



Contents

	Page
Company Information	02
Review Reports to the Members	03
Directors' Report	04
Balance Sheet	07
Profit & Loss Account	08
Cash Flow Statement	09
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Notes to the Financial Statement	12

COMPANY INFORMATION

Board of Directors	MR.MOHAMMED ASLAM MR.ABDUL KADIR HAJI ADAM MR.MOHAMMED YASIN SIDDIK MR.MOHAMMED ALI JALIAWALA MR.MOHAMMED TUFAIL MR.GHULAM MOHAMMED SURTI MR.FARRUKH V.JUNAIDY (NIT Nominee)	Chairman Chief Executive Executive Director Director Director Director Director
Chief Financial Officer	MR.GHULAM MOHAMMED SURTI	
Company Secretary	MR.IQBAL CHAPPRA	
Auditor	RAHMAN SARFARAZ RAHIM IQBAL RAFIQ Chartered Accountants	
Audit Committee	MR.MOHAMMED TUFAIL Member MR.MOHAMMED ALI JALIAWALA Member	Chairman Member
HR & RC	MR.MOHAMMED ALI JALIAWALA Member MR.MOHAMMED TUFAIL Member	Chairman Member
Head of Internal Auditor	MR.SYED WASIF HUSSAIN NAQVI	
Bankers	BANK AL-HABIB LIMITED BANK ALFALAH LIMITED MEEZAN BANK LIMITED	
Registered Office	1 st Floor, Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi. Phone: 32400405-8 Fax : 32417908 E-mail: premhead@premiumtextile.com	
Factory	Plot 58, 60, 61 & 76, 77, 78 Main Super Highway, Nooriabad, Distt. Dadu (Sindh), Pakistan. Phone: (025) 4007463-9	
Share Registrar	TECHNOLOGY TRADE (PVT) LTD. Dagia House, 241-C, Block-2, P.E.C.H.S. Off: Shahrah-e-Qaideen, Karachi. Phone: 34391316-7 & 19	
U R L	www.premiumtextile.com	

**AUDITORS' REPORT TO THE MEMBERS
ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Premium Textile Mills Limited** as at **December 31, 2016** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016 and 2015.

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 information 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 condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi.
Dated: 28th Feb, 2017

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: **Muhammad Waseem**

DIRECTOR'S REPORT
FOR THE 2ND QUARTER/HALF YEARLY ENDED 31ST DECEMBER, 2016

Dear Members,

The Directors are pleased to present the accounts of the Company for the 2nd quarter/ half yearly Ended 31st December, 2016.

The overall Performance of the company is summarized below:

	<u>July-16 – Dec-16</u>	<u>July-15 – Dec-15</u>
Operating Profit	159,473,584	119,535,878
Financial & Others	(67,503,969)	(71,135,521)
Profit before Taxation	91,969,615	48,400,357
Taxation	(25,297,480)	(25,499,573)
Profit after Taxation	66,672,135	22,900,784
Earning per share	10.82	3.72
Gross Margin %	9.55	7.99
Operating Profit %	6.34	4.74

OPERATING PROFIT

During the period under review, the company has made a profit Rs. 66.67 Million as compared to Rs. 22.90 Million during the same period of last year. Yarn price increased by 15.90 % whereas during the same period raw Material price increased by 11 %. financial cost increased due to major borrowing for procurement of raw material in Stock & increase in receivable which is mainly attributed to a larger portion of sale in the local market where the payment cycle is now at 45 days.

FUTURE OUTLOOK

After the announcement of 4% rebate on yarn exports, the Industry can now hope to survive, although this is a good step in the right direction by the Govt. but it is a bit late and also refunds against Sales Tax and all other schemes are still stuck up which is disturbing the liquidity position of the Mills.

The much needed modernization of Industry is being carried out , thanks to the Long Term Finance Facility of the State Bank whereby it is now possible to modernize and become more efficient at low cost of finance.

ACKNOWLEDGEMENT

The Board is pleased to record its appreciation to its bankers for their continued support, its staff Member and workers for their hard work. The Board appreciates the valued shareholders for their Confidence & Moral support. The Board also thanks its valued customers for their business and support to your Company.

