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**COMPANY INFORMATION**

**Board of Directors**

Mr. Mohammad Aslam Parekh  
Mr. Abdul Kader Haji Adam  
Mr. Mohammad Yasin Siddik  
Mr. Mohammad Ali Jaliawala  
Mr. Mohammad Tufail  
Mr. Khizer Yousuf Sattar  
Mr. Tanzeel Abdul Sattar (NIT Nominee)

Chairman  
Chief Executive  
Executive Director  
Director  
Director  
Director  
Director

**Company Secretary**

Iqbal Chappra

**Share Registrar**

FD Registrar Services (SMC-Pvt) Ltd.  
17<sup>th</sup> floor, Saima Trade Tower \_A  
I.I.Chundrigar Road, Karachi  
Phone: 0213-2271905-6

**Managing Director**

Mr. Zaid Siddik

**Technical Director**

Mr. Ashraf Aziz

**Chief Financial Officer**

Ms. Shenila Parekh

**Bankers**

Bank Al- Habib limited  
Bank Al- Falah limited  
Meezan Bank Limited  
Habib Bank Limited

**Head of Internal Audit**

Mr. S. Wasif Hussain Naqvi

**Auditors**

Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

**Audit Committee**

Mr. Mohammad Tufail	Chairman
Mr. Mohammad Ali Jaliawala	Member
Mr. Khizer Yousuf Sattar	Member

**Registered office**

1<sup>st</sup> floor, Haji Adam Chambers,  
Altaf Hussain Road, New Challi, Karachi  
Phone : 0213-2400405-8  
Email: premhead@premiumtextile.com

**Human Resources & Remuneration Committee**

Mr. Mohammad Ali Jaliawala	Chairman
Mr. Mohammad Tufail	Member
Mr. Khizer Yousuf Sattar	Member

**Mill**

Plot 58,60,61 & 76,77,78 Main Super  
Highway, Nooriabad, Distt. Dadu ( Sindh),  
Pakistan. Phone : (025) 4007463-9

**Website**

[www.premiumtextile.com](http://www.premiumtextile.com)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF M/S. PREMIUM TEXTILE MILLS LIMITED**

**Report on Review of Condensed Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Premium Textile Mills Limited** ("the Company") as at **December 31, 2019** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the six-month 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.

**Scope of review**

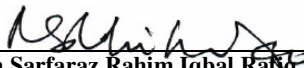
We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2019. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2019.

**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 review resulting in this independent auditor's review report is **Mr. Muhammad Rafiq Dosani**.

  
**Rahman Sarfaraz Rahim Iqbal Rafiq**  
Chartered Accountants  
Engagement Partner: Mr. Muhammad Rafiq Dosani

Karachi. 28th Feb, 2020

**DIRECTOR'S REPORT**  
**FOR THE 2<sup>ND</sup> QUARTER/HALF YEARLY ENDED 31<sup>ST</sup> DECEMBER, 2019**

The Directors would like to present the accounts of the Company for Half year ended December 31<sup>st</sup>, 2019.

The overall Performance of the company is summarized below:

	<b>July – Dec 2019</b>	<b>July - Dec 2018</b>		
<b>Operating Profit</b>	523,204,950	377,605,786		
<b>Financial &amp; Others</b>	<u>(307,027,116)</u>	<u>(123,675,129)</u>		
<b>Profit before Taxation</b>	216,177,834	253,930,657		
<b>Taxation</b>	(46,131,289)	(41,316,356)		
<b>Profit after Taxation</b>	<table border="1"><tr><td>170,046,545</td></tr></table>	170,046,545	<table border="1"><tr><td>212,614,301</td></tr></table>	212,614,301
170,046,545				
212,614,301				
<b>Earnings per share</b>	27.59	34.50		
<b>Gross Margin %</b>	15.27%	12.73%		
<b>Operating Profit %</b>	11.46%	9.52%		

**OPERATING RESULT**

During the period under review, the company has made a profit of Rs. 170.046 million as compared to Rs.212.614 million during the same period of last year. Although there is an increase in the Gross Margin of 2.54% and about 1.94% increase in Operating Profit there is a reduction in Profit after Tax by 1.63% mainly due to increase in financial charges (Kibor/Sbp rate) by 3% to 5%.

