

**DIRECTOR'S REPORT**  
**FOR THE 1<sup>st</sup> QUARTER ENDED 30<sup>th</sup> SEPTEMBER, 2021**

**Dear Members,**

The Directors would like to present the accounts of the Company for the 1<sup>st</sup> quarter ended 30<sup>th</sup> September, 2021.

The overall Performance of the company is summarized below:

	<b>July – Sept 2021</b>	<b>July – Sept 2020</b>
<b>Operating Profit</b>	<b>1,236,083,732</b>	<b>249,600,729</b>
<b>Financial &amp; Others</b>	<b>(96,064,344)</b>	<b>(115,908,215)</b>
<b>Profit before Taxation</b>	<b>1,140,019,388</b>	<b>133,692,514</b>
<b>Taxation</b>	<b>(42,284,465)</b>	<b>(29,942,935)</b>
<b>Profit after Taxation</b>	<b>1,097,734,923</b>	<b>103,749,579</b>
<b>Earnings per share</b>	<b>178.12</b>	<b>16.83</b>
<b>Gross Margin %</b>	<b>33.06 %</b>	<b>12.07 %</b>
<b>Operating Profit %</b>	<b>29.55%</b>	<b>9.27%</b>

**OPERATING RESULT**

During the period under review, the company has made a profit after tax of Rs. 1,097.735 million as compared to Rs.103.750 million during the same period of last year due to increase in sales volume . There is increase in gross profit and operating profit because

of increase in number of bags sold and rise in selling prices as compared to last year. There is a less than corresponding increase in cost of goods sold and production expenses despite higher production. Distribution costs have increased substantially due to increase in freight charges including export freight charges.

## **FUTURE OUTLOOK**

The world has now become a fast changing place and everyday we see and hear news

that has a profound impact on our lives and working environment, therefore it demands immediate action in order to adjust with it and to take advantage of the ever emerging opportunities.

Recently, the Indian crop was re-estimated at a realistic level, thereby reducing the total

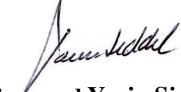
world cotton production for the year. Similarly the LNG prices are touching the sky and so are the oil prices, impacting on our energy cost and affecting our balance of payments position negatively thereby leading to devaluation.

In our opinion only those mills who are on top of things and are vigilant and who are constantly working towards automation and cost reduction will be able to survive in this environment. On the other side the world is also confronted with shipment and logistical issues leading to shortage of raw materials. The future is quite uncertain at this point in time so it is difficult to predict anything.

## **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: 29<sup>th</sup> Oct, 2021.

ڈائریکٹرز رپورٹ

برائے پہلا کوارٹر سال 30 ستمبر 2021

معزز ممبرز!

ڈائریکٹرز کی جانب سے پہلا کوارٹر سال ۳۰ ستمبر ۲۰۲۱ تک کے کمپنی کا کھاتا مجموعی کارکردگی ذیل میں درج ہے۔  
کمپنی کے مالیاتی نتائج کا مختصر جائزہ مندرجہ ذیل ہے:-

جولائی - ستمبر ۲۰۲۰	جولائی - ستمبر ۲۰۲۱	
249,600,729	1,236,083,732	منافع
(115,908,215)	(96,064,344)	مالیاتی
133,692,514	1,140,019,388	ٹیکسیشن سے پہلے منافع
(29,942,935)	(42,284,465)	ٹیکسیشن
<b>103,749,579</b>	<b>1,097,734,923</b>	ٹیکسیشن کے بعد منافع
16.83	178.12	فی شخص آمدنی
12.07 %	33.06 %	مجموعی منافع
9.27%	29.55%	منافع

آپریٹنگ نتائج:

زیر جائزہ مدت کے دوران کمپنی نے گزشتہ سال کی اسی مدت کے دوران 1,097.735 ملین روپے کے مقابلے میں 103.750 ملین روپے کا منافع کیا تھا۔ پچھلے سال کے مقابلے میں فروخت شدہ قصبوں کی تعداد میں اضافہ اور فروخت کی قیمتوں میں اضافہ کی وجہ سے مجموعی منافع اور آپریٹنگ منافع میں اضافہ ہوا ہے۔ زیادہ پیداوار کے باوجود فروخت ہونے والی اشیاء کی لاگت اور پیداواری اخراجات میں اسی نسبت سے کم اضافہ ہوا ہے۔ برآمدی فریٹ چارجز سمیت فریٹ چارجز میں اضافہ کی وجہ سے ڈسٹری بیوشن لاگت میں خاطر خواہ اضافہ ہوا ہے۔

