



**HALF YEARLY REPORT  
(UN-AUDITED)**

**Financial Statements  
For The Second Quarter  
Ended 31st Dec 2022**

# CONTENTS

02	REVIEW REPORTS TO THE MEMBERS	03	DIRECTORS' REPORT	06	STATEMENT OF FINANCIAL POSITION
07	PROFIT AND LOSS ACCOUNT	08	STATEMENT OF COMPREHENSIVE INCOME	09	STATEMENT OF CHANGES IN EQUITY
10	CASH FLOWS STATEMENT	11	NOTES TO THE FINANCIAL STATEMENTS		

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

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

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **M/s. Premium Textile Mills Limited** ("the Company") as at **December 31, 2022** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes thereto for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As part of our engagement, we were only required to review the cumulative figures for the six-month period ended December 31, 2022. Accordingly, we have not reviewed the figures in the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2022.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Muhammad Waseem**.

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

**Karachi**

**Date: February 28, 2023**  
**UDIN: RR202210213gsAXaYxED**



# DIRECTORS' REPORT

FOR THE 2nd QUARTER/ HALF YEAR ENDED 31st DECEMBER, 2022

Dear Members,

The Directors would like to present the accounts of the Company for Half year ended December 31st.,2022.

The overall Performance of the company is summarized below:

	July – Dec 2022	July – Dec 2021
Operating Profit	1,844,883,994	2,406,798,197
Financial & Others	(852,362,217)	(371,090,218)
Profit before Taxation	992,521,777	2,035,707,979
Taxation	(146,331,275)	(91,473,898)
Profit after Taxation	846,190,502	1,944,234,081
Earnings per share	137.30	315.47
Gross Margin %	20.92%	30.06%
Operating Profit %	17.59%	26.62%
Net Profit after tax%	8.07%	21.50%

## Operating Result

During the period under review, the company has made a profit of Rs. 846.191 million as compared to Rs1,944.234 million during the same period of last year. There is a reduction in Gross Margin by 9.14% and a decrease in Profit after Tax by 13.43% mainly due to a reduction in sales volume as well as a substantial increase in the cost of production. The raw material prices have shot up immensely due to country-wide floods in the second quarter. The Financial charges have increased due to an increase in short-term borrowings. There is an increase in rates of financial charges by 5.045% ( Sbp/Kibar rates). Distribution costs have decreased due to a decrease in Export freight charges.

## Future Outlook

This outlook needs to be broken into two portions :

- 1.International scenario
- 2.Local scenario

### International Scenario :

On the International front, the demand is coming back after COVID and we are seeing the stuck-up inventories gradually now reducing. On the other hand, the dollar rate has gone considerably up, thus lending favor to the inventory, therefore we hope the future will give better results.

### Local Scenario

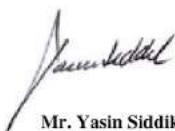
On the local side, things are very very uncertain, every day we see an increase in the price of raw materials like polyester, viscose, etc or we can see an increase in the price of inputs like Gas/ Electricity, fuel, and spare parts. Not to mention the difficulty in opening letters of credit to import spare parts. So the position is extremely fluid and makes it difficult to say anything certain.

We pray to The Almighty to grant stability to our nation which is our biggest asset.

## Acknowledgements

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 THE BOARD OF DIRECTORS



**Mr. Yasin Siddik**  
Executive Director



**Mr. Aslam Parekh**  
Director

**28th February 2023, Karachi**

## ڈائریکٹر کی رپورٹ

31 دسمبر 2022 کو ختم ہونے والے دوسرے سہ ماہی / نصف سال کے لئے

محترم ممبران

ڈائریکٹر 31 دسمبر 2022 کو ختم ہونے والے نصف سال کے لئے کمپنی کے اکاؤنٹس پیش کرنا چاہیں گے۔ کمپنی کی مجموعی کارکردگی کا خلاصہ ذیل میں میں دیا گیا ہے۔

جولائی - دسمبر	جولائی - دسمبر	
2021	2022	
2,406,798,197	1,844,883,994	آپریٹنگ منافع
(371,090,218)	(852,362,217)	مالیاتی اور دیگر
2,035,707,979	992,521,777	لیکسیشن ٹیکسیشن سے
(91,473,898)	(146,331,275)	پہلے منافع
1,944,234,081	846,190,502	ٹیکس کے بعد منافع
315.47	137.30	فی شیئر آمدنی
30.06%	20.92%	مجموعی مارجن %
26.62%	17.59%	آپریٹنگ منافع %
21.50%	8.07%	ٹیکس کے بعد منافع %