On behalf of Board of Directors

**Mohammad Yasin Siddik
Executive Director**

Karachi: 28th Feb, 2017

ڈائریکٹرز رپورٹ

31 دسمبر 2016 کو ختم ہونے والی دوسری سہ ماہی کی ڈائریکٹرز رپورٹ

31 دسمبر 2016 کو ختم ہونے والی دوسری سہ ماہی کیلئے ہم ڈائریکٹرز نے سہ ماہی کے ساتھ کھلی کارڈنٹ چل کر لے ہیں۔ کھلی کارڈنٹ کا ہم کارڈنٹ کی درجہ میں ہے۔

31 دسمبر 2016	30 دسمبر 2015	
159,473,584	119,535,878	آپریٹنگ منافع
(67,503,969)	(71,135,521)	ملیات و دیگر ان
91,969,615	48,400,357	منافع قبل از ٹیکس
(25,297,480)	(25,499,573)	ٹیکسیشن
66,672,135	22,900,784	منافع بعد از ٹیکس
3.72	10.82	فی شیئر آمدنی
7.99%	9.55%	کل مارٹن %
4.74%	6.34%	آپریٹنگ منافع %

آپریٹنگ کا نتیجہ:

زیر جائزہ مدت کے دوران کھلی نے سٹیٹ 66.67 ملین روپے کا منافع حاصل ہوا جس کا سواڑہ گزشتہ سال کی نسبت سٹیٹ 22.90 ملین روپے سے کم ہوا۔ سہ ماہی کی قیمت میں %15.90 کا اضافہ ہوا اور ٹیکس اسی مدت کے دوران ختم ہوا۔ ختم ہونے میں %11 کا اضافہ ہوا۔ مالی قیمت بہت زیادہ اضافہ ہوا۔ ہمارے اسٹاک ختم ہونے کی آمدنی اور بیچا جات کی وصولی جو کہ ہماری ٹیکس ملائمت کی تیار کا بہت زیادہ ہے۔ سہ ماہی کی وصولی کا دورانیہ 45 دن پر مشتمل ہے۔

مستقبل کا جائزہ:

سہ ماہی آمدنی پر 4 فیصد کی چھوٹ کے اعلان کے بعد صنعت کے زبردستی کی آمدنی کیلئے ہیں اگرچہ اس حکومت کی جانب سے یہ درست سمت میں ایک اچھا اقدام ہے لیکن یہ فیصلہ بہت دور سے لیا گیا ہے۔ اس کے علاوہ پٹرولنگس کی وصولی اور دوسری آئٹمز میں بھی کمی ہوئی ہے جو کہ ٹیکسٹائل انڈسٹری کی مارٹن کو بٹان کر رہی ہیں۔ انڈسٹری کو آمدنی ضرورت کے ساتھ پیدا کیا جا رہا ہے جو کہ اسٹیٹ بینک آف پاکستان کی بھرتیوں ایک نئے عرصے کی مالی مدد کی بنا پر ممکن ہوا ہے جس کے نتیجے میں اب یہ جدت اور ملیات کی کم قیمت پر زیادہ موثر بننے کے لیے ممکن ہو۔

میلز و تنخواہ:

ہم اللہ تعالیٰ کے فضل و شکر گزار ہیں جس نے ہمارے سہ ماہی پر مشتمل ہولڈرز کی ترقی کیلئے راہ ہموار کی جس کی وجہ سے ہم پر ان کا ۱۳۱ سالہ دور ہم اپنے منظم انتظامیہ انٹرفیس ہولڈرز کے کئی تبدیلی سے شکر گزار ہیں جو کہ ان کے بہتر نتائج حاصل کرنا ممکن نہیں ہے۔ آپ کی کھلی کارڈنٹ ہولڈرز کے کئی شکر گزار ہیں جن کا ہماری کھلی پر مسلسل ۱۳۱ سالہ ہے۔