### **FUTURE OUTLOOK**

The future outlook of your Company looks quite bright as your company has embarked on modernization, balancing and capacity enhancement and accordingly the Dyeing plant is under erection and installation, Solar power of 1 MW is also in the planning and execution stage, addition to buildings is also underway to accommodate 13 nos. new Toyoda Ring frames of 1632 spindles each with Link Coners from Murata and one more new generator is also being added

As far as the macro picture is concerned, the biggest factor is the Corona Virus which of course will have a negative impact in the short run but in the longer term this could be converted into an opportunity as now the BIG Brands will partially diversify out of China and we will try to get a piece of that spillover.

### **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**



**Mohammad Yasin Siddik**  
**Executive Director**

Karachi: 28<sup>th</sup> Feb, 2020

ڈائریکٹرز رپورٹ  
برائے نصف سال 31 دسمبر 2019

معزز ممبرز!

ڈائریکٹرز کی جانب سے نصف سال 31 دسمبر 2019 تک کے نتیجے کا اعلان مجموعی کارکردگی ذیل میں درج ہے۔

جولائی - دسمبر 2019	جولائی - دسمبر 2018	
523,204,950	377,605,786	ہیو پیٹنگ منافع
307,027,116	123,675,129	مالیات و دیگر
216,177,834	253,930,657	منافع قبل ٹیکس
46,131,289	41,316,356	ٹیکس
170,046,545	212,614,301	منافع بعد از ٹیکس
27.59	34.50	فی حصص ٹیکس
15.27%	12.73%	مجموعی مارجن %
11.46%	9.52%	ہیو پیٹنگ منافع %

آپریٹنگ نتائج:

وقفہ جائزہ دوران کمپنی نے 170,046 ٹین ٹون روپے کا منافع کملا کر ہیو پیٹنگ منافع سال کے منافع جو کہ 212,614 ٹین ٹون روپے تھا۔ جبکہ مجموعی مارجن میں 2.54% کا اضافہ اور 1.94% کا آپریٹنگ منافع میں اضافہ۔ منافع بعد از ٹیکس میں 1.63% کی کوئی بھی مایاتی چارجز (کاٹھن/الٹرنس ٹی بی) میں 3% سے 5% تک کا اضافہ ہے۔

مستقبل کے نقطہ نظر:

کمپنی کا مستقبل کافی روشن ہے کیونکہ ہماری کمپنی نے جدیدت، مہیاہ دہی اور ملازمتوں میں اضافہ پر کافی زور دیا ہے۔ جبکہ ڈائنگ پلانٹ زیر ترمیم ہے اور 1MW کی آئشی طاقت کی تنصیب بندی بھی جاری ہے۔ علاقوں کے ساتھ ساتھ ان میں 13 نمبر میٹروپولیٹن گورنمنٹ کے نوجوانوں کو روزگار دینے کے لیے نئی نئی جوبوں کی جوبز فراہم کر رہے ہیں جو کہ کافی مہم نواہ اور نئے نئے کاروبار کا باعث بن رہے ہیں۔

اعتراف:

ہم رب اعزت کے شکر گزار ہیں کہ آج جو اسٹے کا کامیاب ہیں اور اپنے شراکہ داروں کی امیدوں پر بخوبی اترے ہیں جنہوں نے ہم پر بھروسہ کیا اور ہم اپنے تھیل اور ملازمت لوگوں پر مشتمل ادارہ کے شکر گزار ہیں جن کے بغیر یہ سب ممکن نہ ہوتا۔ ہمیں سارا قیام اور تمام ممبرز صافین کا شکر گزار ہے جنہوں نے ہم پر مسلسل بھروسہ بنائے رکھا۔