مستقبل کے نقطہ نظر:

دنیا بھی تیزی سے بدلنے کی جگہ بن گئی ہے۔ اور ہر روز ہم خبروں کو دیکھتے اور سنتے ہیں۔ جو ہماری زندگی اور کام کرنے والے ماحول پر گہرے اثرات رکھتے ہیں۔ لہذا یہ اس کے ساتھ ایڈجسٹ کرنے اور ہمیشہ ابھرتی ہوئے مواقع کا فائدہ اٹھانے کے لئے فوری کارروائی کا مطالبہ کرتا ہے۔ حال ہی میں بھارتی فصل ایک حقیقت پسندانہ سطح پر دوبارہ اندازہ لگایا گیا تھا اس وجہ سے سال کے کل ورلڈ کپاس کی پیداوار کو کم کرنے اس طرح ایل این جی کی قیمتیں آسمان کو چھونے سے تیل کی قیمتوں میں اضافہ ہوا۔ ہماری توانائی کی قیمت پر اثر انداز اور ہماری ادائیگی کے بارے میں ہمارے توازن کو متاثر کرنے سے منفی طور پر پیش کی جاتی ہے۔ ہماری رائے میں صرف ان ملوں میں جو چیزیں سب سے اوپر ہیں اور محتاط ہیں اور مسلسل آٹو میشن اور لاگت کی کمی کی طرف کام کر رہے ہیں اس ماحول میں کام کرنے کے قابل ہو جائیں گے۔ دوسری جانب دنیا کو بھی خام مال کی قلت کی منتحلی کیلئے سپلائر اور لو جسٹک مسائل کا بھی سامنا ہے۔ مستقبل میں اس وقت کافی غیر یقینی ہے لہذا کچھ بھی پیش گوئی کرنا مشکل ہے۔

اعتراف:

ہم اللہ کے شکر گزار ہیں جس کی مدد سے ہم اپنے قابل قدر حصص نافذنگان کی امیدوں پر پورا اترے۔ انہوں نے ہم پر بھروسہ ظاہر کیا ہے اور سخت محنت کش مینجمنٹ عملے کے ممبران اور کارکنوں کیلئے ہماری تعریف کرنا ذمہ داری ہے جس کے بغیر یہ سب ناممکن سا تھا۔ ہمارا دارہ شکر گزار ہے ہمارے قابل قدر صارفین بینکرز کا جنہوں نے ہم پر اپنا اعتماد دیکر رکھا۔