### آپریٹنگ منافع

زیر جائز مدت کے دوران کمپنی نے 2000 روپے کا منافع کمایا ہے۔ 846.191 جبکہ گزشتہ سال کی اسی مدت کے دوران 1,944,234 ملین روپے تھے۔ دوسرے سہ ماہی میں مجموعی مارجن میں 9.14 اور ٹیکس کے بعد منافع میں 13.43 کی کمی کے ساتھ ساتھ پیداواری گت میں خاطر خواہ اضافہ ہوا ہے مختصر مدت کے قرضوں میں اضافے کی وجہ سے مالیاتی چارجز بڑھ گئے ہیں۔ مالیاتی چارجز کی شرحوں میں 5.045% (Sbp/Kibor شرح) کا اضافہ ہوا ہے۔ برآمدی فریٹ چارجز میں کمی کی وجہ سے تقسیم کے اخراجات کم ہوئے ہیں۔

اس نقطہ نظر کو دو حصوں میں تقسیم کرنے کی ضرورت ہے۔

۱۔ باہمی منظر نامہ

۲۔ مقامہ منظر نامہ

باہمی منظر نامہ:


بین الاقوامی محاذ پر COVID کے بعد مانگ واپس آ رہی ہے اور ہم دیکھ رہے ہیں کہ پھنسے ہوئے انویسٹریوں کو اب آہستہ آہستہ کم ہوتا جا رہا ہے۔ دوسری طرف ڈالر کی شرح میں کافی اضافہ ہوا ہے اس طرح انویسٹری کے حق میں قرض دیا گیا ہے۔ لہذا ہم امید کرتے ہیں کہ مستقبل بہتر نتائج دے گا۔

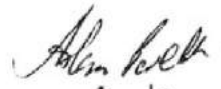
مقامی منظر نامہ مقامی طور پر چیزیں بہت غیر یقینی ہیں، ہر روز ہم پائلے سڑ، وہ سکوڑ وغیرہ جیسے خام مال کی قیمتوں میں اضافہ دیکھتے ہیں یا ہم گیس، بجلی، ایندھن، اسپریر پارٹس کی درآمد کے لئے لیٹر آف کریڈٹ کھولنے میں دشواری کی ذکر کرتے ہیں۔ لہذا پوزیشن انتہائی سیال ہے اور یقینی طور پر کچھ کہنا مشکل بناتا ہے۔  
اللہ سے دعا ہے کہ وہ ہماری قوم کو استحکام عطا فرمائے جو ہمارا سب سے بڑا اثاثہ ہے۔

### اعتراف

ہم اللہ کے شکر گزار ہیں۔ جس نے ہمارے قابل قدر شیئر ہولڈر کی توقعات پر پورا اترنے میں ہماری مدد کی، جنہوں نے ہم پر اعتماد کا مظہار کیا اور ایک سرشار محنتی انتظامیہ، عہدے کے ارکان اور کارکنوں کے لئے اپنی تعریف، بیکارڈ کراتے ہوئے بھی خوشی محسوس کرتے ہیں جس کے بغیر یہ نتائج دینا ہمارے لئے ممکن نہیں تھا۔ آپ کا پورے ہمارے قابل قدر صارفین، بینکرز کا بھی شکریہ ادا کرنا چاہے گا کہ انہوں نے کمپنی پر مسلسل اعتماد کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
محمد یاسین صدیق  
ایگزیکٹو ڈائریکٹر