مفتاح ڈائریکٹرز رپورٹ

محمد یاسین  
ایگزیکٹو ڈائریکٹر

تاریخ: 28 فروری 2020 گرامچی

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2019**

	Note	(Un-audited) December 31, 2019	(Audited) June 30, 2019
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	4,098,312,187	3,312,870,055
Long term deposits		2,149,100	1,999,100
		<b>4,100,461,287</b>	3,314,869,155
<b>Current assets</b>			
Stores and spares		97,673,918	122,917,143
Stock-in-trade	6	2,519,432,651	2,500,820,603
Trade debts - considered good	7	1,817,837,363	1,656,744,400
Tax refunds due from government	8	228,268,936	224,418,647
Advances, deposits, prepayments and other receivables	9	50,137,263	33,085,745
Cash and bank balances		33,284,989	12,839,392
		<b>4,746,635,120</b>	4,550,825,930
<b>Total assets</b>		<b>8,847,096,407</b>	<b>7,865,695,085</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<i>Authorized capital</i>			
7,000,000 (June 30,2019: 7,000,000) ordinary shares of Rs. 10/- each		70,000,000	70,000,000
Issued, subscribed and paid up capital		61,630,000	61,630,000
Surplus on revaluation of property, plant and equipment		3,463,474	3,645,762
Unappropriated profit		2,095,187,433	2,063,626,100
		<b>2,160,280,907</b>	2,128,901,862
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Long term loans - secured	10	2,221,889,275	1,586,434,250
Deferred liabilities		63,950,710	40,632,299
		<b>2,285,839,985</b>	1,627,066,549
<b>Current liabilities</b>			
Trade and other payables	11	1,127,331,023	870,403,239
Unclaimed dividend		6,816,252	6,115,281
Accrued markup		119,135,531	102,415,706
Short term borrowings - secured	12	3,001,600,992	3,056,510,666
Current portion of long term loans - secured		146,091,717	74,281,782
		<b>4,400,975,515</b>	4,109,726,674
<b>Contingencies and commitments</b>	13		
<b>Total equity and liabilities</b>		<b>8,847,096,407</b>	<b>7,865,695,085</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Karachi: 28<sup>th</sup> Feb, 2020

 Chief Executive
  Director
  CFO

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Note	Half Year Ended		Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		----- Rupees -----			
Sales - net	14	4,563,593,602	3,966,217,721	2,299,869,096	2,178,182,004
Cost of sales	15	(3,866,648,497)	(3,461,135,348)	(1,949,840,274)	(1,906,246,685)
<b>Gross profit</b>		<b>696,945,105</b>	505,082,373	<b>350,028,822</b>	271,935,319
Administrative costs		(78,805,885)	(60,682,292)	(45,174,857)	(31,417,907)
Distribution costs		(78,912,497)	(47,974,515)	(33,938,988)	(27,550,258)
Other operating costs		(16,021,773)	(18,819,780)	(16,021,773)	(16,919,464)
		(173,740,155)	(127,476,587)	(95,135,618)	(75,887,629)
<b>Operating profit</b>		<b>523,204,950</b>	377,605,786	<b>254,893,204</b>	196,047,690
Finance costs	16	(282,188,914)	(161,081,668)	(152,173,129)	(111,277,601)
Other (expense) / income	17	(24,838,202)	37,406,539	(6,863,382)	32,232,207
		(307,027,116)	(123,675,129)	(159,036,511)	(79,045,394)
<b>Profit before taxation</b>		<b>216,177,834</b>	253,930,657	<b>95,856,693</b>	117,002,296
<b>Taxation</b>					
- Current		(17,704,661)	(41,316,356)	6,680,159	(23,139,519)
- Deferred		(28,426,628)	-	(28,426,628)	-
		(46,131,289)	(41,316,356)	(21,746,469)	(23,139,519)
<b>Profit after taxation</b>		<b>170,046,545</b>	212,614,301	<b>74,110,224</b>	93,862,777
<b>Earnings per share - basic and diluted</b>		<b>27.59</b>	34.50	<b>12.03</b>	15.23

