

DIRECTOR'S REPORT
FOR THE 1st QUARTER/ ENDED 30th SEPTEMBER, 2019

Dear Members,

The Directors would like to present the accounts of the Company for the 1st quarter ended 30th September, 2019.

The overall Performance of the company is summarized below:

	July – Sept 2019	July – Sept 2018
Operating Profit	267,371,626	181,558,103
Financial & Others	<u>(147,990,605)</u>	<u>(44,629,736)</u>
Profit before Taxation	119,381,021	136,928,367
Taxation	<u>(24,384,820)</u>	<u>(18,176,837)</u>
Profit after Taxation	<u>94,996,201</u>	<u>118,751,530</u>
Earnings per share	15.41	19.27
Gross Margin %	15.28%	13.04 %
Operating Profit %	11.81 %	10.15 %

OPERATING RESULT

During the period under review, the company has made a profit Rs. 94.996 million as compared To Rs.118.751 million during the same period of last year. Although there is an increase in the Gross Margin there is a reduction in profit mainly due to increase in financial charges. The Gross profit has enhanced due to the raw material prices which have remained constant whereas selling prices have increased as compared to the corresponding period last year.

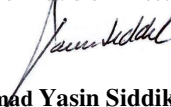
FUTURE OUTLOOK

By the Grace of Allah, the Industry performed well last year. For the current year things were looking very optimistic but unfortunately it rained a lot more than usual to the extent that it caused damage the standing crop so much that about 1/3 of the Pakistan crop size was destroyed which will cost Pakistan very dearly in the shape of imports of cotton . Energy prices are also very high and need to be rationalized in order to make the industry competitive

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: 30th Oct, 2019.

ڈائریکٹران کی رپورٹ 30 ستمبر 2019ء کو ختم ہونے والی تہائی سرمایہ کی ڈائریکٹر رپورٹ

محترم ممبران!

30 ستمبر 2019 کو ختم ہونے والی تہائی سرمایہ کیلئے ہم ڈائریکٹرز زہانت مسرت کے ساتھ کھن کا اکاؤنٹ پیش کرتے ہیں۔ کھن کی تمام کارکردگی درج ذیل ہے:

جولائی - ستمبر 2018	جولائی - ستمبر 2019	
181,558,103	267,371,626	کاروباری منافع
(44,629,736)	(147,990,605)	مالیات و دیگر
136,928,367	119,381,021	منافع قبل از ٹیکس
(18,176,837)	(24,384,820)	ٹیکس
118,751,530	94,996,201	منافع بعد از ٹیکس
فیصد 19.27	فیصد 15.41	آمدنی فی حصص
فیصد 13.04	فیصد 15.28	خام منافع کی شرح فیصد
فیصد 10.15	فیصد 11.81	کاروباری منافع کی شرح فیصد

کاروباری نتائج

دوران جائزہ کھن نے گزشتہ سال کے برعکس کے مقابلے میں ۲۰۱۹-۲۰۲۰ء میں ۸۷ ملین کا منافع کمایا ہے۔ روپے کے مقابلے میں گزشتہ ۹۱-۸۷ ملین ہوا ہے۔ چنانچہ مجموعی مارچن میں اضافہ ہوا ہے مگر منافع میں کمی ہوئی جس کی وجہ مالی جائزہ میں اضافہ ہے۔ مجموعی منافع بڑھنے کی وجہ خام مال کی قیمتیں ہیں جو پچھلے عرصے سے مستقل رہی ہیں جبکہ قیمت فروخت گزشتہ سال کے مقابلے میں بڑھ گئی ہیں۔

سستی کی پیش بینی

اللہ کے فضل سے صنعت نے پچھلے سال بہترین کارکردگی پیش کی۔ موجودہ سال کے لئے حالات بہت پر امید تھے۔ لیکن معمول سے زیادہ دھاروں کے باعث کٹری فنشل کو کافی نقصان پہنچا جو کہ پاکستان کے ایک تہائی فنشل کے پ کے برابر تھا۔ اور اب پاکستان کو روٹی کی درآمدات کے ذریعے چکا ڈاؤننگ کی توائفی کی قیمتیں بھی بہت زیادہ ہیں اور صنعتوں کو سہاہتی کرنے کیلئے قیمتوں پر غور کرنا پڑے گا۔