  
اسلم پرچ  
ڈائریکٹر

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees	Rupees
<b>Non-current Assets</b>			
Property Plants' and Equipment	3	10,995,557,709	10,011,202,510
Long Term advances & deposits		41,379,981	19,323,290
Intangible Assets	4	11,199,011	
		11,048,136,701	10,030,525,800
<b>CURRENT ASSETS</b>			
Stores and spares		244,158,648	5,689,599,588
Stock-in-trade	5	9,825,164,170	5,689,599,588
Trade debts - net	6	3,572,307,152	4,466,962,934
Tax refunds due from Government	7	484,806,479	121,503,904
Advances, Deposit, & other receivables	8	662,912,910	138,880,056
Cash & bank balances	9	930,590,167	286,160,873
		15,719,939,526	10,911,928,436
<b>Total Assets</b>		26,768,076,227	20,942,454,236
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
7,000,000 (2021: 7,000,000) ordinary shares of Rs. 10/- each		70,000,000	70,000,000
<b>Issued, subscribed and paid-up capital</b>		61,630,000	61,630,000
Capital reserve			
Surplus on revaluation of plant and electrical instruments	10	1,181,050,932	1,246,125,234
Revenue reserve			
Unappropriated profits		7,603,407,207	7,000,291,403
<b>Total equity</b>		8,848,869,708	8,308,047,637
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term financing - secured	11	5,431,874,703	4,743,782,747
Deferred liabilities	12	1,338,974,790	1,198,268,756
		6,770,849,493	5,942,051,503
<b>Current liabilities</b>			
Trade and other payables	13	1,230,472,234	1,217,162,511
Unclaimed Dividend		9,795,193	9,795,974
Accrued Markup	14	339,707,944	149,164,863
Short term finance	15	8,912,673,948	4,745,077,327
Current portion of Long term loans	11	658,489,276	571,154,421
		11,391,779,186	6,692,355,096
<b>Contingencies &amp; commitments</b>	16		
<b>Total equity and liabilities</b>		26,768,076,227	20,942,454,236

The annexed notes from 1 to 25 form an integral part of these financial statements.

  
Director

  
Director

  
Chief Financial Officer



# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the half year and quarter ended December 31, 2022 (unaudited)

	Note	Half year ended		Quarter ended	
		December 31,	December 31,	December 31,	December 31,
		2022 Rupees	2021	2022 Rupees	2021
Sales - net	17	10,491,076,003	9,041,718,983	4,726,954,475	4,859,152,711
Cost of Sales	18	(8,295,897,292)	(6,324,082,052)	(4,202,916,341)	(3,524,484,350)
Gross Profit		2,195,178,711	2,717,636,931	524,038,134	1,334,668,361
Administration Expenses		(216,852,077)	(117,910,690)	(135,392,271)	(68,930,114)
Distribution Costs		(133,442,640)	(192,928,044)	(67,179,733)	(95,023,781)
		(350,294,717)	(310,838,734)	(202,572,004)	(163,953,895)
Operating Profit		1,844,883,994	2,406,798,197	321,466,130	1,170,714,466
Finance costs	19	(958,401,153)	(368,786,141)	(663,986,790)	(252,025,424)
Other operating expenses		(127,584,177)	(150,874,168)	(127,584,846)	(150,874,168)
Other income / (expenses) - net	20	233,623,113	148,570,091	73,525,846	127,873,718
		(852,362,217)	(371,090,218)	(718,045,121)	(275,025,874)
Profit/(Loss) before taxation		992,521,777	2,035,707,979	(396,578,991)	895,688,592
Taxation					
Current		(153,239,263)	(82,627,521)	(91,969,935)	(41,609,425)
Deferred		6,907,988	(8,846,377)	14,593,731	(7,580,008)
		(146,331,275)	(91,473,898)	(77,376,204)	(49,189,433)
Profit (Loss) after taxation		848,190,502	1,944,234,081	(473,955,195)	846,499,159
Earnings per share - basic and diluted		137.30	315.47	(76.90)	137.35

The annexed notes from 1 to 25 form an integral part of these financial statements.

  
Director

  
Director

  
Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

For the half year and quarter ended December 31, 2022 (unaudited)

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees			
Profit after taxation	846,190,502	1,944,234,081	(473,955,195)	846,499,159
<b>Others Comprehensive income</b>				
<i>Items that will not be reclassified subsequently to</i>				
<i>statement of profit or loss</i>				
Actuarial loss on defined benefit obligation	-	-	-	-
Revaluation increase during the year	-	-	-	-
<b>Total comprehensive income for the period (Unaudited)</b>	<b>846,190,502</b>	<b>1,944,234,081</b>	<b>(473,955,195)</b>	<b>846,499,159</b>

The annexed notes from 1 to 25 form an integral part of these financial statements.