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Karachi: 28<sup>th</sup> Feb, 2020

 Chief Executive
  Director
  CFO



# Premium Textile Mills Limited



## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended	
	December 31, 2019	December 31, 2018
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	216,177,834	253,930,657
<b>Adjustments for:</b>		
- Depreciation	169,624,799	146,984,591
- Finance cost	282,188,914	161,081,669
- Provision for Workers' Profit Participation Fund	11,609,980	13,637,522
- Provision for Workers' Welfare Fund	4,411,793	5,182,258
- Provision for gratuity	12,250,079	8,985,757
- Exchange loss / (gain) on trade debts	(11,769,092)	(39,847,914)
- Loss / (gain) on disposal of fixed assets	19,241,238	(423,420)
	<u>487,557,711</u>	<u>295,600,463</u>
<b>Operating profit before working capital changes</b>	<b>703,735,545</b>	<b>549,531,120</b>
<i>Decrease / (increase) in current assets</i>		
- Stores and spares	25,243,225	(30,652,115)
- Stock-in-trade	(18,612,048)	(1,683,459,376)
- Trade debts	(149,323,871)	(130,380,249)
- Advances, deposits, prepayments and other receivables	(17,051,518)	(486,217,182)
- Sales tax refundable	25,886,777	(41,222,539)
<i>Increase in current liabilities</i>		
- Trade and other payables	269,441,951	300,104,770
	<u>135,584,516</u>	<u>(2,071,826,691)</u>
<b>Cash generated from / (used in) operations</b>	<b>839,320,061</b>	<b>(1,522,295,571)</b>
Taxes paid	(47,441,727)	(33,492,007)
Staff gratuity paid	(17,358,296)	(14,186,525)
Payment of Workers' Profit Participation Fund including markup	(44,763,314)	(27,602,376)
Increase in long term deposits	(150,000)	-
Finance charges paid	(249,241,715)	(108,629,750)
	<u>(358,955,052)</u>	<u>(183,910,658)</u>
<b>Net cash generated from / (used in) operating activities</b>	<b>480,365,009</b>	<b>(1,706,206,229)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(983,371,869)	(147,136,430)
Proceeds from sale of operating fixed assets	9,063,700	2,350,000
<b>Net cash used in investing activities</b>	<b>(974,308,169)</b>	<b>(144,786,430)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(137,966,529)	(137,582,799)
Long-term loans obtained during the period	737,991,335	346,220,000
Long-term loans repaid during the period	(30,726,375)	(54,138,969)
<b>Net cash generated from financing activities</b>	<b>569,298,431</b>	<b>154,498,232</b>
Net (increase) / decrease in cash and cash equivalents during the period	75,355,271	(1,696,494,427)
Cash and cash equivalents at the beginning of the period	(3,043,671,274)	(1,601,629,028)
<b>Cash and cash equivalents at the end of the period</b>	<b>(2,968,316,003)</b>	<b>(3,298,123,455)</b>
<i>Cash and cash equivalents comprise of the following:</i>		
Cash and bank balances	33,284,989	49,175,118
Short term borrowings - secured	(3,001,600,992)	(3,347,298,573)
	<u>(2,968,316,003)</u>	<u>(3,298,123,455)</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Karachi: 28<sup>th</sup> Feb, 2020





Chief Executive

Director

CFO

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- Rupees -----			
Profit after taxation	170,046,545	212,614,301	74,110,224	93,862,777
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>170,046,545</b>	<b>212,614,301</b>	<b>74,110,224</b>	<b>93,862,777</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Karachi: 28<sup>th</sup> Feb, 2020


