



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.KHIZAR YOUSUF SATTAR MR.TANZEEL ABDUL SATTAR(NIT Nominee)	Chairman Chief Executive Executive Director Director Director Director Director
Chief Financial Officer	MR.GHULAM MOHAMMED SURTI	
Company Secretary	MR.IQBAL CHAPPPRA	
Auditor	RAHMAN SARFARAZ RAHIM IQBAL RAFIQ Chartered Accountants	
Audit Committee	MR.MOHAMMED TUFAIL MR.MOHAMMED ASLAM MR.MOHAMMED ALI JALIAWALA	Chairman Member Member
HR & RC	MR.MOHAMMED ALI JALIAWALA MR.MOHAMMED ASLAM MR.MOHAMMED TUFAIL	Chairman Member 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	F.D. Registrar Services (SMC-Pvt.) Ltd. 17 th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi.. Phone No. 0213-2271905-6	
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, 2017** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity 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, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017 and 2016.

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 consist 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, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan

Karachi.
Dated: 27th Feb, 2018

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

DIRECTOR'S REPORT
FOR THE 2ND QUARTER/HALF YEARLY ENDED 31ST DECEMBER, 2017

Dear Members,

The Directors are pleased to present the accounts of the Company for the 2nd quarter/ half yearly Ended 31st December, 2017.

The overall Performance of the company is summarized below:

	<u>Dec 2017</u>	<u>Dec 2016</u>		
Operating Profit	196,583,224	159,473,584		
Financial & Others	<u>(95,805,584)</u>	<u>(67,503,969)</u>		
Profit before Taxation	100,777,640	91,969,615		
Taxation	(26,328,610)	(25,297,480)		
Profit after Taxation	<table border="1"><tr><td>74,449,030</td></tr></table>	74,449,030	<table border="1"><tr><td>66,672,135</td></tr></table>	66,672,135
74,449,030				
66,672,135				
Earning per share	12.08	10.82		
Gross Profit %	9.31 %	9.55 %		
Operating Profit %	3.08 %	3.67 %		

OPERATING PROFIT

During the period under review, the company has made a profit Rs.74.449 million as compared to Rs.66.672 during the same period of last year. Yarn price increased by 2 % and at the same time raw material price increased by 5.80 % finance cost increased due to increase in stock.



FUTURE OUTLOOK

The second half of the year looks more promising as we see cotton prices touching 0.90 cents due to crop damages in India and also in the U.S. whereas your company has procured cotton to last till end September thereby locking in the cost of raw material. Also, the Government has extended the 2% drawback on yarn upto Dec 18.

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 out 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: 27th Feb, 2018

ڈائریکٹرز رپورٹ

31 دسمبر 2017 کو ختم ہونے والی دوسری سہ ماہی کی ڈائریکٹرز رپورٹ

31 دسمبر 2017 کو ختم ہونے والی دوسری سہ ماہی کیلئے ہم ڈائریکٹرز نہایت مسرت کے ساتھ کھلی اکاؤنٹ پیش کرتے ہیں۔ کھلی اکاؤنٹ تمام تر کارکردگی اور جاذبیت ہے:

دسمبر 16	دسمبر 17	
159,473,584	196,583,224	آپریٹنگ منافع
(67,503,969)	(95,805,584)	مالیات و دیگر اخراجات
94,969,615	100,777,640	منافع قبل از ٹیکس
(25,297,480)	(26,328,610)	ٹیکس
66,672,135	74,449,030	منافع بعد از ٹیکس
10.82	12.08	فی شیئر آمدنی
9.55%	9.31%	کل مارجن %
3.67%	3.08%	آپریٹنگ منافع %

آپریٹنگ کا نتیجہ:

زیر کارآمدت کے دوران کمپنی نے مبلغ 74.449 ملین روپے کا منافع حاصل ہوا جس کا سوا گزشتہ سال کی نسبت مبلغ 66.672 ملین روپے سے کم ہوا ہے جو کہ گھٹنے والی کی نسبت بہتر ہے۔ سود کی قیمت میں 2% اضافہ ہوا ہے اور اس کا منافع سال کی قیمت میں 5.80% اضافہ ہوا ہے جس کی وجہ سے اس کا اضافہ ہے۔

