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**COMPANY INFORMATION**

<b>Board of Directors</b>	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
<b>Chief Financial Officer</b>	MR.GHULAM MOHAMMED SURTI	
<b>Company Secretary</b>	MR.IQBAL CHAPPPRA	
<b>Auditor</b>	RAHMAN SARFARAZ RAHIM IQBAL RAFIQ Chartered Accountants	
<b>Audit Committee</b>	MR.MOHAMMED TUFAIL MR.MOHAMMED ASLAM MR.MOHAMMED ALI JALIAWALA	Chairman Member Member
<b>HR &amp; RC</b>	MR.MOHAMMED ALI JALIAWALA MR.MOHAMMED ASLAM MR.MOHAMMED TUFAIL	Chairman Member Member
<b>Head of Internal Auditor</b>	MR.SYED WASIF HUSSAIN NAQVI	
<b>Bankers</b>	BANK AL-HABIB LIMITED BANK ALFALAH LIMITED MEEZAN BANK LIMITED	
<b>Registered Office</b>	1 <sup>st</sup> Floor, Haji Adam Chambers, Altat Hussain Road, New Challi, Karachi. Phone: 32400405-8 Fax : 32417908 E-mail: <a href="mailto:premhead@premiumtextile.com">premhead@premiumtextile.com</a>	
<b>Factory</b>	Plot 58, 60, 61 & 76, 77, 78 Main Super Highway, Nooriabad, Distt. Dadu (Sindh), Pakistan. Phone: (025) 4007463-9	
<b>Share Registrar</b>	<b>F.D. Registrar Services (SMC-Pvt.) Ltd.</b> 17 <sup>th</sup> Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi.. Phone No. 0213-2271905-6	
<b>U R L</b>	<a href="http://www.premiumtextile.com">www.premiumtextile.com</a>	

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

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position Premium Textile Mills Limited ("the Company") as at 31 December 2018 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 to the financial statements for the half year ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statement 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.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

**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 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 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 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 report is Mr. Muhammad Rafiq Dosani.



**Rahman Sarfaraz Rahim Iqbal Rafiq**

**Chartered Accountants**

Engagement Partner: Mr. Muhammad Rafiq Dosani

Karachi. 27th Feb, 2019

**DIRECTOR'S REPORT**  
**FOR THE 2<sup>ND</sup> QUARTER/HALF YEARLY ENDED 31<sup>ST</sup> DECEMBER, 2018**

The Directors are pleased to present the Accounts of the company for 2<sup>nd</sup> Quarter / Half year ended 31<sup>st</sup> December, 2018.

The overall Performance of the company is summarized below.

	December 2018	December 2017
Operating Profit	377,605,782	196,583,224
Financial & Others	(123,675,130)	(95,805,584)
Profit before Taxation	253,930,652	100,777,640
Taxation	(41,316,356)	(26,328,610)
Profit after Taxation	212,614,296	74,449,030
Earnings per share	34.50	12.08
Gross Margin %	12.73 %	9.31 %
Operating Profit %	9.52 %	6.02 %

**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**

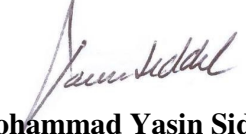
Your company had embarked on a modernization and capacity increasing project since last year and the process is still continuing. Modernization is resulting in lowering the cost of production and capacity enhancement is providing a competitive edge to your company. At the moment we have added 2 machines of the latest generation open end machines of ACO-9 to consume our waste and 2 machines of the latest generation Vortex machines have also been added.

The new Government is very proactive with the Industry and realizes that the export support needed can only be provided by the Textile Sector in the near term so the overall environment is very positive and therefore we are hopeful that the future holds renewed promise for this sector and for the country as a whole.

### **ACKNOWLEDGEMENT**

We are grateful to almighty Allah for his infinite mercy which 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 to our 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 thank our valued customers, bankers for their continued Trust in the company.

**On behalf of Board of Directors**

A handwritten signature in dark ink, appearing to read 'Mohammad Yasin Siddik', is written over a horizontal line.

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

Karachi: 27<sup>th</sup> Feb, 2019

### ڈائریکٹر رپورٹ

دوسری سہ ماہی / ۳۱ دسمبر ۲۰۱۸ اختتام کے لئے

معزز شہراران!

