

DIRECTOR'S REPORT
FOR THE 1st QUARTER ENDED 30th SEPTEMBER,

2020

Dear Members,

The Directors would like to present the accounts of the Company for the 1st quarter ended 30th September, 2020.

The overall Performance of the company is summarized below:

	July – Sept 2020	July – Sept 2019
Operating Profit	249,600,729	267,371,626
Financial & Others	<u>(115,908,215)</u>	<u>(147,990,605)</u>
Profit before Taxation	133,692,514	119,381,021
Taxation	<u>(29,942,935)</u>	<u>(24,384,820)</u>
Profit after Taxation	103,749,579	94,996,201
Earnings per share	16.83	15.41
Gross Margin %	12.07%	15.28 %
Operating Profit %	9.27 %	11.81 %

OPERATING RESULT

During the period under review, the company has made a profit of Rs. 103.750 million as compared to Rs.94.996 million during the same period of last year. Although there is a reduction in the Gross Margin there is an increase in profit mainly due to decrease in financial charges.

FUTURE OUTLOOK

The future of the Pakistan Textile looks promising and the Government is also proactive in the sense that it is supporting the Industry expand its capacity by providing schemes like LTFF and TERF so the cost of financial burden may be reduced and addition to capacities may be induced realizing that the Industry is now running at full capacity due

to the buying pattern shift due to COVID -19 and the rift between the US and China. It now depends on Pakistan how much share from the buying preference we can pull towards ourselves.

As far as your company is concerned I am happy to report a lot is happening. Our Dye house is now operational which will reduce our dyeing costs. Regenerated Fibre usage

Is also increasing which is the demand of our customers and our new Long frames will be shipped in October and November leading to greater efficiency and capacity enhancement.

ACKNOWLEDGEMENT

We are grateful to almighty Allah, who helped us to come up-to the expectation of our valued shareholders, who had reposed their confidence in us and are also pleased to record our appreciation for a dedicated hard Working management, staff members & workers without which it could not have been possible for us to deliver these results. Your Board would also like to thanks our valued customers, bankers for their continued Trust in the company.

On behalf of Board of Directors



Muhammad Yasin Siddik
Executive Director

Karachi: 29th Oct, 2020.

ممبر ریزر
 ڈائریکٹری کا پاب سے پہلے نصف سال ۲۰۲۰ تک کے کھلی کا کھانا نمونہ کارگرگی ذیل میں درج ہے۔
 کھلی کے ایٹائی تاج کاغذ ہائز مندرجہ ذیل ہے۔

جولائی ستمبر ۲۰۱۹	جولائی ستمبر ۲۰۲۰	
267,371,626	249,600,729	آپریٹنگ منافع
(147,990,605)	(115,908,215)	ہامیات و دیگر
119,381,021	133,692,514	منافع قبل ٹیکس
(24,384,820)	(29,942,935)	ٹیکس
94,996,201	103,749,579	منافع بعد از ٹیکس
15.41	16.83	ڈیویڈنڈ ٹیکس
15.28 %	12.07 %	نمونہ مارجن %
11.81 %	9.27 %	آپریٹنگ منافع %

آپریٹنگ منافع:

زیر پانچ مدت کے دوران کھلی نے گزشتہ مالی اسی مدت کے دوران 94,996 ملین روپے کے مقابلے میں 103,750 ملین روپے کا منافع کیا ہے اگرچہ نمونہ مارجن میں کمی ہے لیکن مالی ماحولوں میں کمی کی بنا پر نمونہ منافع میں اضافہ ہے۔

سختی کے خطرات:

پاکستان لیگانگ کی سختی اور مقررہ انفر آ رہا ہے اور حکومت اس کا نئے بھی مرکز عمل ہے کہ وہ LTF اور TERF جیسی ایکسیس ایبل کر کے ٹرانزیری کو اپنی ملاجرت میں وسعت دینے میں مدد فراہم کریں ہے تاکہ مالی بوجھ کی لاگت کم ہو سکے اور ملاجرتوں کے علاوہ احساس کو کٹھنا جاسکتا ہے۔ Covid-19 کی وجہ سے ٹرانزیریٹن ٹیٹ اور دیگر کے اور مین کے لائن چھوٹ کی وجہ سے اب یہ صنعت چوٹی ملاجرت سے چل رہی ہے اس کا احساس اب پاکستان پر ہے کہ کرپو اور کی پڑاؤ میں ہم اپنی طرف سے کتنا حصہ لے سکے ہیں۔ جہاں تک آپ کی کھلی کاغذ ہے، پتہ چھٹے بہت خوشی ہو رہی ہے کہ یہاں بہت کچھ ہو رہا ہے۔
 ہمارا رنگ (Dye) ڈس اب آپریشن ہے جو ہمارے (Dyeing) رنگنے کے فریامات کو کم کرنے کا وسیعہ ملے گا تاہم کا بہتر کا استعمال بھی بڑھ رہا ہے جو ہمارے مارٹین کی طلب ہے اور ہمارے نئے لیزر پیمائش میں بھیجے جائیں گے جس کی وجہ سے زیادہ کارگرگی اور ملاجرت میں اضافہ ہوگا۔

مخالف:

ہم لٹھ کے ٹیکرگز اور چین میں کمی مدد سے ہم اپنے قابل قدر حصص اننگان کے میوہوں پر چھراڑے سے انہوں نے ہم پر بھروسہ ظاہر کیا ہے اور ہمیں اپنی محنت لگنے اور ادارہ انہوں نے ہمیں کے بھرے سہاگن ماحولہ داد اور ٹیکرگز اور ہے ہمارے قابل قدر مارٹین ٹیکرگز جنہوں نے ہم پر اپنا اعتماد دیکر سے رکھا۔

تمام بورڈ آف ڈائریکٹری کے نام سے

محمد سائین صوریانی
 ڈائریکٹنگ ڈائریکٹر

 ۱۲ اکتوبر ۲۰۲۰ کو کھلی

Premium Textile Mills Limited



BALANCE SHEET(Un-audited) AS AT SEPTEMBER 30, 2020

	(Un-audited) 30-Sep-20 Rupees	(Audited) 30-Jun-20 Rupees
Property Plants' and Equipment	4,971,980,905	4,207,779,137
Long Term Deposits	2,768,255	2,149,100
CURRENT ASSETS:		
Stores and spares	149,624,324	116,619,021
Stock-in-trade	3,117,025,841	3,193,302,670
Trade debts (unsecured considered good)	1,953,539,056	1,792,049,911
Tax refunds due from government	95,544,641	138,302,457
Advances, Trade deposit, prepayment & other receivables	63,694,722	69,275,677
Cash & bank balances	11,635,204	35,708,159
	5,391,063,788	5,345,257,895
	10,365,812,948	9,555,186,132
SHARE CAPITAL		
<u>Authorised Capital:</u>	70,000,000	70,000,000
7,000,000 ordinary shares of Rs. 10/-		
Issued Subscribed and Paid-up Capital		
6,163,000 ordinary shares of Rs. 10/-	61,630,000	61,630,000
Surplus on revaluation of fixed assets	3,199,156	3,281,186
Un-appropriated profit brought forward	2,089,250,542	1,985,418,933
	2,154,079,698	2,050,330,119
Long Term Loan	3,192,834,094	2,366,168,168
Deferred Liabilities		
Staff Gratuity	16,180,617	22,027,945
GIDC (Gas Infrastructure Develop.Cess)	265,953,257	265,953,257
Deferred Income Government Grant	6,221,189	6,221,189
Deferred Taxation	19,492,593	17,221,034
	307,847,656	311,423,425
CURRENT LIABILITIES:		
Trade and other payables	1,076,253,795	866,745,027
Unclaimed Dividend	6,821,376	6,826,376
Accrued Markup	163,743,742	110,141,548
Short term finance	3,264,859,890	3,652,478,772
Current portion of Long term loans	199,372,697	191,072,697
	4,711,051,500	4,827,264,420
Contingencies & commitments	-	-
	10,365,812,948	9,555,186,132

The annexed notes form an integral part of these financial statements.