مستقبل کا جائزہ:

آئے ورلے ششماہی میں دھماکی، انڈسٹری میں کافی بہتری نظر آ رہی ہے جس کی وجہ سے عام ال قیمت کی جو کہ 0.90 روپے تک پہنچ گئی ہے جو کہ مئی اور US کی منسلک فی بریل ہے اور کمپنی نے عام ال کا اسٹاک سہ ماہی کے آخری تک کر لیا ہے۔ یہ سہ ماہی جاتی ہے کہ دسمبر کے آخر میں گورنمنٹ کی جانب سے لیگنڈ ٹیکسٹائل کے 2% تک رعایت دینی جا سکتی ہے جو کہ منافع میں بہتری ہو۔

اہل نظر:

ہم اہل نظر کے لیے بے حد شکرگزار ہیں جس نے ہمارے سیکٹر میں بہتر ہونے کی برتری کیلئے راہ ہموار کی جس کی وجہ سے ہم پر ان کا 51% حوالہ ہوا اور ہم اپنے قیمتی اظہار و انٹالسٹریز اور دیگر سہ ماہی کے حوالے سے شکرگزار ہیں جو کہ ان کے بغیر ہمارے لئے بہتر نتائج حاصل کر سکتے ہیں۔ آپ کی کھلی اکاؤنٹ اور اپنے سیکٹر میں بہتر ہونے کی شکرگزار ہیں جس کا ہماری کھلی اکاؤنٹ سلسلہ ہے۔

بقیہ رپورٹ ڈائریکٹرز

محمد یاسین صدیقی

ایگزیکٹو ڈائریکٹر

کراچی 27 فروری 2018ء

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2017**

	(Un-audited)	(Audited)
Note	December 31, 2017	June 30, 2017
	-----Rupees-----	
ASSETS		
Non - current assets		
Property, plant and equipment	5 2,315,168,827	2,113,732,135
Long term deposits	1,504,100	1,504,100
Current assets		
Stores and spares	31,925,949	32,979,036
Stock-in-trade	6 1,866,089,925	1,372,120,482
Trade debts - considered good	7 1,012,018,958	1,154,830,628
Tax refunds due from government	91,781,681	131,428,862
Advances, deposits, prepayments and other receivables	62,118,418	49,467,579
Cash and bank balances	8 17,492,013	8,959,281
	3,081,426,944	2,749,785,868
Total assets	5,398,099,871	4,865,022,103
EQUITY AND LIABILITIES		
Share capital and reserves		
<i>Authorized capital</i>		
7,000,000 (June 2017: 7,000,000) ordinary shares of Rs. 10/- each	70,000,000	70,000,000
<i>Issued, subscribed and paid-up capital</i>		
6,163,000 (June 2017: 6,163,000) ordinary shares of Rs. 10/- each fully paid in cash	61,630,000	61,630,000
Unappropriated profit	1,483,301,450	1,485,033,530
	1,544,931,450	1,546,663,530
Surplus on revaluation of property, plant and equipment	8,073,991	8,930,381
Non - current liabilities		
Long term loans - secured	9 927,186,006	805,266,207
Deferred liabilities	24,630,917	31,428,869
Current liabilities		
Trade and other payables	10 789,617,105	510,449,697
Accrued markup	42,287,591	32,883,404
Short term borrowings - secured	11 1,935,101,817	1,877,897,222
Current portion of long term loans - secured	126,270,994	51,502,793
	2,893,277,507	2,472,733,116
Total equity and liabilities	5,398,099,871	4,865,022,103
Contingencies and commitments	12	