کچنی کے تمام ڈائریکٹرز کی جانب سے دوسری سہ ماہی / ۳۱ دسمبر ۲۰۱۸ کی رپورٹ آپ سب کے سامنے پیش کیا جا رہا ہے۔ رپورٹ آپ سب کے سامنے پیش کی جا رہی ہے۔

دسمبر	دسمبر	
۲۰۱۷	۲۰۱۸	
۱۹۹,۵۸۳,۲۳۳	۳۷۷,۹۰۵,۷۸۲	چمپ پیٹنگ مناش
۹۵,۸۰۵,۵۸۳	۱۲۳,۶۷۵,۱۳۰	مالی اور دیگر
۱۰۰,۷۷۷,۹۳۰	۲۵۳,۹۳۰,۹۵۲	نکس سے پہلے مناش
۲۹,۳۲۸,۹۱۰	۳۱,۳۱۹,۳۵۹	نکس
۷۰,۴۴۹,۰۲۰	۲۱۷,۶۱۱,۶۹۹	نکس کے بعد مناش
۱۷,۰۰۸	۳۷,۵۰۰	فی آمدنی کا حصہ
۹.۳۱%	۱۲.۷۳%	مجموعی مارڈن
۹.۰۲%	۹.۵۲%	چمپ پیٹنگ مناش

عملیاتی نتیجہ:

زیر جائزہ مدت کے درمیان، کچنی نے ۲۵.۶۱۷ کا مناش ہو کر کچیلے سال (۱) مدت کے درمیان ۲۵.۶۱۷ کا مناش ہے۔ سوت کی قیمت ۲۵.۵% فیصد تک بڑھ چکی ہے اور اس کی طرح نام مال کی قیمت بھی ۳۲% فیصد تک بڑھ چکی ہے۔ مالیاتی اخراجات بڑھ گئے ہیں۔ کیونکہ مال کی تعداد بھی بڑھ چکی ہے جس کی وجہ سے شرح قرضوں میں بھی اضافہ ہوا ہے۔

مستقبل کا نقطہ نظر:

گذشتہ سال سے آپ کی کچنی کو جدید اور صلاحیت میں اضافے کے منصوبے پر عمل درآمد کیا گیا اور یہ عمل ابھی تک جاری ہے۔ جدیدیت کی پیداوار کی لاگت کو کم کرنے اور صلاحیت میں اضافے کے نتیجے میں آپ کی کچنی کے لئے ایک سارا پوزیٹو اثرات فراہم کرتا ہے۔ اس وقت ہم نے ۲۵ مشینیں شامل کی ہیں جس میں بہترین ترین مشین اور اسکی اور ۹ مشین ہو کر اضافی مواد اور مشینیں اس کے علاوہ دو نکس بھی شامل کی ہیں۔

نئی حکومت انڈیا کے ساتھ بہت ہی فعال ہے اور اس سے پتہ چلتا ہے کہ برآمدی مادیات دہشت گردی سے بیکسٹائل ٹیکسٹ کی طرف سے فراہم کی جاسکتی ہے۔ تاکہ مجموعی طور پر ماحول بہت مثبت ہو سکے اور اس کیلئے ہم ہر امید ہیں کہ مستقبل میں اس شعبے کے ساتھ ہر سال کے ٹیکسٹ کے لئے نئے وعدے کیے گئے ہیں۔

اتر اف:

ہم اللہ تعالیٰ کا شکر ادا کرتے ہیں جس کی وجہ سے ہم اپنے معزز شیئرز، ملازمین، امیدواروں پر پورا اترے ہیں۔ جو کہ ہم پر بھروسہ کرتے ہیں۔ اور ہمارے قیمتی ورکر پر گروہ نہ ہوتے تو ہم شاہد مصل نہ کر پاتے۔ آپ کا بورڈ بھی ہمارے علاحدہ کردار کو کچنی میں ان کے مسلسل اعتماد کیلئے شکر ادا کرنا چاہتا ہے۔