 Chief Executive       Director       CFO

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	<u>Capital reserve</u>		<u>Revenue reserve</u>	
	Issued, subscribed and paid up capital	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total
	----- Rupees -----			
Balance as at July 1, 2018	61,630,000	4,050,847	1,756,093,953	1,821,774,800
<b>Total comprehensive income for the half year ended December 31, 2018</b>				
- Profit after taxation	-	-	212,614,301	212,614,301
- Other comprehensive income	-	-	-	-
<b>Transaction with owners</b>				
Final dividend at the rate of Rs. 22.5/- per share each for the year ended June 30, 2018	-	-	(138,667,500)	(138,667,500)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	(202,542)	202,542	-
<b>Balance as at December 31, 2018</b>	<b>61,630,000</b>	<b>3,848,305</b>	<b>1,830,243,296</b>	<b>1,895,721,601</b>
<b>Balance as at July 01, 2019</b>	<b>61,630,000</b>	<b>3,645,762</b>	<b>2,063,626,100</b>	<b>2,128,901,862</b>
<b>Total comprehensive income for the half year ended December 31, 2019</b>				
- Profit after taxation	-	-	170,046,545	170,046,545
- Other comprehensive income	-	-	-	-
<b>Transaction with owners</b>				
Final dividend at the rate of Rs. 22.5/- per share each for the year ended June 30, 2019	-	-	(138,667,500)	(138,667,500)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	(182,288)	182,288	-
<b>Balance as at December 31, 2019</b>	<b>61,630,000</b>	<b>3,463,474</b>	<b>2,095,187,433</b>	<b>2,160,280,907</b>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Karachi: 28<sup>th</sup> Feb, 2020

  
 Chief Executive      Director      CFO

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**1 LEGAL STATUS AND OPERATIONS**

Premium Textile Mills Limited ('the Company') was incorporated in Pakistan on March 03, 1987 as a public limited company under the Companies Ordinance, 1984 [now repealed with the enactment of Companies Act, 2017 on May 30, 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 address of the Company's registered office and the mill 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**

**2.1 Statement of compliance**

These condensed interim financial statements ('the 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 34: 'Interim Financial Reporting' (IAS 34), 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.

These interim financial statements do not include all the information and disclosures as 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, 2019.

**2.2 Basis of measurement**

These condensed interim financial statements has been prepared under the historical cost convention except for plant and machinery and electrical instruments and installations which are carried at revalued amounts and provision for staff gratuity which is measured at the present value of the defined benefit obligation.

**2.3 Functional and presentation currency**

Items included in these interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency, unless otherwise stated.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2019.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim financial statements 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 interim financial statements, 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 annual financial statements of the Company as at and for the year ended June 30, 2019.

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
		----- Rupees -----	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	3,784,618,197	3,148,769,819
	Capital work in progress	<u>313,693,990</u>	<u>164,100,236</u>
		<u><b>4,098,312,187</b></u>	<u>3,312,870,055</u>
<b>5.1</b>	<b>Operating fixed assets</b>		
	Opening net book value	3,148,769,819	2,789,615,698
	Add: Additions during the period / year	<u>833,778,115</u>	<u>661,258,605</u>
		<u>3,982,547,934</u>	<u>3,450,874,303</u>
	Less: Disposals during the period / year (at NBV)	<u>(28,304,938)</u>	<u>(2,826,516)</u>
	Depreciation charge for the period / year	<u>(169,624,799)</u>	<u>(299,277,968)</u>
	Closing net book value	<u><b>3,784,618,197</b></u>	<u>3,148,769,819</u>