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	Half year ended		Quarter ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
----- Rupees -----					
Sales	13	3,263,134,584	2,508,011,524	1,600,281,286	1,321,354,025
Cost of sales	14	(2,959,361,082)	(2,268,370,630)	(1,433,416,689)	(1,205,885,435)
Gross profit		303,773,502	239,640,894	166,864,597	115,468,590
Administrative costs		(52,657,862)	(39,643,108)	(28,007,464)	(20,778,064)
Distribution costs		(47,063,396)	(33,707,979)	(24,068,333)	(19,741,810)
Other operating costs		(7,469,020)	(6,816,223)	(7,469,020)	(6,816,223)
		(107,190,278)	(80,167,310)	(59,544,817)	(47,336,097)
Operating profit		196,583,224	159,473,584	107,319,780	68,132,493
Finance costs		(96,747,014)	(72,330,348)	(52,431,837)	(38,649,030)
Other income / (loss)		941,430	4,826,379	(1,275,626)	4,696,351
		(95,805,584)	(67,503,969)	(53,707,463)	(33,952,679)
Profit before taxation		100,777,640	91,969,615	53,612,317	34,179,814
Taxation	15	(26,328,610)	(25,297,480)	(9,530,251)	(13,313,917)
Profit after taxation		74,449,030	66,672,135	44,082,066	20,865,897
Earning per share - basic and diluted		12.08	10.82	7.15	3.39

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended	
	December 31, 2017	December 31, 2016
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	100,777,640	91,969,615
Adjustments for:		
- Depreciation	112,740,262	110,256,842
- Finance cost	96,747,014	72,330,348
- Provision for Workers' Profit Participation Fund	5,412,333	4,939,292
- Provision for Workers' Welfare Fund	2,056,687	1,876,931
- Provision for gratuity	15,788,084	9,364,573
- Exchange gain on trade debts	(717,391)	(10,900,593)
- Exchange loss on short term borrowings	-	6,132,122
- Gain on disposal of fixed assets	(496,922)	(57,908)
	<u>231,530,067</u>	<u>193,941,607</u>
Operating profit before working capital changes	332,307,707	285,911,222
<i>Decrease / (increase) in current assets</i>		
- Stores and spares	1,053,087	(7,131,210)
- Stock-in-trade	(493,969,443)	(734,254,084)
- Trade debts	143,529,061	(412,019,246)
- Advances, deposits, prepayments and other receivables	(12,650,839)	19,800,212
<i>Increase in current liabilities</i>		
- Trade and other payables	276,219,240	175,402,321
	<u>(85,818,894)</u>	<u>(958,202,007)</u>
Cash generated from / (used in) operations	246,488,813	(672,290,785)
Taxes refunded / paid -net	5,183,515	(23,314,546)
Staff gratuity paid	(14,450,980)	(14,844,074)
Payment of Workers' profit participation fund	(11,112,905)	-
Finance charges paid	(87,342,827)	(58,103,532)
	<u>(107,723,197)</u>	<u>(96,262,152)</u>
Net cash generated from / (used in) operating activities	138,765,616	(768,552,937)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(316,120,992)	(162,457,745)
Proceeds from sale of operating fixed assets	2,440,960	518,000
Net cash used in investing activities	(313,680,032)	(161,939,745)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(70,445,447)	(59,472,823)
Long term loans obtained during the period	286,688,000	69,520,000
Long-term loans repaid during the period	(90,000,000)	(70,000,000)
Net cash generated from / (used in) financing activities	126,242,553	(59,952,823)
Net decrease in cash and cash equivalents	(48,671,863)	(990,445,505)
Cash and cash equivalents at the beginning of the period	(1,868,937,941)	(1,107,358,174)
Cash and cash equivalents at the end of the period	(1,917,609,804)	(2,097,803,679)
Cash and cash equivalents comprise of the following:		
Cash and bank balances	17,492,013	11,341,524
Short term borrowings - secured	(1,935,101,817)	(2,109,145,203)
	<u>(1,917,609,804)</u>	<u>(2,097,803,679)</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	----- Rupees -----			
Profit after taxation	74,449,030	66,672,135	44,082,066	20,865,897
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	74,449,030	66,672,135	44,082,066	20,865,897