تمام بورڈ آف ڈائریکٹرز کی طرف سے



محمد اسحاق صدیقی

ایگزیکٹو ڈائریکٹر

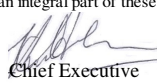
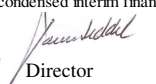
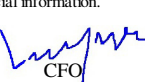
کراچی ۲۵ فروری ۲۰۱۹

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		-----Rupees-----	
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	2,789,419,729	2,791,194,470
Long term deposits		1,999,100	1,999,100
		<b>2,791,418,829</b>	2,793,193,570
<b>Current assets</b>			
Stores and spares		69,007,976	38,355,861
Stock-in-trade	6	3,136,436,278	1,452,976,902
Trade debts - considered good		1,309,936,011	1,139,707,848
Tax refunds due from government		183,216,276	149,818,090
Advances, deposits, prepayments and other receivables		545,863,833	59,646,651
Cash and bank balances		49,175,118	35,974,369
		<b>5,293,635,492</b>	2,876,479,721
<b>Total assets</b>		<b>8,085,054,321</b>	5,669,673,291
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized capital</b>			
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
<b>Capital reserves</b>			
Surplus on revaluation of property, plant and equipment -net of tax		3,848,305	4,050,847
<b>Revenue reserves</b>			
Unappropriated profit		1,830,243,291	1,756,093,953
		<b>1,895,721,596</b>	1,821,774,800
<b>Non current liabilities</b>			
Long term loans - secured	7	1,663,751,273	1,403,775,478
Deferred liabilities		2,934,394	8,135,162
<b>Current liabilities</b>			
Trade and other payables	8	1,007,703,648	706,375,198
Accrued markup		85,584,153	43,138,510
Short term borrowings - secured	9	3,347,298,573	1,637,603,397
Unclaimed dividend		6,387,925	5,303,224
Current portion of long term loans - secured		75,672,759	43,567,522
		<b>4,522,647,058</b>	2,435,987,851
<b>Contingencies and commitments</b>	10		
<b>Total equity and liabilities</b>		<b>8,085,054,321</b>	5,669,673,291

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Karachi: 27<sup>th</sup> Feb, 2019

 Chief Executive  
 Director  
 CFO

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	Half Year Ended		Quarter Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		----- Rupees -----			
Sales - net	11	3,966,217,721	3,263,134,584	2,178,182,004	1,600,281,286
Cost of sales		(3,461,135,352)	(2,959,361,082)	(1,906,246,696)	(1,433,416,689)
<b>Gross profit</b>		<b>505,082,369</b>	<b>303,773,502</b>	<b>271,935,308</b>	<b>166,864,597</b>
Administrative costs		(60,682,292)	(52,657,862)	(31,417,907)	(28,007,464)
Distribution costs		(47,974,515)	(47,063,396)	(27,550,258)	(24,068,333)
Other operating costs		(18,819,780)	(7,469,020)	(16,919,464)	(7,469,020)
		(127,476,587)	(107,190,278)	(75,887,629)	(59,544,817)
<b>Operating profit</b>		<b>377,605,782</b>	<b>196,583,224</b>	<b>196,047,679</b>	<b>107,319,780</b>
Finance costs		(161,081,669)	(96,747,014)	(111,277,601)	(52,431,837)
Other income / (loss)		37,406,539	941,430	32,232,207	(1,275,626)
		(123,675,130)	(95,805,584)	(79,045,394)	(53,707,463)
<b>Profit before taxation</b>		<b>253,930,652</b>	<b>100,777,640</b>	<b>117,002,285</b>	<b>53,612,317</b>
<b>Taxation</b>					
- Current		(41,316,356)	(33,897,546)	(23,139,519)	(9,530,251)
- Prior		-	(566,120)	-	-
- Deferred		-	8,135,056	-	-
		(41,316,356)	(26,328,610)	(23,139,519)	(9,530,251)
<b>Profit after taxation</b>		<b>212,614,296</b>	<b>74,449,030</b>	<b>93,862,766</b>	<b>44,082,066</b>
<b>Earning per share - basic and diluted</b>		<b>34.50</b>	<b>12.08</b>	<b>15.23</b>	<b>7.15</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Karachi: 27<sup>th</sup> Feb, 2019