ادبیات تکمیل

ہم اللہ تعالیٰ کے بے حد شکر گزار ہیں جس نے ہمارے محترم شیئرز بولڈرز کی ترقی کیلئے راہ ہمواری جس کی وجہ سے ہم پر ان کا اعتماد بحال ہوا اور ہم اپنے ملتی انتظامیہ اسٹاف ممبرز اور ورکرز کے بھی جہد مل سے شکر گزار ہیں کیونکہ ان کے بغیر ہمارے لئے بہتر نتائج حاصل کرنا ممکن نہیں۔ آپ کی کھن کا پورا ڈاؤن ہمارے محترم صارفین، بینکرز کے بھی شکر گزار ہیں جن کا ہماری کھن پر مسلسل اعتماد ہے۔

بتو سٹوبو رڈ آف ڈائریکٹرز
محمد یاسین صدیقی
ایگزیکٹو ڈائریکٹر

30 ستمبر 2019
کراچی

BALANCE SHEET (Un-audited)
AS AT SEPTEMBER 30, 2019

	Note	30-Sep-19 Rupees	30-Jun-19 Rupees
Property Plants' and Equipment	5	3,784,573,651	3,312,870,055
Long Term Deposits		2,149,100	1,999,100
CURRENT ASSETS:			
Stores and spares		117,553,644	122,917,143
Stock-in-trade		2,215,361,706	2,500,820,603
Trade debts (unsecured considered good)		1,759,207,024	1,656,744,400
Tax refunds due from government		199,962,574	224,418,647
Advances, Trade deposit, prepayment & other receivables		432,541,892	33,085,745
Cash & bank balances		10,750,141	12,839,392
		4,735,376,981	4,550,825,930
		<u>8,522,099,732</u>	<u>7,865,695,085</u>
SHARE CAPITAL			
Authorised Capital:		70,000,000	70,000,000
7,000,000 ordinary shares of Rs. 10/- Issued Subscribed and Paid-up Capital		61,630,000	61,630,000
6,163,000 ordinary shares of Rs. 10/- Surplus on revaluation of fixed assets		3,554,618	3,645,762
Un-appropriated profit brought forward		2,158,713,445	2,063,626,100
		2,223,898,063	2,128,901,862
Long Term Loan		2,034,685,647	1,586,434,250
Deferred Liabilities			
Staff Gratuity		16,141,348	24,942,312
Taxation		15,689,987	15,689,987
		31,831,335	40,632,299
CURRENT LIABILITIES:			
Trade and other payables		1,314,235,349	870,403,239
Unclaimed Dividend		6,115,281	6,115,281
Accrued Markup		118,647,416	102,415,706
Short term finance		2,713,229,921	3,056,510,666
Current portion of Long term loans		79,456,720	74,281,782
		4,231,684,687	4,109,726,674
Contingencies & commitments		-	-
		<u>8,522,099,732</u>	<u>7,865,695,085</u>

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

Karachi: 30th Oct, 2019.


Chief Executive


Director


CFO

**PROFIT AND LOSS ACCOUNT(Un-audited)
FOR THE FIRST QUARTER ENDED SEP.30, 2019**

	1ST QUARTER JUL-SEP 2019 Rupees	1ST QUARTER JUL-SEP 2018 Rupees
Sales	2,263,724,506	1,788,035,717
Cost of Sales	(1,917,748,343)	(1,554,888,656)
Gross Profit	345,976,163	233,147,061
Operating Expenses		
Administration & General	(33,631,028)	(31,164,701)
Distribution Costs	(44,973,509)	(20,424,257)
	(78,604,537)	(51,588,958)
Operating Profit	267,371,626	181,558,103
Financial Charges & Others	(130,015,785)	(49,804,068)
Other Income / (Loss)	(17,974,820)	5,174,332
	(147,990,605)	(44,629,736)
Profit/(Loss) before taxation	119,381,021	136,928,367
Taxation		
Current	(24,384,820)	(18,176,837)
	(24,384,820)	(18,176,837)
Profit/(Loss) after taxation	94,996,201	118,751,530
Earning per share of Rs.10 each	15.41	19.27

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

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

Karachi: 30th Oct, 2019.