Karachi: 29th Oct, 2020.

Chief Executive

Executive Director

CFO

**PROFIT AND LOSS ACCOUNT(Un-audited)
FOR THE FIRST QUARTER ENDED SEP,30, 2020**

	1st QUARTER JUL-SEP 2020	1st QUARTER JUL-SEP 2019
	Rupees	Rupees
Sales	2,692,629,774	2,263,724,506
Cost of Sales	<u>(2,367,755,473)</u>	<u>(1,917,748,343)</u>
Gross Profit	324,874,301	345,976,163
Operating Expenses		
Administration & General	<u>(40,446,774)</u>	<u>(33,631,028)</u>
Distribution Costs	<u>(34,826,798)</u>	<u>(44,973,509)</u>
	<u>(75,273,572)</u>	<u>(78,604,537)</u>
Operating Profit	249,600,729	267,371,626
Financial Charges & Others	<u>(115,217,550)</u>	<u>(130,015,785)</u>
Other Income / (Loss)	<u>(690,665)</u>	<u>(17,974,820)</u>
	<u>(115,908,215)</u>	<u>(147,990,605)</u>
Profit/(Loss) before taxation	133,692,514	119,381,021
Taxation		
Current	<u>(27,671,376)</u>	<u>(24,384,820)</u>
Deferred	<u>(2,271,559)</u>	<u>-</u>
	<u>(29,942,935)</u>	<u>(24,384,820)</u>
Profit/(Loss) after taxation	103,749,579	94,996,201
Earning per share of Rs.10 each	16.83	15.41

Appropriation have been reflected in the statement of changes in equity.

The annexed notes form an integral part of these financial statements.

Karachi: 29th Oct, 2020.
CFO



Chief Executive



Executive Director



**CASH FLOW STATEMENT (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER,30, 2020**

	First Quarter Ended	
	Sep 30, 2020	Sep 30, 2019
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	<u>133,692,514</u>	<u>119,381,021</u>
Adjustments for non cash items:		
Depreciation	102,381,883	83,066,659
Financial cost	115,217,550	113,784,075
Provision of Gratuity	5,582,261	6,724,070
Exchange Loss / (Gain) on Import	20,875	-
Exchange Loss / (Gain) on export debtors	669,790	17,974,820
	<u>223,872,359</u>	<u>221,549,624</u>
Operating profit before working capital changes	<u>357,564,873</u>	<u>340,930,645</u>
Changes in Working Capital:		
(Increase) / Decrease in current assets		
Stores and spares	(33,005,303)	5,363,499
Stock in trade	76,276,829	285,458,897
Trade debts	(162,158,935)	(120,437,444)
Advances, Trade deposit, prepayment & other receivables	5,580,955	(399,456,147)
Sales Tax refundable	(35,493,537)	19,384,413
Increase / (Decrease) in current liabilities:		
Trade and other payables	216,460,803	449,947,390
Changes in Working Capital:	<u>67,660,812</u>	<u>240,260,608</u>
Cash generated from operations	<u>425,225,685</u>	<u>581,191,253</u>
Taxes (paid)/refund	29,813,773	(9,196,729)
Staff gratuity(paid)	(11,429,589)	(15,525,034)
Long term deposits	(619,155)	(150,000)
Financial charges (paid)	(61,615,356)	(113,784,075)
	<u>(43,850,327)</u>	<u>(138,655,838)</u>
Net cash from operating activities	<u>381,375,358</u>	<u>442,535,415</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(852,790,356)	(554,770,256)
Net cash (outflow) from investing activities	<u>(852,790,356)</u>	<u>(554,770,256)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend (paid)	(5,000)	-
Loan obtained	834,965,925	467,638,335
Loan (paid)	-	(14,212,000)
Net cash from/(used in) financing activities	<u>834,960,925</u>	<u>453,426,335</u>
Increase/(Decrease) in cash	<u>363,545,927</u>	<u>341,191,494</u>
Cash and cash equivalent as at Jul 1,	<u>(3,616,770,613)</u>	<u>(3,043,671,274)</u>
Cash and cash equivalent as at Sep 30,	<u>(3,253,224,686)</u>	<u>(2,702,479,780)</u>
CASH & CASH EQUIVALENT		
Cash & bank balance	11,635,204	10,750,141
Short term running finance	(3,264,859,890)	(2,713,229,921)
	<u>(3,253,224,686)</u>	<u>(2,702,479,780)</u>

The annexed notes form an integral part of these financial statements.