Chief Executive



Director



CFO



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	<b>Half Year Ended</b>	
	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	253,930,652	100,777,640
<b>Adjustments for:</b>		
- Depreciation	146,984,591	112,740,262
- Finance cost	161,081,669	96,747,014
- Provision for Workers' Profit Participation Fund	13,637,522	5,412,333
- Provision for Workers' Welfare Fund	5,182,258	2,056,687
- Provision for gratuity	8,985,757	15,788,084
- Exchange gain on trade debts	(39,847,914)	(717,391)
- Gain on disposal of fixed assets	(423,420)	(496,922)
	<b>295,600,463</b>	<b>231,530,067</b>
<b>Operating profit before working capital changes</b>	<b>549,531,115</b>	<b>332,307,707</b>
<i>Decrease / (increase) in current assets</i>		
- Stores and spares	(30,652,115)	1,053,087
- Stock-in-trade	(1,683,459,376)	(493,969,443)
- Trade debts	(130,380,249)	143,529,061
- Advances, deposits, prepayments and other receivables	(486,217,182)	(12,650,839)
<i>Increase in current liabilities</i>		
- Trade and other payables	300,104,770	276,219,240
	<b>(2,030,604,152)</b>	<b>(85,818,894)</b>
<b>Cash (used in) / generated from operations</b>	<b>(1,481,073,037)</b>	<b>246,488,813</b>
Taxes refunded / paid -net	(74,714,541)	5,183,515
Staff gratuity paid	(14,186,525)	(14,450,980)
Payment of Workers' profit participation fund	(27,602,376)	(11,112,905)
Finance charges paid	(108,629,750)	(87,342,827)
	<b>(225,133,192)</b>	<b>(107,723,197)</b>
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,706,206,229)</b>	<b>138,765,616</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(147,136,430)	2,440,960
Proceeds from sale of operating fixed assets	2,350,000	(316,120,992)
<b>Net cash used in investing activities</b>	<b>(144,786,430)</b>	<b>(313,680,032)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(137,582,799)	(70,445,447)
Long-term loans obtained during the period	346,220,000	286,688,000
Long-term loans repaid during the period	(54,138,969)	(90,000,000)
<b>Net cash generated from financing activities</b>	<b>154,498,232</b>	<b>126,242,553</b>
Net decrease in cash and cash equivalents	(1,696,494,427)	(48,671,863)
Cash and cash equivalents at the beginning of the period	(1,601,629,028)	(1,107,358,174)
<b>Cash and cash equivalents at the end of the period</b>	<b>(3,298,123,455)</b>	<b>(1,156,030,037)</b>
<b>Cash and cash equivalents comprise of the following:</b>		
Cash and bank balances	49,175,118	17,492,013
Short term borrowings - secured	(3,347,298,573)	(1,935,101,817)
	<b>(3,298,123,455)</b>	<b>(1,917,609,804)</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Karachi: 27<sup>th</sup> Feb, 2019



Chief Executive



Director



CFO

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
----- Rupees -----				
Profit after taxation	<b>212,614,296</b>	74,449,030	<b>93,862,766</b>	44,082,066
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b><u>212,614,296</u></b>	<u>74,449,030</u>	<b><u>93,862,766</u></b>	<u>44,082,066</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Karachi: 27<sup>th</sup> Feb, 2019



Chief Executive



Director



CFO

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Issued, subscribed and paid up capital	Capital reserve Surplus on revaluation	Revenue reserve Unappropriated profits	Total
	Rupees			
<b>Balance as at July 01, 2017</b>	61,630,000	8,930,381	1,485,033,530	1,555,593,911
<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, recorded directly in equity</i>				
Final dividend at the rate of Rs. 12.5/- per share each for the year ended June 30, 2017	-	-	(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	-
<b>Balance as at December 31, 2017</b>	<u>61,630,000</u>	<u>8,073,991</u>	<u>1,483,301,450</u>	<u>1,553,005,441</u>
<b>Balance as at July 1, 2018</b>	<b>61,630,000</b>	<b>4,050,847</b>	<b>1,756,093,953</b>	<b>1,821,774,800</b>
<i>Total comprehensive income for the half year ended December 31, 2018</i>				
- Profit after taxation	-	-	212,614,296	212,614,296
- Other comprehensive income	-	-	-	-
	-	-	212,614,296	212,614,296
<i>Transaction with owners, recorded directly in equity</i>				
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>	<u>61,630,000</u>	<u>3,848,305</u>	<u>1,830,243,291</u>	<u>1,895,721,596</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Karachi: 27<sup>th</sup> Feb, 2019



Chief Executive



Director



CFO

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

### 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 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

#### 2.1 Statement of compliance

These condensed 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 (IAS) 34, Interim 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

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 condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance. The figures of the condensed interim profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2018 and 2017.