Director



Director



Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

For the half year and quarter ended December 31, 2022 (unaudited)

Particulars	Issued, subscribed and paid up capital	Revenue Reserve		Capital Reserve	Total
		Unappropriated Profit	Surplus on revaluation of plant and equipment		
			Rupees		
<b>Balance as at June 30, 2021 (Audited)</b>	61,630,000	3,307,989,262	2,953,067		3,372,572,329
Total Comprehensive Income period ended Dec 30, 2021					
- Profit after taxation	-	1,944,234,081	-		1,944,234,081
- Other comprehensive (loss) / income	-	-	-		-
		1,944,234,081			1,944,234,081
Transfer to unappropriated profit on account of incremental depreciation	-	147,653	(147,653)		-
Revaluation surplus realized on disposal of fixed assets	-	-	-		-
Transactions with owners					
Final cash dividend paid @ 500% for the year ended June 30, 2021 (2020: 80%)	-	(308,150,000)	-		(308,150,000)
	-	-	-		-
		(308,150,000)			(308,150,000)
<b>Balance as at December 31, 2021 (Unaudited)</b>	61,630,000	4,944,220,996	2,805,414		5,008,656,410
<b>Balance at June 30, 2022 (Audited)</b>	61,630,000	7,000,291,403	1,246,126,234		8,308,047,637
Total comprehensive income for the period ended Dec 31, 2022					
- Profit after taxation	-	846,190,502	-		846,190,502
- Other comprehensive (loss) / income	-	-	-		-
	-	846,190,502	-		846,190,502
Transfer to unappropriated profit on account of incremental depreciation	-	62,160,575	(62,160,575)		-
Revaluation surplus realized on disposal of fixed assets	-	2,914,727	(2,914,727)		-
Final cash dividend paid @ 500% for the period ended Jun 30, 2022 (2021: 500%)	-	(308,150,000)	-		(308,150,000)
	-	(308,150,000)	-		(308,150,000)
<b>Balance as at Dec 31, 2022 (Unaudited)</b>	61,630,000	7,603,407,207	1,181,050,932		8,846,088,139

The annexed notes from 1 to 24 form an integral part of these financial statements.

  
Director

  
Director

  
Chief Financial Officer

# CASHFLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		December 31, 2022	Half year ended December 31, 2021
	Note	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit / (Loss) before taxation		992,521,777	2,035,707,979
Adjustments for non cash items:			
Depreciation		456,806,299	347,207,420
Gain on Disposal of Property, Plant and Equipment		(477,992)	(7,748,443)
Profit on Foreign Cotton Contracts		-	(46,452,249)
Provision for staff retirement benefits		25,466,135	19,115,517
Amortization of intangible assets		171,653	-
Amortization of deferred government grant		(84,267,395)	(48,878,270)
Provision for Workers' Profit Participation Fund		54,506,502	109,329,107
Provision for Workers' Welfare Fund		28,712,471	41,545,061
Unrealized Exchange Loss (Gain)		5,694,619	(41,672,407)
Financial cost		958,401,153	368,786,141
Operating profit before working capital changes		1,437,013,555	741,231,886
<b>Cash generated from operating activities before working capital changes</b>		<b>2,429,535,332</b>	<b>2,776,939,865</b>
Effect on cash flow due to working capital changes			
(Increase)/ Decrease in current assets			
Stores and spares		(35,337,597)	(36,287,045)
Stock in trade		(4,135,564,582)	(2,640,979,228)
Trade debts		888,961,163	(970,109,393)
Advances, Trade deposit, prepayment & other receivables		(524,032,854)	(61,150,012)
Sales Tax (refundable)/payable		(364,513,953)	(220,035,653)
Increase/ (Decrease) in current liabilities:			
Trade and other payables		186,090,750	356,051,772
		(3,984,397,043)	(3,572,509,559)
<b>Cash (Used in) / generated from operations</b>		<b>(1,554,861,711)</b>	<b>(793,569,694)</b>
Taxes paid		(152,027,885)	(76,796,985)
Staff retirement benefits	7.1	(9,085,476)	(4,651,486)
Payment of Workers' Profit Participation Fund		(349,735,715)	(97,366,229)
Finance cost paid		(508,286,934)	(257,955,955)
Long term advances and deposits - net		(2,056,691)	-
Net cash generated from operating activities		(2,354,726,108)	(1,232,340,349)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(1,448,582,417)	(593,553,498)
Acquisition of intangible assets		(11,370,664)	-
Proceeds from disposal of property, plant and equipment		7,898,821	23,826,920
<b>Net cash (outflow) from investing activities</b>		<b>(1,452,054,260)</b>	<b>(569,726,578)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Long term financing (principal portion)		(335,117,427)	(188,419,281)
Long term financing obtained		1,205,786,727	95,794,757
Short term borrowings - net		2,561,855,044	2,085,487,635
Dividend paid		(308,150,781)	(306,913,334)
<b>Net cash generated from financing activities</b>		<b>3,124,373,563</b>	<b>1,685,919,777</b>
Net (decrease) / increase in cash and cash equivalents		(923,735,109)	(116,147,150)
Cash and cash equivalents at the beginning of the year		(3,648,685,003)	(3,003,963,070)
Effect of movements in exchange rates on cash held		(37,577,174)	-
<b>Cash and cash equivalents at the end of the period</b>	21	<b>(4,618,017,286)</b>	<b>(3,120,110,220)</b>
<b>Cash and cash equivalents comprise of the following:</b>		<b>930,590,167</b>	<b>145,800,222</b>
Cash and Bank Balances		(5,548,687,453)	(3,265,910,442)
Short term Borrowings (maturing finance)		(4,618,017,286)	(3,120,110,220)