Karachi: 29th Oct, 2020.



Chief Executive



Executive Director



CFO

**STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)
FOR THE FIRST QUARTER ENDED SEP,30, 2020**

	1st QUARTER JUL-SEP 2020 <u>Rupees</u>	1st QUARTER JUL-SEP 2019 <u>Rupees</u>
Profit after taxation	103,749,579	94,996,201
<u>Others Comprehensive income</u>		
- Actuarial (loss) on defined benefits	-	-
Total Comprehensive Income for the period	103,749,579	94,996,201

The annexed notes form an integral part of these financial statements.

Karachi: 29th Oct, 2020.


Chief-Executive


Executive Director


CFO

**STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER,30, 2020**

Particulars	Paid-up Capital	Unappropriated Profit	Surplus on revaluation	Total
Balance as at July 2019	61,630,000	2,063,626,100	3,645,762	2,128,901,862
Total Comprehensive Income				
Profit / (Loss) for the period (Jul'19 to Sep'19)		94,996,201	-	94,996,201
Others Comprehensive income		-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit		91,144	(91,144)	-
		-	-	-
Balance as at 30th Sep 2019- unaudited	61,630,000	2,158,713,445	3,554,618	2,223,898,063
Effect of adoption of new accounting standard		(113,235,151)		(113,235,151)
Total Comprehensive Income				
Profit / (Loss) for the period (Oct'19 to Jun'20)		86,455,654	-	86,455,654
Others Comprehensive income		(8,120,947)	-	(8,120,947)
Transfer from surplus on revaluation of assets to unappropriated profit		273,432	(273,432)	-
Final Dividend @ 225% for Jun 30, 2019		(138,667,500)	-	(138,667,500)
Balance as at 30th June 2020- audited	61,630,000	1,985,418,933	3,281,186	2,050,330,119
Total Comprehensive Income				
Profit / (Loss) for the period (Jul'20 to Sep'20)		103,749,579	-	103,749,579
Others Comprehensive income		-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit		82,030	(82,030)	-
Final Dividend @ 80% for Jun 30, 2020		-	-	-
Balance as at 30th Sep 2020- unaudited	61,630,000	2,089,250,542	3,199,156	2,154,079,698

The annexed notes form an integral part of these financial statements.

Karachi: 29th Oct, 2020.



Chief Executive



Executive Director



CFO

**EARNING PER SHARE (Un-audited)
FOR THE FIRST QUARTER ENDED SEP 30, 2020**

	FIRST QUARTER ENDED	
	September 30, 2020	September 30, 2019
	Rupees	Rupees
Net profit after tax for the period	103,749,579	94,996,201
Number of Ordinary shares	6,163,000	6,163,000
Earning per share	<u>Rs. 16.83</u>	<u>Rs. 15.41</u>

SELECTED EXPLANATORY NOTES TO THE ACCOUNTS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2020

1) THE COMPANY & ITS OPERATION

Premium Textile Mills Limited ('the Company') was incorporated in Pakistan on March 03, 1987 as a public limited company under Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is the manufacturing and sale of Cotton Yarn and Polyester Yarn.

The geographical location and address of company's business units, including plant are as under:

- The registered office of the Company is located at 1st Floor, Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi.
- The Company's manufacturing plant / mill is located at plot 58, 60, 61 & 76, 77, 78 Main Super Highway, Nooriabad, District Dadu (Sindh), Pakistan.