تمام بورڈ آف ڈائریکٹرز کی طرف سے

۱۲۹ اکتوبر ۲۰۲۱ کراچی

*Muhammad*

محمد یاسین صدیقی  
ایگزیکٹو ڈائریکٹر

**BALANCE SHEET(un-audited)  
AS AT SEPTEMBER 30, 2021**

	<i>(Un-audited)</i> <b>30-Sep-21</b> <u>Rupees</u>	<i>(Audited)</i> 30-Jun-21 <u>Rupees</u>
<b>Property Plants' and Equipment</b>	<b>6,859,903,412</b>	6,788,402,075
<b>Long Term Deposits</b>	<b>2,768,255</b>	2,768,255
<b>CURRENT ASSETS:</b>		
Stores and spares	<b>164,974,888</b>	175,261,221
Stock-in-trade	<b>4,936,795,957</b>	3,665,535,551
Trade debts (unsecured considered good)	<b>2,379,455,490</b>	2,199,212,480
Tax refunds due from government	<b>148,243,753</b>	159,768,633
Advances, Trade deposit, prepayment & other receivables	<b>262,026,492</b>	171,421,043
Cash & bank balances	<b>17,276,687</b>	93,950,542
	<b>7,908,773,267</b>	6,465,149,470
	<b>14,771,444,934</b>	13,256,319,800
<b>SHARE CAPITAL</b>		
<u>Authorised Capital:</u>	<b>70,000,000</b>	70,000,000
7,000,000 ordinary shares of Rs. 10/- Issued Subscribed and Paid-up Capital		
6,163,000 ordinary shares of Rs. 10/- Surplus on revaluation of fixed assets Un-appropriated profit brought forward	<b>61,630,000</b> <b>2,879,240</b> <b>4,405,798,012</b> <b>4,470,307,252</b>	61,630,000 2,953,067 3,307,989,262 3,372,572,329
<b>Long Term Loan</b>	<b>4,205,785,810</b>	4,309,884,273
<b>Deferred Liabilities</b>		
Staff Gratuity	<b>47,793,441</b>	40,210,560
GIDC (Gas Infrastructure Develop.Cess)	<b>334,158,798</b>	334,158,798
Deferred Income Government Grant	<b>580,483,209</b>	580,483,209
Deferred Taxation	<b>23,319,950</b>	22,053,581
	<b>985,755,398</b>	976,906,148
<b>CURRENT LIABILITIES:</b>		
Trade and other payables	<b>1,044,815,332</b>	945,328,902
Unclaimed Dividend	<b>7,084,757.00</b>	7,084,759
Accrued Markup	<b>101,014,065</b>	96,507,924
Short term finance	<b>3,394,030,004</b>	3,097,913,612
Current portion of Long term loans	<b>562,652,316</b>	450,121,853
	<b>5,109,596,474</b>	4,596,957,050
<b>Contingencies &amp; commitments</b>	-	-
	<b>14,771,444,934</b>	13,256,319,800

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

Karachi: 29<sup>th</sup> Oct, 2021.



Director/C.E.O.



Director



CFO

**PROFIT AND LOSS ACCOUNT (un-audited)  
FOR THE FIRST QUARTER ENDED SEPTEMBER, 30, 2021**

	<b>FIRST QUARTER JUL'21-SEP'21 2021 Rupees</b>	<b>FIRST QUARTER JUL'20-SEP'20 2020 Rupees</b>
Sales	4,182,566,272	2,692,629,774
Cost of Sales	(2,799,597,701)	(2,367,755,473)
<b>Gross Profit</b>	<b>1,382,968,571</b>	<b>324,874,301</b>
<b>Operating Expenses</b>		
Administration & General	(48,980,576)	(40,446,774)
Distribution Costs	(97,904,263)	(34,826,798)
	<b>(146,884,839)</b>	<b>(75,273,572)</b>
<b>Operating Profit</b>	<b>1,236,083,732</b>	<b>249,600,729</b>
Financial Charges & Others	(116,760,717)	(115,217,550)
Other Income / (Loss)	20,696,373	(690,665)
	<b>(96,064,344)</b>	<b>(115,908,215)</b>
<b>Profit/(Loss) before taxation</b>	<b>1,140,019,388</b>	<b>133,692,514</b>
<b>Taxation</b>		
Current	(41,018,096)	(27,671,376)
Deferred	(1,266,369)	(2,271,559)
	<b>(42,284,465)</b>	<b>(29,942,935)</b>
<b>Profit/(Loss) after taxation</b>	<b>1,097,734,923</b>	<b>103,749,579</b>
<b>Earning per share of Rs.10 each</b>	<b>178.12</b>	<b>16.83</b>

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

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

Karachi: 29<sup>th</sup> Oct, 2021.



Director/C.E.O.