The annexed notes from 1 to 24 form an integral part of these financial statements.

Director

Director

Chief Financial Officer

**Notes to the Condensed Interim Financial Statements**  
For the half year and quarter ended December 31, 2022 (unaudited)

**1. STATUS AND NATURE OF BUSINESS**

**1.1** Premium Textile Mills Limited ('the Company') was incorporated in Pakistan on march 03, 1987 as a public listed company under the Companies Ordinance, 1984 (now repealed with the enactment of Companies Act, 2017 on may 30,2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing and sale of cotton and polyester yarn. During the period under review, the Company has established a Sock division which manufactures and sale Socks of different varieties.

**1.2** The address(s) of the company's registered office and the mill 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 unit is located at plot 58,60,61 & 76,77,78 Main Super Highway , Nooriabad , District Dadu (Sindh), Pakistan.

**2. BASIS OF PREPARATION OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS**

**2.1 Statement of compliance with the applicable accounting and reporting standards**

These Condensed Interim financial statements (here-in-after referred to as the "interim financial statements") have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise:

- International Accounting Standard (IAS) 34 'Interim Financial Reporting' , issued by the international accounting standards Board (IASB) as notified under the companies Act , 2017.
- Provisions of, and directives issued under, the Companies Act, 2017.

Where the provisions of, and directives issued under, the Companies Act, 2017 differ from the requirements of IAS-34 , the provisions of ,and directives issued under, the Companies Act, 2017 have been followed.

These interim financial statements do not include all the information and disclosure as required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2022.

**2.2 Basis of measurement**

In these interim financial statements, all items have been measured at their historical cost, except for plant and machinery and electrical instruments and installations which are carried at revalued amounts less accumulated depreciation and impairment loss thereon if any.

**2.3 Functional and presentation currency**

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

**2.4 Judgments and sources of estimation uncertainty**

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended June 30, 2022.

**2.5 Significant accounting policies**

The significant accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2022.

**3. PROPERTY, PLANT AND EQUIPMENT**

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees	Rupees
Operating fixed assets	3.1	9,954,584,673	7,985,418,970
Capital work in progress		1,040,973,036	2,025,783,540
		<u>10,995,557,709</u>	<u>10,011,202,510</u>



		(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>3.1 Operating fixed assets</b>	<i>Note</i>	Rupees	
Balance as at the beginning of the period / year		7,985,418,970	5,999,819,308
Add: Additions during the period / year		218,360,325	570,448,647
Transfers from Capital work in progress		2,215,032,596	903,086,710
	3.1.1	2,433,392,921	1,473,535,357
Revaluation surplus recognized		-	1,243,980,000
		2,433,392,921	2,717,515,357
		10,418,811,891	8,717,334,665
Less: Disposals during the period / year (at NBV)	3.1.1	(7,420,919)	(18,231,620)
Depreciation charge for the period / year		(456,806,299)	(713,684,075)
<b>Balance as at the end of the period / year</b>		<b>9,954,584,673</b>	<b>7,985,418,970</b>

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

	Half year ended December 31, 2022 (Un-audited)		Year ended June 30, 2022 (Audited)	
	Additions / Transfers	Disposals (at NBV)	Additions / Transfers	Disposals (at NBV)
	Rupees			
Freehold land	-	-	7,603,500	-
Building and godown on freehold land	248,644,314	-	182,710,099	-
Plant and machinery	1,639,649,971	4,225,981	834,163,694	11,048,041
Office, tools & other equipment	4,348,934	-	8,037,187	-
Furniture and fixtures	17,440,305	-	8,249,279	-
Computer and allied equipment	6,830,834	-	10,574,455	-
Vehicles	50,623,503	2,900,274	218,773,235	7,183,579
Electrical instruments and installation	465,855,060	294,664	203,423,908	-
	<b>2,433,392,921</b>	<b>7,420,919</b>	<b>1,473,535,357</b>	<b>18,231,620</b>