These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2018.

#### 2.2 Basis of measurement

These unconsolidated 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 amount and employee retirement benefits which is carried at present value of defined benefit obligation.

#### 2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency, unless otherwise stated. All figures have been rounded off to the nearest rupee.

### 3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2018 except those stated in note 3.2 (a) below:

**3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards**

**(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended December 31, 2018**

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to that a new standard (i.e. IFRS 15) has become applicable to the Company effective July 1, 2018. Because of this new standard certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by this standard do not have any significant impact on these condensed interim financial statements of the Company.

**(b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

There are other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2018 are considered not to be relevant for the Company's unconsolidated financial statements and hence have not been detailed here.

**(c) New standards and amendments to published approved accounting and reporting standards that are not yet effective**

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 9 'Financial instruments' - This standard is effective for periods beginning from or after July 1, 2019. This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 16 'Leases' - This standard is effective for periods beginning from or after January 1, 2019. IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its condensed interim financial statements.

**4 ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the condensed interim financial statements in conformity with approved accounting standards require the 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.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these unconsolidated condensed interim financial statements.

**5 PROPERTY, PLANT AND EQUIPMENT**

5.1 The following is the movement in property, plant and equipment during the period:

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	Rupees -----	
Operating fixed assets (WDV) - Opening balance		2,789,615,698	2,112,607,135
Add: Additions during the period	5.2	147,136,430	948,265,976
		2,936,752,128	3,060,873,111
Less: Disposals during the period (WDV)		1,926,580	30,088,180
Depreciation charge for the period		146,984,591	241,169,233
Operating fixed assets (WDV) - closing balance		2,787,840,957	2,789,615,698
Add: Capital work-in-progress	5.3	1,578,772	1,578,772
		2,789,419,729	2,791,194,470

	Half year ended December 31, 2018		Year ended June 30, 2018	
	Additions	Disposals (At cost)	Additions/ transfers	Disposals (At cost)
5.2 Major additions and disposals are as follows:	Rupees -----			
Freehold land	500,000	-	959,089	-
Building and godown on freehold land	12,297,755	-	26,393,899	-
Plant and machinery	98,316,083	-	745,257,986	137,782,444
Office, tools, fire fighting and laboratory equipment	-	-	313,400	-
Furniture and fixtures	343,800	-	362,000	7,300
Computer and allied equipment	-	-	739,800	-
Vehicles	6,708,269	5,629,633	14,489,838	3,871,153
Electrical instruments and installation	28,970,523	-	159,749,964	-
	147,136,430	5,629,633	948,265,976	141,660,897

	(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Rupees -----	
5.3 Capital work in progress		
Opening balance as the beginning of the period/year	1,578,772	1,125,000
Add: Additions during the period		
- Machinery	116,365,574	846,847,412
- Civil works	12,297,755	26,393,899
- ERP software	-	453,771
	128,663,329	873,695,082
Less: Transferred to operating fixed assets	128,663,329	873,241,310
Closing balance	1,578,772	1,578,772

**6 STOCK IN TRADE**

Raw material		
- In hand	2,610,886,618	1,209,918,682
- In transit	7,896,469	5,840,945
	2,618,783,087	1,215,759,627
Work in process	67,364,075	42,812,626
Finished goods	438,261,233	185,555,385
Waste material	384,039	956,399
	438,645,272	186,511,784
Packing material	11,643,845	7,892,865
	3,136,436,278	1,452,976,902