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

Karachi: 27th Feb, 2018

Chief Executive

Director

CFO

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Issued, subscribed and paid up capital	Unappropriated profit	Total
	----- Rupees -----		
Balance as at July 01, 2016	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
<i>Total comprehensive income for the half year ended June 30, 2017</i>			
- Profit after taxation	-	108,924,552	108,924,552
- Other comprehensive income	-	(13,948,521)	(13,948,521)
	-	94,976,031	94,976,031
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	496,133	496,133
Balance as at June 30, 2017	61,630,000	1,485,033,530	1,546,663,530
<i>Total comprehensive income for the half year ended December 31, 2017</i>			
- Profit after taxation	-	74,449,030	74,449,030
- Other comprehensive income	-	-	-
	-	74,449,030	74,449,030
<i>Transaction with owners</i>			
- Final dividend @ 125%	-	(77,037,500)	(77,037,500)
Surplus realized on disposal of property, plant and equipment	-	431,443	431,443
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	424,947	424,947
Balance as at December 31, 2017	61,630,000	1,483,301,450	1,544,931,450

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

1. LEGAL STATUS AND OPERATIONS

Premium Textile Mills Limited ('the Company') was incorporated in Pakistan on March 03, 1987 as a public limited company. Its shares are quoted on Pakistan Stock Exchange Limited. The principal activity of the Company is the manufacturing 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,

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984 (including, in particular, IAS 34 'Interim Financial Reporting'), provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of the approved accounting standards, the requirements of the Companies Ordinance, 1984 and said directives shall prevail.

In May 2017, the Companies Act, 2017 ('the Act') was promulgated. However, the SECP vide its Circular no. 23 / 2017 dated October 04, 2017 communicated its decision that companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provision of the repealed Companies Ordinance, 1984. Further, Circular no. 17 / 2017 issued by the Institute of Chartered Accountants of Pakistan (ICAP) clarifies that those companies whose financial year closes on or after December 31, 2017 shall prepare their interim financial statements for the period ended December 31, 2017 in accordance with the requirements of the repealed Companies Ordinance, 1984.

- 2.2 This condensed interim financial information is unaudited and is being submitted to the members of the Company as required under section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited. The figures in the condensed interim financial information for the quarters ended 31 December 2017 and 31 December 2016 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, 2017.
- 2.4 This condensed interim financial information has been prepared under the historical cost convention except as otherwise stated.
- 2.5 The condensed interim financial information is 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, 2017.

During the period, certain amendments to approved accounting standards and new interpretations issued thereon became effective which were either not relevant to the Company's operations or did not have any significant impact on this condensed interim financial information. Hence, the same have not been reported.

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, 2017.

	Note	(Un-audited) December 31, 2017	(Audited) June 30, 2017
		----- Rupees -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1 & 5.2	2,312,312,663	2,112,607,135
Capital work in progress	5.3	2,856,164	1,125,000
		2,315,168,827	2,113,732,135

	Half year ended December 31, 2017		Year ended June 30, 2017	
	Additions	Disposals (At cost)	Additions/ transfers	Disposals (At cost)
----- Rupees -----				
5.1 Major additions and disposals are as follows:				
Freehold land	959,089	-	284,509	-
Building and godown on freehold land	1,206,877	-	93,083,001	-
Plant and machinery	306,246,853	10,604,558	109,309,891	-
Office, tools, fire fighting and laboratory equipment	173,400	-	124,000	-
Furniture and fixtures	94,000	7,300	1,024,500	-
Computer and allied equipment	216,000	-	696,100	666,700
Vehicles	5,316,600	3,871,153	41,688,894	9,409,450
Electrical instruments and installation	177,009	-	10,366,067	-
	314,389,828	14,483,011	256,576,962	10,076,150

5.2 Depreciation of operating fixed assets for the half year ended December 31, 2017 amounted to Rs. 112.740 million (half year ended December 31, 2016: Rs. 110.257 million). Further, written down value of the disposals is Rs. 1.94 million (half year ended December 31, 2016: Rs 0.4 million).