5.1.1 Following is the summary of class-wise additions to, or disposals from, operating fixed assets:

	Half year ended December 31, 2019		Year ended June 30, 2019	
	Additions	Disposals (At NBV)	Additions/ transfers	Disposals (At NBV)
----- Rupees -----				
Freehold land	-	-	7,658,000	-
Building and godown on freehold land	4,561,688	-	84,198,701	-
Plant and machinery	654,078,056	4,393,105	528,863,020	-
Furniture and fixtures	9,534,549	-	343,800	-
Computer and allied equipment	1,158,500	-	177,000	-
Vehicles	4,441,915	1,070,443	11,048,799	2,826,516
Electrical instruments and installation	<u>160,003,407</u>	<u>22,841,390</u>	<u>28,969,285</u>	<u>-</u>
	<u><b>833,778,115</b></u>	<u><b>28,304,938</b></u>	<u>661,258,605</u>	<u>2,826,516</u>

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
----- Rupees -----		
<b>5.2</b>	<b>Capital work in progress</b>	
Opening balance	164,100,236	1,578,772
Add: Additions during the period / year		
- Machinery	779,591,538	586,322,141
- Civil works	110,448,566	136,727,520
- ERP software	-	250,000
	<u>890,040,104</u>	<u>723,299,661</u>
Less: Transfers to operating fixed assets	<u>(740,446,350)</u>	<u>(560,778,197)</u>
<b>Closing balance</b>	<u><b>313,693,990</b></u>	<u>164,100,236</u>

<b>6 STOCK IN TRADE</b>		
<i>Raw material</i>		
- In hand	1,979,117,553	1,982,587,681
- In transit	21,197,366	79,512,928
	<u>2,000,314,919</u>	<u>2,062,100,609</u>
Work in process	80,279,688	68,933,015
Finished goods	422,223,340	356,449,498
Waste material	854,733	737,786
	<u>423,078,073</u>	<u>357,187,284</u>
Packing material	15,759,971	12,599,695
	<u>2,519,432,651</u>	<u>2,500,820,603</u>
	(Un-audited)	(Audited)
	December 31,	June 30,
	2019	2019
<b>7 TRADE DEBTORS - Considered good</b>		
	----- Rupees -----	
Local debtors - unsecured	1,577,460,344	1,145,375,654
Foreign debtors - secured	242,867,269	513,858,996
	<u>1,820,327,613</u>	<u>1,659,234,650</u>
Less: Provision for impairment	(2,490,250)	(2,490,250)
	<u>1,817,837,363</u>	<u>1,656,744,400</u>
<b>8 TAX REFUNDS DUE FROM GOVERNMENT</b>		
Advance tax	180,088,470	176,497,721
Less: Provision for current tax for the year	(17,704,661)	(43,850,978)
	<u>162,383,809</u>	<u>132,646,743</u>
Sales tax refundable	65,885,127	91,771,904
	<u>228,268,936</u>	<u>224,418,647</u>
<b>9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances - considered good:		
- Staff	5,434,371	2,968,151
- Suppliers	23,864,423	22,090,906
	<u>29,298,794</u>	<u>25,059,057</u>
Security deposits	5,193,539	114,540
Prepayments	14,484,358	-
Duty Drawback receivable	1,153,516	7,866,505
Other receivables	7,056	45,643
	<u>50,137,263</u>	<u>33,085,745</u>
<b>10 LONG TERM LOANS - Secured</b>		
Long Term Financing Facility (LTFF) obtained from:		
Bank Al Habib Limited	1,133,777,000	715,919,000
Bank Al-Falah Limited	831,951,657	844,411,032
Habib Bank Limited	271,011,335	100,386,000
Meezan Bank Limited	131,241,000	-
	<u>2,367,980,992</u>	<u>1,660,716,032</u>
Less: Current portion shown under current liabilities	(146,091,717)	(74,281,782)
	<u>2,221,889,275</u>	<u>1,586,434,250</u>
<b>11 TRADE AND OTHER PAYABLES</b>		
Creditors	461,498,506	240,962,242
Accrued liabilities	624,239,755	572,533,350
Workers' Profits Participation Fund	11,609,980	28,535,940
Workers' Welfare Fund	29,982,782	25,570,989
Others	-	2,800,718
	<u>1,127,331,023</u>	<u>870,403,239</u>
<b>12 SHORT TERM BORROWINGS - Secured</b>		
<b>Bank Al-Habib Limited</b>		
- Cash finance	1,433,402,048	1,892,937,990
- Running finance	346,134,209	399,500,000
	<u>1,779,536,257</u>	<u>2,292,437,990</u>
<b>Meezan Bank Limited</b>		
- Istisna Finance (Hypo)	180,000,000	200,000,000
- Istisna Finance (Pledge)	850,000,000	374,000,000
	<u>1,030,000,000</u>	<u>574,000,000</u>
<b>Bank Al-Falah Limited</b>		
- Running finance	72,146,230	84,641,943
<b>Habib Bank Limited</b>		
- Running finance	119,918,505	105,430,733
	<u>3,001,600,992</u>	<u>3,056,510,666</u>