جنرل مینجنگ ڈائریکٹرز

محمد یاسین صدیقی

چیف ایگزیکٹو آفیسر

کراچی 28 فروری 2017ء

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2016**

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
-----Rupees-----		
ASSETS		
Non - current assets		
Property, plant and equipment	5 2,188,045,308	2,142,294,594
Intangible asset under development	500,000	500,000
Long term deposits	1,504,100	1,504,100
	<u>2,190,049,408</u>	<u>2,144,298,694</u>
Current assets		
Stores and spares	43,539,720	36,408,510
Stock-in-trade	6 1,622,345,060	888,090,976
Trade debts - considered good	7 1,097,254,891	674,335,052
Tax refunds due from government	113,800,922	115,783,857
Advances, deposits, prepayments and other receivables	17,433,495	37,233,707
Cash and bank balances	11,341,524	14,464,392
	<u>2,905,715,612</u>	<u>1,766,316,494</u>
Total assets	<u>5,095,765,020</u>	<u>3,910,615,188</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
<i>Authorized capital</i>		
700,000,000 (June 2016: 700,000,000) ordinary shares of Rs. 10/- each	<u>70,000,000</u>	<u>70,000,000</u>
<i>Issued, subscribed and paid-up capital</i>		
6,163,000 (June 2016: 6,163,000) ordinary shares of Rs.10/- each fully paid in cash	61,630,000	61,630,000
Unappropriated profit	<u>1,389,561,366</u>	<u>1,384,023,099</u>
	<u>1,451,191,366</u>	<u>1,445,653,099</u>
Surplus on revaluation of property, plant and equipment	9,426,513	9,922,646
Non - current liabilities		
Long term loan - secured	8 857,144,000	857,624,000
Deferred liabilities	28,339,257	33,818,758
	<u>885,483,257</u>	<u>891,442,758</u>
Current liabilities		
Trade and other payables	9 534,774,754	349,840,809
Short term borrowings - secured	10 2,109,145,203	1,121,735,193
Accrued markup	35,743,927	22,020,683
Current portion of long term finance - secured	70,000,000	70,000,000
	<u>2,749,663,884</u>	<u>1,563,596,685</u>
Total equity and liabilities	<u>5,095,765,020</u>	<u>3,910,615,188</u>
Contingencies and commitments		
	11	

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Karachi: 28th Feb, 2017

Chief Executive

Director

CFO

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Note	Half year ended		Quarter ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
----- Rupees -----					
Sales		2,508,011,524	2,524,135,654	1,321,354,025	1,181,532,948
Cost of sales	12	(2,268,370,630)	(2,322,553,412)	(1,205,885,435)	(1,067,135,187)
Gross profit		239,640,894	201,582,242	115,468,590	114,397,761
Administrative costs		(39,643,108)	(40,276,442)	(20,778,064)	(20,448,581)
Distribution costs		(33,707,979)	(37,200,762)	(19,741,810)	(16,813,788)
Other operating cost		(6,816,223)	(4,569,160)	(6,816,223)	(4,569,160)
		(80,167,310)	(82,046,364)	(47,336,097)	(41,831,529)
Operating profit		159,473,584	119,535,878	68,132,493	72,566,232
Finance costs		(72,330,348)	(60,258,123)	(38,649,030)	(31,306,541)
Other income / (loss)		4,826,379	(10,877,398)	4,696,351	(13,589,324)
		(67,503,969)	(71,135,521)	(33,952,679)	(44,895,865)
Profit before taxation		91,969,615	48,400,357	34,179,814	27,670,367
Provision for taxation		(25,297,480)	(25,499,573)	(13,313,917)	(11,856,957)
Profit after taxation		66,672,135	22,900,784	20,865,897	15,813,410
Earning per share - basic and diluted		10.82	3.72	3.39	2.57

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Karachi: 28th Feb, 2017

Chief Executive

Director

CFO

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Half year ended	
	December 31, 2016	December 31, 2015
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	91,969,615	48,400,357
Adjustments for:		
- Depreciation	110,256,842	93,634,042
- Finance cost	72,330,348	60,258,123
- Provision for Workers' Profit Participation Fund	4,939,292	2,648,476
- Provision for Workers' Welfare Fund	1,876,931	1,920,684
- Provision for gratuity	9,364,573	5,647,121
- Exchange (gain) / loss on trade debts	(10,900,593)	3,903,624
- Exchange loss on short term borrowings	6,132,122	-
- Gain on disposal of fixed assets	(57,908)	(1,089,734)
	193,941,607	166,922,336
Operating profit before working capital changes	285,911,222	215,322,693
<i>Decrease / (increase) in current assets</i>		
- Stores and spares	(7,131,210)	(3,937,663)
- Stock-in-trade	(734,254,084)	(614,482,881)
- Trade debts	(412,019,246)	(128,741,753)
- Advances, deposits, prepayments and other receivables	19,800,212	(6,731,461)
	175,402,321	230,564,264
<i>Increase / (decrease) in current liabilities</i>		
- Trade and other payables	(958,202,007)	(523,329,494)
	(672,290,785)	(308,006,801)
Cash used in operations		
Taxes (paid) / refunded	(23,314,546)	34,158,785
Staff gratuity paid	(14,844,074)	(9,389,711)
Finance charges paid	(58,103,532)	(64,427,309)
	(96,262,152)	(39,658,235)
Net cash used in operating activities	(768,552,937)	(347,665,036)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(162,457,745)	(58,978,160)
Proceeds from sale of operating fixed assets	518,000	5,720,000
Net cash used in investing activities	(161,939,745)	(53,258,160)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(59,472,823)	(36,978,000)
Long term loans obtained during the period	69,520,000	-
Long-term loans repaid during the period	(70,000,000)	(60,000,000)
Net cash used in financing activities	(59,952,823)	(96,978,000)
Net decrease in cash and cash equivalents	(990,445,505)	(497,901,196)
Cash and cash equivalents at the beginning of the period	(1,107,358,174)	(1,118,030,979)
Cash and cash equivalents at the end of the period	(2,097,803,679)	(1,615,932,175)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	11,341,524	21,056,832
Short term borrowings - secured	(2,109,145,203)	(1,636,989,007)
	(2,097,803,679)	(1,615,932,175)