2) BASIS OF PREPARATION

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of:

International Accounting Standard (IAS), 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.

- 3) These accounts are unaudited and are being submitted to shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017.

4) ACCOUNTING POLICIES

The accounting policies adopted and method of computation followed for the preparation of these financial statements are the same as those applied in preparing the preceding published annual financial statements of the Company.

	Note	(Un-audited) 30-Sep-20 Rupees	(Audited) 30-Jun-20 Rupees
5) PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed assets	5.1	3,922,963,013	4,013,592,815
Capital work in progress		1,049,017,892	194,186,322
		<u>4,971,980,905</u>	<u>4,207,779,137</u>

	FIRST QUARTER ENDED	YEAR ENDED	
	Sep. 30, 2020	June 30, 2020	
	RUPEES		
5.1 Major additions and disposals are as follows :	Additions	Disposals (At NBV)	Additions/ Disposals (At NBV)
Freehold land	-	-	-
Building and godown on free hold land	-	-	238,855,451
Plant and machinery	6,300,000	-	838,738,162
Office, tools, fire fighting and laboratory equipment	98,000	-	-
Furniture & Fixtures	547,672	-	9,534,549
Computer and allied equipment	816,050	-	1,530,500
Vehicles	1,354,000	-	6,594,297
Electrical instruments and installation	2,636,400	-	167,097,033
	<u>11,752,122</u>	<u>-</u>	<u>1,262,349,992</u>
			<u>28,302,721</u>

	FIRST QUARTER ENDED	
	September 30, 2020	September 30, 2019
	Rupees	Rupees
6) COST OF SALES		
Opening finished stock	540,333,820	357,187,284
Cost of goods manufactured	2,092,281,254	1,965,775,265
Trading Cost	11,601,406	5,047,330
	<u>2,644,216,480</u>	<u>2,328,009,879</u>
Closing finished stock	(276,461,007)	(410,261,536)
	<u>2,367,755,473</u>	<u>1,917,748,343</u>
6.1 Cost of goods manufactured		
Raw material consumed	1,583,930,968	1,516,101,272
Stores, spares and packing materials	100,411,681	57,685,073
Salaries, wages and other benefits	137,563,702	136,320,919
Fuel and power	150,442,632	156,170,680
Water charges	2,633,926	2,584,575
Vehicles running and maintenance	3,512,823	2,733,370
Repairs and maintenance	2,106,442	773,260
Insurance	4,901,995	5,629,088
Depreciation	100,323,836	83,066,659
Other manufacturing expenses	9,312,728	4,726,607
	<u>2,095,140,733</u>	<u>1,965,791,503</u>
Work in process		
Opening	77,198,657	68,933,015
Closing	(80,058,136)	(68,949,253)
	<u>(2,859,479)</u>	<u>(16,238)</u>
	<u>2,092,281,254</u>	<u>1,965,775,265</u>
6.2 Raw material consumed		
Opening stock	2,531,014,613	1,982,587,682
Purchases	1,723,667,103	1,189,687,639
	<u>4,254,681,716</u>	<u>3,172,275,321</u>
Trading Cost	(11,601,406)	(5,047,330)
Closing Stock	(2,659,149,342)	(1,651,126,719)
	<u>1,583,930,968</u>	<u>1,516,101,272</u>

7) RELATED PARTY TRANSACTION AND BALANCES

Related parties comprise companies with common directorship, major shareholders, directors, key management personnel and their close family members. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

PREMIUM KNITS

Sales of goods during the period	20,223,240	2,379,429
Outstanding balance due as at Sep 30,	36,499,772	2,395,902

PINNACLE FIBRE (PVT) LTD.

Purchase of goods during the period	67,528,230	132,757,655
Outstanding balance due as at Sep 30,	419,489	33,918,497

8) AUTHORISATION FOR ISSUE

These accounts have been authorised for issue on **29th October, 2020** by the Board of Directors of the Company.

9) Figures have been rounded off to the nearest rupee.

Karachi: 29th Oct, 2020.



Chief Executive



Executive Director



CFO