Director




CFO

**CASH FLOW STATEMENT (Un-audited)  
FOR THE FIRST QUARTER ENDED SEPTEMBER,30, 2021**

	<b>First Quarter Ended</b>	
	<b>Sep 30, 2021</b>	<b>Sep 30, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	<b>1,140,019,388</b>	133,692,514
<b>Adjustments for non cash items:</b>		
Depreciation	<b>164,116,438</b>	102,381,883
Financial cost	<b>116,760,717</b>	115,217,550
Provision of Gratuity	<b>8,752,419</b>	5,582,261
(Gain) / Loss on Disposal of Fixed Assets	<b>(486,080)</b>	-
Exchange Loss / (Gain) on import	<b>-</b>	20,875
Exchange Loss / (Gain) on export debtors	<b>(20,210,293)</b>	669,790
	<b>268,933,201</b>	223,872,359
Operating profit before working capital changes	<b>1,408,952,589</b>	357,564,873
<b>Changes in Working Capital:</b>		
(Increase) / Decrease in current assets		
Stores and spares	<b>10,286,333</b>	(33,005,303)
Stock in trade	<b>(1,271,260,406)</b>	76,276,829
Trade debts	<b>(160,032,717)</b>	(162,158,935)
Advances, Trade deposit, prepayment & other receivables	<b>(90,605,449)</b>	5,580,955
Sales Tax (refundable)/payable	<b>(57,550,113)</b>	(35,493,537)
<b>Increase / (Decrease) in current liabilities:</b>		
Trade and other payables	<b>237,806,256</b>	216,460,803
<b>Changes in Working Capital:</b>	<b>(1,331,356,096)</b>	67,660,812
Cash generated from operations	<b>77,596,493</b>	425,225,685
Taxes (paid)/refund	<b>(36,831,973)</b>	29,813,773
Staff gratuity (paid)	<b>(1,169,538)</b>	(11,429,589)
Payment of W.P.P.F. and W.W.F.	<b>(80,769,713)</b>	-
Long term deposits	<b>-</b>	(619,155)
Financial charges (paid)	<b>(112,254,576)</b>	(61,615,356)
	<b>(231,025,800)</b>	(43,850,327)
Net cash from operating activities	<b>(153,429,307)</b>	381,375,358
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Insurance claim receivable	<b>3,795,000</b>	-
Proceed from sale of fixed assets	<b>6,903,600</b>	-
Acquisition of property, plant & equipment	<b>(238,641,696)</b>	(852,790,356)
Net cash (outflow) from investing activities	<b>(227,943,096)</b>	(852,790,356)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend (paid)	<b>-</b>	(5,000)
Loan obtained	<b>35,856,000</b>	834,965,925
Loan (paid)	<b>(27,273,844)</b>	-
Net cash from/(used in) financing activities	<b>8,582,156</b>	834,960,925
Increase/(Decrease) in cash	<b>(372,790,247)</b>	363,545,927
<b>Cash and cash equivalent as at Jul 1,</b>	<b>(3,003,963,070)</b>	(3,616,770,613)
<b>Cash and cash equivalent as at Sep 30,</b>	<b>(3,376,753,317)</b>	(3,253,224,686)
<b>CASH &amp; CASH EQUIVALENT</b>		
Cash & bank balance	<b>17,276,687</b>	11,635,204
Short term running finance	<b>(3,394,030,004)</b>	(3,264,859,890)
	<b>(3,376,753,317)</b>	(3,253,224,686)

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

Karachi: 29<sup>th</sup> Oct, 2021.

  
Director/C.E.O

  
Director

  
CFO

**STATEMENT OF OTHER COMPREHENSIVE INCOME (Un-audited)  
FOR THE FIRST QUARTER ENDED SEPTEMBER,30, 2021**

	FIRST QUARTER JUL'21-SEP'21	FIRST QUARTER JUL'20-SEP'20
	2021	2020
	<u>Rupees</u>	<u>Rupees</u>
Profit after taxation	1,097,734,923	103,749,579
<b><u>Others Comprehensive income</u></b>		
- Actuarial Gain/(loss) on defined benefits	-	-
<b>Total Comprehensive Income for the period</b>	<b>1,097,734,923</b>	<b>103,749,579</b>

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

Karachi: 29<sup>th</sup> Oct, 2021.



Director/C.E.O.