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Karachi: 28th Feb, 2017

Chief Executive

Director

CFO

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2016</u>	<u>December 31, 2015</u> (Restated)	<u>December 31, 2016</u>	<u>December 31, 2015</u> (Restated)
	----- Rupees -----			
Profit after taxation	66,672,135	22,900,784	20,865,897	15,813,410
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>66,672,135</u>	<u>22,900,784</u>	<u>20,865,897</u>	<u>15,813,410</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Karachi: 28th Feb, 2017

Chief Executive

Director

CFO

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	----- Rupees -----		
Balance as at July 1, 2015	61,630,000	1,296,974,954	1,358,604,954
<i>Total comprehensive income for the half year ended December 31, 2015</i>			
- Profit after taxation	-	22,900,784	22,900,784
- Other comprehensive income (restated)	-	-	-
	-	22,900,784	22,900,784
<i>Transaction with owners</i>			
- Final dividend @ 60%	-	(36,978,000)	(36,978,000)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	551,258	551,258
Balance as at December 31, 2015 (restated)	61,630,000	1,283,448,996	1,345,078,996
<i>Total comprehensive income for the half year ended June 30, 2016</i>			
- Profit after taxation	-	100,022,845	100,022,845
- Other comprehensive income (restated)	-	-	-
	-	100,022,845	100,022,845
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	551,258	551,258
Balance as at June 30, 2016 (restated)	61,630,000	1,384,023,099	1,445,653,099
<i>Total comprehensive income for the half year ended December 31, 2016</i>			
- Profit after taxation	-	66,672,135	66,672,135
- Other comprehensive income	-	-	-
	-	66,672,135	66,672,135
<i>Transaction with owners</i>			
- Final dividend @ 100%	-	(61,630,000)	(61,630,000)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	496,132	496,132
Balance as at December 31, 2016	61,630,000	1,389,561,366	1,451,191,366

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.

Karachi: 28th Feb, 2017

Chief Executive

Director

CFO

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016**

1. LEGAL STATUS AND OPERATIONS

The Premium Textile Mills Limited (the company) was incorporated in Pakistan on March 03, 1987 as a Public limited company. Its shares are quoted on Karachi Stock Exchange. The principal activity of the Company is the manufacture and sale of Cotton Yarn and Polyester Yarn. The registered office of the Company is situated at 1st Floor, Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi.

2. BASIS OF PREPARATION

- 2.1. This condensed interim financial information of the Company for the six months period ended December 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 -- Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under Companies Ordinance, 1984 have been followed.
- 2.2. This condensed interim financial information are unaudited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulations of Pakistan Stock Exchange. However, a limited scope review has been carried out by the auditors in accordance with the requirements of code of corporate governance issued by Securities and Exchange Commission of Pakistan. Further, the figure in the condensed interim financial information for the quarter ended December 31, 2016 and December 31, 2015 have not been reviewed by the auditors.
- 2.3. This condensed interim financial information does not include information required for full annual financial information, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2016.
- 2.4. This condensed interim financial information have been prepared under the historical cost convention except as otherwise stated.
- 2.5. The condensed interim financial information are presented in Pakistan Rupees which is the functional currency of the Company and rounded off to the nearest rupees except stated otherwise.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2016.

3.1. Correction of prior period error

International Accounting Standard (IAS) 16 'Property, Plant and Equipment' requires that, if an amount equal to incremental depreciation on a revalued asset is transferred from revaluation surplus, such transfer is credited directly to retained earnings. However, contrary to this, such transfers to had been credited to equity through other comprehensive income instead of the same being credited directly to retained earnings. Therefore, in order to adopt the required presentation, the corresponding figures in the statement of comprehensive income have been re-presented that otherwise has no financial impact.