13 CONTINGENCIES AND COMMITMENTS

13.1 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, 2019.

	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	----- Rupees -----	
Capital expenditure	<b>376,636,900</b>	319,896,200
Revolving Letter of Credit to Sui Southern Gas Company Limited (SSGC)	<b>70,700,000</b>	52,564,000
Letters of Guarantee	<b>115,942,340</b>	94,942,340
Letters of Credit in respect of raw material purchases	<b>332,201,200</b>	396,549,700

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- Rupees -----			
<b>14 SALES - NET</b>				
Local sales	79,020,393	401,659,620	61,950,386	386,348,661
Export sales - Indirect	3,483,434,594	3,016,653,963	1,760,255,730	1,470,332,863
Export sales - Direct	1,025,192,164	595,636,014	492,113,868	342,057,073
Raw material and wastage sales	25,481,739	9,530,885	11,362,091	7,058,182
	<b>4,613,128,890</b>	4,023,480,482	<b>2,325,682,075</b>	2,205,796,779
Commission and brokerage	(47,445,403)	(44,364,013)	(24,000,657)	(17,648,723)
Discount and claims	(2,089,885)	(12,898,748)	(1,812,322)	(9,966,052)
	<b>(49,535,288)</b>	(57,262,761)	<b>(25,812,979)</b>	(27,614,775)
	<b>4,563,593,602</b>	3,966,217,721	<b>2,299,869,096</b>	2,178,182,004

		Half year ended		Quarter ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>15. COST OF SALES</b>					
Raw materials consumed	15.1	2,941,950,794	2,921,315,450	1,425,849,522	1,576,778,704
Store and spares consumed		99,602,152	123,196,467	87,654,503	92,565,596
Packing materials consumed		54,071,188	36,988,072	32,592,850	11,345,485
Production expenses	15.2	835,582,464	654,489,486	420,258,340	333,008,753
Work in process:					
Opening		68,933,015	42,812,626	68,949,253	62,469,597
Closing		(80,279,688)	(67,364,075)	(80,279,688)	(67,364,075)
		<b>(11,346,673)</b>	(24,551,449)	<b>(11,330,435)</b>	(4,894,478)
<b>Cost of goods manufactured</b>		<b>3,919,859,925</b>	3,711,438,026	<b>1,955,024,780</b>	2,008,804,060
Trading cost		12,591,938	1,830,810	7,544,608	1,725,417
Rewinding cost		87,423	-	87,423	-
Opening stock of finished goods and waste material		357,187,284	186,511,784	410,261,536	334,362,480
<b>Cost of goods available for sale</b>		<b>4,289,726,570</b>	3,899,780,620	<b>2,372,918,347</b>	2,344,891,957
Closing stock of finished goods and waste material		(423,078,073)	(438,645,272)	(423,078,073)	(438,645,272)
		<b>3,866,648,497</b>	3,461,135,348	<b>1,949,840,274</b>	1,906,246,685

