the period amounted to Rs. 911.275 (June 30, 2018: Rs. 334.599) million.

**10.4** Postdated cheques issued in favor of Custom Authorities aggregated to Rs. 195.277 (June 30, 2018: Rs. 315.925) million, against various statutory notifications.

**11. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of associated undertakings, directors and key management personnel. Transactions with related parties other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Relationship	Nature of transactions	December 31, 2018 ------(Rupees in '000)----- (Un-audited)	December 31, 2017 ------(Rupees in '000)----- (Un-audited)
Common directorship	Sales	534,889	1,037,065
	Purchases	46,217	3,694
	Reimbursement of expenses	37,537	50,739
	Services rendered	5,729	12,009
Key management personnel	Salaries	6,130	6,060
	Retirement benefits	540	505
	Directorship fee	240	280
	Dividend paid to directors	170,923	105,392



**12. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on February 25, 2019 by the Board of Directors of the Company.

**13. GENERAL**

**13.1** Key management personnel remuneration corresponding figure in related party transactions note has been revised in line with the new definition of key management personnel in the Companies Act, 2017.

**13.2** Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.



**Faisal Ahmed**  
Chief Executive



**Muhammad Iqbal-ur-Rahim**  
Director



**Sagheer Ahmed**  
Chief Financial Officer

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