The correction of the above error has been accounted for retrospectively in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and corresponding figures have been restated. However, as the restatement has no effect on the balance sheet as at the beginning of the earliest period presented, the same has not been presented.

As noted above, the retrospective correction of the above errors has no effect on the statement of financial position as at July 01, 2015 and as at June 30, 2016. However, the effect on the statement of comprehensive income is as presented below:

Effects on comprehensive income for the half year ended December 31, 2015	Rupees
<i>Effect on other comprehensive income</i>	
Transfer of incremental depreciation eliminated	<u>551,258</u>

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2016.

	Note	(Un-audited) December 31, 2016	(Audited) June 30, 2016
----- Rupees -----			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,137,121,814	2,088,817,913
Capital work in progress	5.2	50,923,494	53,476,681
		2,188,045,308	2,142,294,594

	Half year ended December 31, 2016		Year ended June 30, 2016	
	Additions/ transfers	Disposals	Additions/ transfers	Disposals
----- Rupees -----				
5.1 Major additions and disposals are as follows:				
Freehold land	284,509	-	1,580,000	-
Building and godown on freehold land	25,050,727	-	7,089,687	-
Plant and machinery	91,674,968	-	461,496,367	-
Office, tools, fire fighting and laboratory equipment	75,000	-	150,000	-
Furniture and fixtures	1,024,500	-	592,600	55,000
Computer and allied equipment	225,500	-	82,600	-
Vehicles	32,030,685	1,990,520	23,788,720	11,951,529
Electrical instruments and installation	8,687,682	-	6,476,447	-
	159,053,571	1,990,520	501,256,421	12,006,529

5.2 Depreciation of operating fixed assets for the half year ended December 31, 2016 amounted to Rs 110.3 million (year ended June 30, 2016: Rs. 200.9 million) .Further, written down value of the disposals is Rs. 0.4 million (year ended June 30, 2016: Rs 4.6 million).

	(Un-audited) December 31, 2016	(Audited) June 30, 2016
----- Rupees -----		
5.2 Capital work in progress		
Opening balance	53,476,681	17,576,585
<i>Additions during the period:</i>		
- Machinery	60,086,701	460,009,900
- Civil works	20,971,703	46,056,250
	81,058,404	506,066,150
<i>Transfers:</i>		
- to operating fixed assets	(77,654,230)	(470,166,054)
- to stores and spares	(5,957,361)	-
	(83,611,591)	(470,166,054)
Closing balance	50,923,494	53,476,681

	Note	(Un-audited) December 31, 2016	(Audited) June 30, 2016
6. STOCK IN TRADE		----- Rupees -----	
<i>Raw material</i>			
- In hand		1,293,190,801	614,939,170
- In transit		2,545,134	-
		<u>1,295,735,935</u>	<u>614,939,170</u>
Work in process		43,932,408	36,095,504
Finished goods		276,843,111	230,942,290
Waste material		180,274	375,021
		<u>277,023,385</u>	<u>231,317,311</u>
Packing material		5,653,332	5,738,991
		<u>1,622,345,060</u>	<u>888,090,976</u>
7. TRADE DEBTORS - Considered good			
Local debtors - unsecured		806,779,649	436,962,487
Foreign debtors - secured		290,475,242	237,372,565
		<u>1,097,254,891</u>	<u>674,335,052</u>
8. LONG TERM LOAN - Secured			
Long term loan	8.1	927,144,000	927,624,000
Current portion shown under current liabilities		(70,000,000)	(70,000,000)
		<u>857,144,000</u>	<u>857,624,000</u>
8.1 Long term loan			
Bank Al-Habib Limited:			
- Term Finance		450,000,000	485,000,000
- Term Finance		30,000,000	65,000,000
- Long Term Finance Facility		275,464,000	256,409,000
		<u>755,464,000</u>	<u>806,409,000</u>
Bank Al-Falah Limited:			
- Long Term Finance Facility		171,680,000	121,215,000
		<u>927,144,000</u>	<u>927,624,000</u>
9. TRADE AND OTHER PAYABLES			
Creditors		193,842,344	111,360,888
Accrued liabilities		312,113,546	218,541,726
Workers' profits participation fund		14,585,351	9,087,835
Workers welfare fund		5,694,841	3,817,910
Unclaimed dividend		5,427,997	3,270,820
Others		3,110,675	3,761,630
		<u>534,774,754</u>	<u>349,840,809</u>
10. SHORT TERM BORROWING - Secured			
Bank Al-Habib Limited			
- Cash finance		909,145,546	265,623,966
- Running finance		93,103,001	10,530,404
- Foreign currency export finance		207,317,536	645,580,823
		<u>1,209,566,083</u>	<u>921,735,193</u>
Bank Al-Falah Limited			
- Cash finance		100,000,000	-
- Running finance		99,779,120	-
		<u>199,779,120</u>	<u>-</u>
Meezan Bank Limited			
- Istisna Finance		699,800,000	200,000,000
		<u>2,109,145,203</u>	<u>1,121,735,193</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There has been no change in the status of contingencies as disclosed in annual audited financial statements of the Company for the year ended June 30, 2016.