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		Rupees -----	
<b>7 LONG TERM LOANS - Secured</b>	<i>Note</i>		
<i>From banking companies</i>			
Total principal amount outstanding under long term loans	7.1	1,739,424,032	1,447,343,000
Less: Current maturity shown under current liabilities		(75,672,759)	(43,567,522)
		<u>1,663,751,273</u>	<u>1,403,775,478</u>
<b>7.1 Principal amount outstanding under long term loans</b>			
<b>Bank Al-Habib Limited</b>			
- Term Finance		150,000,000	180,000,000
- Long Term Finance Facility		<u>734,283,000</u>	<u>601,091,000</u>
		<u>884,283,000</u>	<u>781,091,000</u>
<b>Bank Al-Falah Limited</b>			
- Long Term Finance Facility		<u>855,141,032</u>	<u>666,252,000</u>
		<u>1,739,424,032</u>	<u>1,447,343,000</u>
<b>8 TRADE AND OTHER PAYABLES</b>			
Creditors		416,844,507	178,206,384
Accrued liabilities		550,581,678	494,158,356
Workers' Profits Participation Fund		13,637,522	17,596,100
Workers Welfare Fund		19,909,590	14,727,332
Others		<u>6,730,351</u>	<u>1,687,026</u>
		<u>1,007,703,648</u>	<u>706,375,198</u>
<b>9 SHORT TERM BORROWINGS - Secured</b>			
<b>Bank Al-Habib Limited</b>			
- Cash finance		1,794,306,990	1,041,667,800
- Running finance		434,835,670	306,756,435
- Foreign currency export finance		<u>44,607,351</u>	<u>-</u>
		<u>2,273,750,011</u>	<u>1,348,424,235</u>
<b>Meezan Bank Limited</b>			
- Istisna Finance (Hypo)		<u>200,000,000</u>	<u>200,000,000</u>
- Istisna Finance (Pledge)		<u>793,380,000</u>	<u>-</u>
		<u>993,380,000</u>	<u>200,000,000</u>
<b>Bank Al-Falah Limited</b>			
- Running finance		<u>80,168,562</u>	<u>89,179,162</u>
		<u>3,347,298,573</u>	<u>1,637,603,397</u>
<b>10 CONTINGENCIES AND COMMITMENTS</b>			
<b>10.1 Contingencies</b>			
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, 2018.			
		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		Rupees -----	
<b>10.2 Commitments</b>			
<i>In respect of:</i>			
- Capital expenditure		<u>65,327,900</u>	<u>235,023,700</u>
- Revolving Letter of Credit to Sui Southern Gas Company Limited (SSGC)		<u>52,564,000</u>	<u>52,564,000</u>
- Letters of Guarantee		<u>89,942,340</u>	<u>84,942,340</u>
- Letters of Credit in respect of raw material purchases		<u>129,897,100</u>	<u>10,964,800</u>

	Half year ended		Quarter ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	----- Rupees -----			
<b>11 SALES - NET</b>				
Local sales	401,659,620	338,642,676	386,348,661	186,687,496
Export sales - Indirect	3,016,653,963	2,298,467,000	1,470,332,863	1,149,225,628
Export sales - Direct	595,636,014	542,930,109	342,057,073	264,434,165
Duty drawback	-	10,518,914	-	10,518,914
Raw material and wastage sales	9,530,885	101,601,149	7,058,182	5,387,756
	4,023,480,482	3,292,159,848	2,205,796,779	1,616,253,959
Commission and brokerage	(44,364,013)	(28,431,846)	(17,648,723)	(15,588,138)
Discount and claims	(12,898,748)	(593,418)	(9,966,052)	(384,535)
	(57,262,761)	(29,025,264)	(27,614,775)	(15,972,673)
	3,966,217,721	3,263,134,584	2,178,182,004	1,600,281,286

**12 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, 2018	December 31, 2017
		----- Rupees -----	
Sales of goods to Premium Knits	Common directorship	5,655,600	26,968,269
		(Un-audited)	(Audited)
Outstanding balances as of the period end / year end:		December 31, 2018	June 30, 2018
		----- Rupees -----	
Receivable from Premium Knits	Common directorship	8,983	486,443

**13 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, 2018.

**14 DATE OF AUTHORIZATION FOR THE ISSUE**

The condensed interim financial information has been authorized for issue on **27th February, 2019** by the Board of Directors of the Company.

Karachi: 27<sup>th</sup> Feb, 2019



Chief Executive



Director



CFO