Director



CFO

**STATEMENT OF CHANGES IN EQUITY (Un-audited)  
FOR THE FIRST QUARTER ENDED SEPTEMBER,30, 2021**


Particulars	Paid-up Capital	Unappropriated Profit	Surplus on revaluation	Total
<b>Balance as at July 2020</b>	<b>61,630,000</b>	<b>1,985,418,933</b>	<b>3,281,186</b>	<b>2,050,330,119</b>
<b><u>Total Comprehensive Income</u></b>				
Profit / (Loss) for the period (Jul'20 to Sep'20)		103,749,579	-	103,749,579
Others Comprehensive income		-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit		82,030	(82,030)	-
<b>Balance as at 30th Sept.2020- un-audited</b>	<b>61,630,000</b>	<b>2,089,250,542</b>	<b>3,199,156</b>	<b>2,154,079,698</b>
<b><u>Total Comprehensive Income</u></b>				
Profit / (Loss) for the period (Oct'20 to Jun'21)		1,282,509,215	-	1,282,509,215
Others Comprehensive income		(14,712,584)	-	(14,712,584)
Transfer from surplus on revaluation of assets to unappropriated profit		246,089	(246,089)	-
Final Dividend @ 80% for Jun 30, 2020		(49,304,000)	-	(49,304,000)
<b>Balance as at 30th June 2021- audited</b>	<b>61,630,000</b>	<b>3,307,989,262</b>	<b>2,953,067</b>	<b>3,372,572,329</b>
<b><u>Total Comprehensive Income</u></b>				
Profit / (Loss) for the period (Jul'21 to Sept'21)		1,097,734,923	-	1,097,734,923
Others Comprehensive income		-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit		73,827	(73,827)	-
<b>Balance as at 30th Sept.2021- un-audited</b>	<b>61,630,000</b>	<b>4,405,798,012</b>	<b>2,879,240</b>	<b>4,470,307,252</b>

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

Karachi: 29<sup>th</sup> Oct, 2021.



Director /C.E.O.



Director



CFO



**EARNING PER SHARE (Un-audited)  
FOR THE FIRST QUARTER ENDED SEP 30, 2021**

	FIRST QUARTER ENDED	
	30-Sep 2021	30-Sep 2020
	Rupees	Rupees
Net profit after tax for the period	1,097,734,923	103,749,579
Number of Ordinary shares	6,163,000	6,163,000
Earning per share	<u>Rs. 178.12</u>	<u>Rs. 16.83</u>

**SELECTED EXPLANATORY NOTES TO THE ACCOUNTS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021**

**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.

		(Un-audited) 30-Sep-21 Rupees	(Audited) 30-Jun-21 Rupees
<b>5) PROPERTY, PLANT AND EQUIPMENT</b>			
Operating Fixed assets	5.1	6,607,560,201	5,999,819,308
Capital work in progress		252,343,211	788,582,767
		<u>6,859,903,412</u>	<u>6,788,402,075</u>

	<b>FIRST QUARTER ENDED</b>		<b>YEAR ENDED</b>	
	<b>Sep.30,2021</b>		<b>June 30,2021</b>	
	<b>-----RUPEES-----</b>			
<b>5.1 Major additions and disposals are as follows :</b>	<b>Additions</b>	<b>Disposals (At NBV)</b>	<b>Additions/ transfers</b>	<b>Disposals (At NBV)</b>
Freehold land	-	-	-	-
Building and godown on free hold land	-	-	104,967,528	-
Plant and machinery	<b>700,122,893</b>	-	2,231,665,900	18,494,892
Office,tools,fire fighting and laboratory equipment	-	-	413,000	-
Furniture & Fixtures	<b>123,000</b>	-	726,038	-
Computer and allied equipment	-	-	4,230,670	-
Vehicles	<b>64,620,581</b>	<b>3,023,920</b>	43,114,940	3,560,779
Electrical instruments and installation	<b>10,014,778</b>	-	152,637,778	-
	<b><u>774,881,252</u></b>	<b><u>3,023,920</u></b>	<b><u>2,537,755,854</u></b>	<b><u>22,055,671</u></b>

**6) RELATED PARTY TRANSACTION AND BALANCES**

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

**PREMIUM KNITS**

Sales of goods during the period	<b><u>NIL</u></b>	<b><u>20,223,240</u></b>
Outstanding balance due as at Sep 30,	<b><u>NIL</u></b>	<b><u>36,499,772</u></b>

**PINNACLE FIBRE (PVT) LTD.**

Purchase of goods during the period	<b><u>123,145,223</u></b>	<b><u>67,528,230</u></b>
Outstanding balance due as at Sep 30,	<b><u>-</u></b>	<b><u>419,489</u></b>

**7) AUTHORISATION FOR ISSUE**

These accounts have been authorised for issue on **29th October,2021** by the Board of Directors of the Company.

**8) Figures have been rounded off to the nearest rupee.**

Karachi: 29<sup>th</sup> Oct, 2021.



Director/C.E.O.



Director



CFO