(Un-audited) December 31, 2016	(Audited) June 30, 2016
-	-
----- Rupees -----	

11.2 Commitments

In respect of:

Capital Expenditure	24,526,300	20,158,800
Revolving Letter of Credit to SSGC	52,564,000	54,963,500
Letters of Credit in respect of raw material	47,500,000	-
Letter of Guarantee - Hyderabad Electric Supply Corporation	15,942,340	15,942,340
Letter of Guarantee - Excise and Taxation Department	54,500,000	53,500,000

Half year ended		Quarter ended	
December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
----- Rupees -----			

12. COST OF SALES

Raw materials consumed

Opening stock	614,939,171	441,389,837	351,222,382	303,778,188
Add: Purchases during the year	2,331,634,114	2,419,279,079	1,772,739,744	1,704,522,896
	2,946,573,285	2,860,668,916	2,123,962,126	2,008,301,084
Less : Sale of cotton	(5,538,578)	(8,822,570)	(59,005)	(8,822,570)
Less : Closing stock	(1,293,190,801)	(1,271,441,116)	(1,293,190,801)	(1,271,441,116)
	1,647,843,906	1,580,405,230	830,712,320	728,037,398
Stores and spares consumed	82,372,125	109,496,125	45,108,079	63,226,857
Salaries, wages and benefits	227,376,028	197,875,533	110,210,914	93,466,268
Fuel and power	218,725,881	226,747,886	108,710,231	105,743,330
Water charges	4,003,670	4,304,390	1,885,700	2,177,313
Vehicle running and maintenance	2,640,107	2,476,932	1,175,395	1,409,259
Repair and maintenance	3,367,604	2,867,269	2,585,569	763,384
Insurance	11,634,155	10,333,073	6,414,155	5,964,190
Depreciation	107,646,027	91,192,015	54,081,022	45,625,373
Other manufacturing expenses	8,058,325	7,159,148	3,557,217	2,854,552
Work-in-process - opening	36,095,504	30,613,053	40,804,434	30,717,938
Work-in-process - closing	(43,932,408)	(30,956,516)	(43,932,408)	(30,956,516)
	(7,836,904)	(343,463)	(3,127,974)	(238,578)
Cost of goods manufactured	2,305,830,924	2,232,514,138	1,161,312,628	1,049,029,346
Add: Trading cost	5,538,578	8,822,570	59,005	8,822,570
Add: Purchase of yarn	2,707,202	8,987,000	1,200,702	8,987,000
	2,314,076,704	2,250,323,708	1,162,572,335	1,066,838,916
Finished goods - opening	231,317,311	331,112,293	320,336,485	259,178,860
Finished goods - closing	(277,023,385)	(258,882,589)	(277,023,385)	(258,882,589)
	(45,706,074)	72,229,704	43,313,100	296,271
	2,268,370,630	2,322,553,412	1,205,885,435	1,067,135,187

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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:

Nature of transaction	Nature of relationship	Half year ended	
		December 31, 2016	December 31, 2015
Sales of goods to Premium Knits	Common directorship	15,502,153	20,711,900
Outstanding balances as of the year end / period end:		(Un-audited) December 31, 2016	(Audited) June 30, 2016
Receivable from Premium Knits	Common directorship	5,470,861	354,874

----- Rupees -----

14. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Company for the year ended June 30, 2016.

15. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation. Reclassification made in the financial statements is as follows :

Reclassification from component	Reclassification to component	Rupees
Capital work in progress ERP software	Intangible asset under development ERP software	<u>500,000</u>
Stores and spares Packing material	Stock in trade Packing material	<u>5,653,332</u>

16. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information have been authorized for issue on **28th February, 2017** by the Board of Directors of the Company.

17. GENERAL

Figures have been rounded off to the nearest rupee.

Karachi: 28th Feb, 2017

Chief Executive

Director

CFO