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
----- Rupees -----		
5.3 Capital work in progress		
Opening balance as the beginning of the period / year	1,125,000	53,976,681
<i>Additions during the period / year:</i>		
- Machinery	-	94,828,379
- Civil works	1,000,000	39,606,903
- ERP software	731,164	625,000
	1,731,164	135,060,282
Transfers to operating fixed assets during the period / year	-	(187,911,963)
Closing balance	2,856,164	1,125,000

6. STOCK IN TRADE

<i>Raw material</i>		
- In hand	1,501,238,927	896,301,249
- In transit	12,243,916	12,962,659
	1,513,482,843	909,263,908
Work in process	40,255,578	42,469,730
Finished goods	305,444,263	413,152,385
Waste material	838,330	532,667
	306,282,593	413,685,052
Packing material	6,068,911	6,701,792
	1,866,089,925	1,372,120,482

7. TRADE DEBTS - Considered good

Local debtors - unsecured	759,905,787	903,835,083
Foreign debtors - secured	252,113,171	250,995,545
	1,012,018,958	1,154,830,628

		(Un-audited) December 31, 2017	(Audited) June 30, 2017
8. CASH AND BANK BALANCES	Note	----- Rupees -----	
Cash in hand		1,280,781	1,428,637
Cash with banks - current accounts		16,211,232	7,530,644
		<u>17,492,013</u>	<u>8,959,281</u>
9. LONG TERM LOANS - Secured			
<i>From banking companies</i>			
Total principal amount outstanding under long term loans	9.1	1,053,457,000	856,769,000
Less: Current maturity shown under current liabilities		(126,270,994)	(51,502,793)
		<u>927,186,006</u>	<u>805,266,207</u>
9.1 Principal amount outstanding under long term loans			
Bank Al-Habib Limited			
- Term Finance		315,000,000	405,000,000
- Long Term Finance Facility		299,449,000	280,089,000
		<u>614,449,000</u>	<u>685,089,000</u>
Bank Al-Falah Limited			
- Long Term Finance Facility		439,008,000	171,680,000
		<u>1,053,457,000</u>	<u>856,769,000</u>
10. TRADE AND OTHER PAYABLES			
Creditors		294,206,059	132,850,596
Accrued liabilities		435,073,698	351,917,801
Workers' Profits Participation Fund		5,412,333	11,112,905
Workers Welfare Fund		10,097,501	8,040,814
Unclaimed dividend		10,749,970	4,157,917
Others		34,077,544	2,369,664
		<u>789,617,105</u>	<u>510,449,697</u>
11. SHORT TERM BORROWINGS - Secured			
Bank Al-Habib Limited			
- Cash finance		890,777,600	744,534,131
- Running finance		218,633,438	421,446,737
- Foreign currency export finance		13,079,891	143,882,038
		<u>1,122,490,929</u>	<u>1,309,862,906</u>
Bank Al-Falah Limited			
- Foreign currency export finance		22,885,904	90,977,107
- Running finance		89,724,984	64,657,209
		<u>112,610,888</u>	<u>155,634,316</u>
Meezan Bank Limited			
- Istisna Finance (Hypo)		200,000,000	412,400,000
- Istisna Finance (Pledge)		500,000,000	-
		<u>1,935,101,817</u>	<u>1,877,897,222</u>
12. CONTINGENCIES AND COMMITMENTS			
12.1 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, 2017.

	(Un-audited) December 31, 2017	(Audited) June 30, 2017
	-	-
	----- Rupees -----	
12.2 Commitments		
<i>In respect of:</i>		
- Capital expenditure	651,302,489	93,784,500
- Revolving Letter of Credit to Sui Southern Gas Company Limited (SSGC)	52,564,000	52,564,000
- Letters of Guarantee	79,942,340	98,250,040
- Letters of Credit in respect of raw material purchases	256,273,700	263,387,616