Chief Executive



Director



CFO

CASH FLOW STATEMENT (Un-audited)
FOR THE FIRST QUARTER ENDED SEP.30, 2019

	1st Quarter Ended	
	Sep 30, 2019	Sep 30, 2018
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	119,381,021	136,928,367
Adjustments for non cash items:		
Depreciation	83,066,659	66,999,152
Financial cost	113,784,075	49,804,068
Provision of Gratuity	6,724,070	5,901,408
Exchange Loss / (Gain) on export debtors	17,974,820	5,174,332
	221,549,624	127,878,960
Operating profit before working capital changes	340,930,645	264,807,327
Changes in Working Capital:		
(Increase) / Decrease in current assets		
Stores and spares	5,363,499	(966,533)
Stock in trade	285,458,897	(824,612,809)
Trade debts	(120,437,444)	(225,254,847)
Advances, Trade deposit, prepayment & other receivables	(399,456,147)	(72,968,280)
Sales Tax refundable	19,384,413	-
Increase / (Decrease) in current liabilities:		
Trade and other payables	449,947,390	198,731,723
	240,260,608	(925,070,746)
Changes in Working Capital:		
Cash generated from operations	581,191,253	(660,263,419)
Taxes (paid)/refund	(9,196,729)	(31,225,154)
Staff gratuity(paid)	(15,525,034)	(12,753,420)
Long term deposits	(150,000)	-
Financial charges (paid)	(113,784,075)	(45,265,767)
	(138,655,838)	(89,244,341)
Net cash from operating activities	442,535,415	(749,507,760)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(554,770,256)	(84,331,960)
Net cash (outflow) from investing activities	(554,770,256)	(84,331,960)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan obtained	467,638,335	56,792,000
Loan (paid)	(14,212,000)	(36,778,000)
Net cash from/(used in) financing activities	453,426,335	20,014,000
Increase/(Decrease) in cash	341,191,494	(813,825,720)
Cash and cash equivalent as at July 1,	(3,043,671,274)	(1,601,629,028)
Cash and cash equivalent as at Sep 30,	(2,702,479,780)	(2,415,454,748)
CASH & CASH EQUIVALENT		
Cash & bank balance	10,750,141	4,841,824
Short term running finance	(2,713,229,921)	(2,420,296,572)
	(2,702,479,780)	(2,415,454,748)

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

Karachi: 30th Oct, 2019.



Chief Executive



Director



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**STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)
FOR THE FIRST QUARTER ENDED SEP.30, 2019**

	1ST QUARTER JUL-SEP 2019 <u>Rupees</u>	1ST QUARTER JUL-SEP 2018 <u>Rupees</u>
Profit after taxation	94,996,201	118,751,530
<u>Others Comprehensive income</u>		
- Actuarial (loss) on defined benefits	-	-
Total Comprehensive Income for the period	94,996,201	118,751,530

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

Karachi: 30th Oct, 2019.



Chief Executive



Director



CFO

**STATEMENT OF CHANGES IN EQUITY (Un-audited)
FOR THE FIRST QUARTER ENDED SEP.30, 2019**

Particulars	Paid-up Capital	Unappropriated Profit	Surplus on revaluation	Total
Balance as at July 2018	61,630,000	1,756,093,953	4,050,847	1,821,774,800
Total Comprehensive Income				
Profit / (Loss) for the period (Jul'18 to Sep '18)		118,751,530	-	118,751,530
Others Comprehensive income		-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit		101,271	(101,271)	-
Balance as at 30th Sep 2018- un-audited	61,630,000	1,874,946,754	3,949,576	1,940,526,330
Effect of adoption of new accounting standard		(1,946,866)		(1,946,866)
Total Comprehensive Income				
Profit / (Loss) for the period (Oct'18 to Jun'19)		342,903,944	-	342,903,944
Others Comprehensive income		(13,914,046)	-	(13,914,046)
Transfer from surplus on revaluation of assets to unappropriated profit		303,814	(303,814)	-
Final Dividend @ 225% for Jun 30, 2018		(138,667,500)	-	(138,667,500)
Balance as at 30th June 2019- audited	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- un-audited	61,630,000	2,158,713,445	3,554,618	2,223,898,063

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

Karachi: 30th Oct, 2019.