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	----- Rupees -----			
<b>15.1 Raw material consumed</b>				
Opening stock	1,982,587,681	1,209,918,682	1,651,126,719	1,770,865,240
Purchases	2,951,072,604	4,324,114,196	1,761,384,964	2,418,525,499
	<b>4,933,660,285</b>	5,534,032,878	<b>3,412,511,683</b>	4,189,390,739
Sale of raw material	(12,591,938)	(1,830,810)	(7,544,608)	(1,725,417)
Closing stock	(1,979,117,553)	(2,610,886,618)	(1,979,117,553)	(2,610,886,618)
	<b>2,941,950,794</b>	2,921,315,450	<b>1,425,849,522</b>	1,576,778,704

	Half year ended		Quarter ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
<b>15.2 Production expenses</b>				
	----- Rupees -----			
Salaries, wages and other benefits	278,323,411	247,986,087	142,002,492	123,020,058
Fuel and power	335,359,371	230,268,832	179,188,691	113,224,773
Water charges	5,519,850	5,294,625	2,935,275	2,645,475
Vehicle running and maintenance	5,626,372	4,172,692	2,893,002	2,179,154
Repairs and maintenance	25,073,414	4,501,825	5,054,969	2,156,505
Insurance	11,185,947	11,535,603	5,556,859	7,371,809
Depreciation	164,474,892	140,545,458	77,334,452	76,896,264
Other manufacturing expenses	10,019,207	10,184,364	5,292,600	5,514,715
	<b>835,582,464</b>	<b>654,489,486</b>	<b>420,258,340</b>	<b>333,008,753</b>
<b>16. FINANCE COSTS</b>				
			----- Rupees -----	
Markup and interest charges on:				
- Long term finances			30,181,411	25,811,694
- Short term borrowings			217,503,464	114,908,600
- Workers' profit participation fund			16,227,374	10,006,276
Bank charges			18,276,665	10,355,098
			<b>282,188,914</b>	<b>161,081,668</b>
<b>17. OTHER (EXPENSE) / INCOME</b>				
Exchange (loss) / gain:				
- Realized			(10,898,961)	15,017,585
- Unrealized			(870,131)	21,965,534
			<b>(11,769,092)</b>	<b>36,983,119</b>
(Loss) / gain on disposal of fixed assets			<b>(13,069,110)</b>	<b>423,420</b>
			<b>(24,838,202)</b>	<b>37,406,539</b>
<b>18 FAIR VALUE HIERARCHY</b>				
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:				
Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.				
Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).				
Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).				
Following is the fair value hierarchy of assets and liabilities carried at fair value:				
	Level 1	Level 2	Level 3	
<b>As on December 31, 2019</b>	----- (Rupees) -----			
Plant and Machinery	-	2,725,258,817	-	
Electrical instruments and installations	-	473,005,632	-	
<b>As on June 30, 2019</b>				
Plant and Machinery	-	2,186,479,757	-	
Electrical instruments and installations	-	66,209,055	-	

**19 OPERATING SEGMENT**

These financial statements have been prepared on the basis of single reportable segment. Revenue from sale of yarn represents 99.40% (Dec 31, 2018 : 99.76%) of the total revenue of the Company. 98.28% (Dec 31, 2018: 89.99%) gross sales of the Company relates to indirect exporters and foreign customers. All non-current assets of the Company at Dec 31, 2019 are located in Pakistan. The amount of revenue from major customers having sales of more than 10% of total sales amounts to Rs. 830,301,896 during the period ended Dec 31, 2019 (Dec 31, 2018: Nil).

**20 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2019.

**21 GENERAL**

**21.1** These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on **28th, February, 2020**.

**21.2** Figures in these interim financial statements have been rounded off to the nearest rupee.



Karachi: 28<sup>th</sup> Feb, 2020

Chief Executive

Director

CFO