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	----- Rupees -----			

13. SALES

Local sales	338,642,676	223,714,030	186,687,496	97,173,580
Export sales - Indirect	2,298,467,000	1,762,011,316	1,149,225,628	926,991,215
Export sales - Direct	542,930,109	533,499,248	264,434,165	305,630,120
Duty drawback	10,518,914	-	10,518,914	-
Raw material and wastage sales	101,601,149	10,523,366	5,387,756	2,114,770
	3,292,159,848	2,529,747,960	1,616,253,959	1,331,909,685
Commission and brokerage	(28,431,846)	(21,122,166)	(15,588,138)	(10,159,876)
Discount and claims	(593,418)	(614,270)	(384,535)	(395,784)
	(29,025,264)	(21,736,436)	(15,972,673)	(10,555,660)
	3,263,134,584	2,508,011,524	1,600,281,286	1,321,354,025

14. COST OF SALES

Raw materials consumed				
Opening stock	896,301,249	614,939,171	612,624,440	351,222,382
Add: Purchases during the period	2,736,475,374	2,331,634,114	1,955,796,061	1,772,739,744
	3,632,776,623	2,946,573,285	2,568,420,501	2,123,962,126
Less : Sale of cotton / fibre	(86,816,261)	(5,538,578)	(1,257,891)	(59,005)
Less : Closing stock	(1,501,238,927)	(1,293,190,801)	(1,501,238,927)	(1,293,190,801)
	2,044,721,435	1,647,843,906	1,065,923,683	830,712,320
Stores and spares consumed	96,112,823	82,372,125	58,481,164	45,108,079
Salaries, wages and other benefits	259,518,656	227,376,028	129,216,438	110,210,914
Fuel and power	229,208,383	218,725,881	98,584,787	108,710,231
Water charges	4,393,775	4,003,670	2,239,650	1,885,700
Vehicle running and maintenance	2,865,572	2,640,107	1,373,958	1,175,395
Repair and maintenance	2,912,163	3,367,604	1,805,728	2,585,569
Insurance	9,524,989	11,634,155	4,484,989	6,414,155
Depreciation	105,653,922	107,646,027	54,016,010	54,081,022
Other manufacturing expenses	7,985,867	8,058,325	3,476,056	3,557,217
Work-in-process - opening stock	42,469,730	36,095,504	37,640,725	40,804,434
Work-in-process - closing stock	(40,255,578)	(43,932,408)	(40,255,578)	(43,932,408)
	2,214,152	(7,836,904)	(2,614,853)	(3,127,974)
Cost of goods manufactured	2,765,111,737	2,305,830,924	1,416,987,610	1,161,312,628
Add: Trading cost	86,816,261	5,538,578	1,257,891	59,005
Add: Rewinding cost	30,625	-	30,625	-
Add: Purchase of yarn	-	2,707,202	-	1,200,702
	2,851,958,623	2,314,076,704	1,418,276,126	1,162,572,335
Finished goods - opening stock	413,685,052	231,317,311	321,423,156	320,336,485
Finished goods - closing stock	(306,282,593)	(277,023,385)	(306,282,593)	(277,023,385)
	107,402,459	(45,706,074)	15,140,563	43,313,100
	2,959,361,082	2,268,370,630	1,433,416,689	1,205,885,435

	Note	Half year ended		Quarter ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
-----Rupees-----					
15. TAXATION					
Current		33,897,546	25,297,480	17,099,187	13,313,917
Prior year		566,120	-	-	-
Deferred	15.1	(8,135,056)	-	-	-
		26,328,610	25,297,480	17,099,187	13,313,917

15.1 This represents reversal of deferred tax liability relating to 2011 and earlier years. The Company's income is chargeable to tax under Final Tax Regime since last five years hence no deferred tax liability had accordingly arisen during the period.

16. 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, 2017	December 31, 2016
----- Rupees -----			
Sales of goods to Premium Knits (Private) Limited	Common directorship	26,968,269	15,502,153
Outstanding balances as of the period end / year end:		(Un-audited)	(Audited)
		December 31, 2017	June 30, 2017
		----- Rupees -----	
Receivable from Premium Knits (Private) Limited	Common directorship	486,443	13,264,688

17. 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, 2017.

18. GENERAL

18.1 Figures have been rounded off to the nearest rupee.

18.2 The condensed interim financial information has been authorized for issue on 27th February, 2018 by the Board of Directors of the Company.