Chief Executive



Director



CFO

**EARNING PER SHARE (Un-audited)
FOR THE FIRST QUARTER ENDED SEP.30, 2019**

	FIRST QUARTER ENDED	
	Sep.30, 2019	Sep.30, 2018
	Rupees	Rupees
Net profit after tax for the period	94,996,201	118,751,530
Number of Ordinary shares	6,163,000	6,163,000
Earning per share	Rs. 15.41	Rs. 19.27

SELECTED EXPLANATORY NOTES TO THE ACCOUNTS FOR THE FIRST QUARTER ENDED SEP.30, 2019

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.

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively.

Adoption of IFRS-15 and IFRS-9 at 01-July 2019, did not have an effect on the Financial Statements of the Company.

	Note	(Un-audited)	(Audited)
		30-Sep-19 Rupees	30-Jun-19 Rupees
5) PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed assets	5.1 & 5.2	3,646,049,699	3,148,769,819
Capital work in progress		138,523,952	164,100,236
		3,784,573,651	3,312,870,055

	FIRST QUARTER ENDED		YEAR ENDED	
	Sep.30,2019		June 30,2019	
	RUPEES			
5.1 Major additions and disposals are as follows :	Additions	Disposals (At cost)	Additions/ transfers	Disposals (At cost)
Freehold land	-	-	7,658,000	-
Building and godown on free hold land	1,213,043	-	84,198,701	-
Plant and machinery	482,211,898	-	528,863,020	-
Office,tools,fire fighting and laboratory equipment	-	-	-	-
Furniture & Fixtures	-	-	343,800	-
Computer and allied equipment	-	-	177,000	-
Vehicles	-	-	11,048,799	9,139,463
Electrical instruments and installation	96,921,598	-	28,969,285	-
	580,346,539	-	661,258,605	9,139,463

5.2 Depreciation of operating fixed assets for the three months ended September 30, 2019 amounted to Rs.83.067 million (three months ended September 30, 2018 : Rs.66.99 million).

		FIRST QUARTER ENDED	
		Sep.30, 2019	Sep.30, 2018
		Rupees	Rupees
6) COST OF SALES			
Opening finished stock		357,187,284	186,511,788
Cost of goods manufactured	6.1	1,965,775,265	1,702,633,955
Trading Cost		5,047,330	105,393
		<u>2,328,009,879</u>	<u>1,889,251,136</u>
Closing finished stock		<u>(410,261,536)</u>	<u>(334,362,480)</u>
		<u>1,917,748,343</u>	<u>1,554,888,656</u>
6.1 Cost of goods manufactured			
Raw material consumed	6.2	1,516,101,272	1,344,536,745
Stores, spares and packing materials		57,685,073	56,273,448
Salaries, wages and other benefits		136,320,919	124,966,029
Fuel and power		156,170,680	117,044,059
Water charges		2,584,575	2,649,150
Vehicles running and maintenance		2,733,370	1,993,538
Repairs and maintenance		773,260	2,345,320
Insurance		5,629,088	4,163,794
Depreciation		83,066,659	63,649,194
Other manufacturing expenses		4,726,607	4,669,649
		<u>1,965,791,503</u>	<u>1,722,290,926</u>
Work in process			
Opening		68,933,015	42,812,626
Closing		<u>(68,949,253)</u>	<u>(62,469,597)</u>
		<u>(16,238)</u>	<u>(19,656,971)</u>
		<u>1,965,775,265</u>	<u>1,702,633,955</u>
6.2 Raw material consumed			
Opening stock		1,982,587,682	1,209,918,690
Purchases		1,189,687,639	1,905,588,688
		<u>3,172,275,321</u>	<u>3,115,507,378</u>
Trading Cost		(5,047,330)	(105,393)
Closing Stock		<u>(1,651,126,719)</u>	<u>(1,770,865,240)</u>
		<u>1,516,101,272</u>	<u>1,344,536,745</u>

7) AUTHORISATION FOR ISSUE

These accounts have been authorised for issue on **30th October, 2019** by the Board of Directors of the Company.

8) AGGREGATED TRANSACTIONS WITH ASSOCIATES UNDERTAKING

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	<u>2,379,429</u>	<u>5,655,600</u>
Outstanding balance due as at Sep 30,	<u>2,395,902</u>	<u>65,539</u>

PINNACLE FIBRE (PVT) LTD.

Purchase of goods during the period	<u>132,757,655</u>	<u>107,692,021</u>
Outstanding balance due as at Sep 30,	<u>33,918,497</u>	<u>9,760,404</u>

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

Karachi: 30th Oct, 2019.



Chief Executive



Director



CFO