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>4. INTANGIBLE ASSETS</b>	<i>Note</i>	Rupees	
Intangible	4.1	11,370,664	-
Accumulated amortization	4.1	(171,653)	-
		<b>11,199,011</b>	<b>-</b>
<b>4.1 Intangible</b>			
Balance as at the beginning of the period / year		-	-
Add: Additions during the period / year		11,370,664	-
		11,370,664	-
Less: Disposals during the period / year		-	-
Amortization charged during the period / year		(171,653)	-
<b>Balance as at the end of the period / year</b>		<b>11,199,011</b>	<b>-</b>

4.1.1 This represent Softwares purchased for socks division launched by the Company during the period under review. The useful life of these intangible assets are between five to ten years determined on the basis of reliable estimates used by the management.

## 5. STOCK IN TRADE

Raw material			
- In hand	18.1	6,697,233,689	4,473,661,596
- In transit		1,281,340,412	818,893,344
		7,978,574,101	5,292,554,940
Work in process	18	244,828,028	140,141,739
Finished goods		1,562,508,759	219,738,944
Waste material		6,216,249	2,097,426
		1,568,725,008	221,836,370
Packing materials		33,037,033	35,066,539
		<b>9,825,164,170</b>	<b>5,689,599,588</b>

## 6. TRADE DEBTS - net

Local debtors - unsecured		3,359,982,110	4,037,091,157
Foreign debtors - secured		221,022,207	438,568,942
		3,581,004,317	4,475,660,099
Less: Provision for expected credit losses		(8,697,165)	(8,697,165)
		<b>3,572,307,152</b>	<b>4,466,962,934</b>

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
<b>7. TAX REFUNDS DUE FROM GOVERNMENT</b>			
Income tax refundable / adjustable	7.1	69,058,121	70,269,499
Sales tax refundable		415,748,358	51,234,405
		<u>484,806,479</u>	<u>121,503,904</u>
<b>7.1 Income tax refundable</b>			
Opening balance		70,269,499	159,768,633
Provision for current tax		(153,239,263)	(278,559,570)
Taxes deducted at source		152,027,885	203,630,163
Tax refund during the period / year		-	(14,569,727)
<b>Closing balance</b>		<u>69,058,121</u>	<u>70,269,499</u>
<b>8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>			
<i>Advances - unsecured</i>			
- Staff		20,737,769	18,906,979
- Suppliers		568,199,535	86,543,755
		<u>588,937,304</u>	<u>105,450,734</u>
<i>Deposits</i>			
- Security deposits		5,128,270	7,592,685
<i>Prepayments</i>			
- Insurance		41,591,801	563,053
<i>Other receivables - unsecured</i>			
- Duty drawback receivable	8.1	200,308	200,308
- Claims receivable		24,561,570	24,082,704
- Other receivables		2,493,657	990,572
		<u>27,255,535</u>	<u>25,273,584</u>
		<u>662,912,910</u>	<u>138,880,056</u>
<b>8.1</b> These represent claim receivable from suppliers in respect of weight shortage and quality problems.			
<b>9. CASH AND BANK BALANCES</b>			
Cash in hand		7,355,273	1,929,981
Cash with banks - current accounts		923,234,894	284,230,892
		<u>930,590,167</u>	<u>286,160,873</u>
<b>10. SURPLUS ON REVALUATION OF PLANT AND ELECTRICAL INSTRUMENTS</b>			
Opening balance		1,246,126,234	2,953,067
Revaluation increase during the period / year		-	1,243,980,000
Realized on disposal of assets		(2,914,727)	(238,471)
Incremental depreciation charged during the period / year		(62,160,575)	(568,362)
		<u>1,181,050,932</u>	<u>1,246,126,234</u>
<b>11. LONG TERM FINANCING - secured</b>			
<b>Bank Al-Habib Limited</b>			
- Long Term Finance Facility (LTFF)		1,609,256,986	1,687,970,674
- Long Term Finance Facility (TF)		478,263,725	-
- Refinance Scheme for Payment of Wages and salaries		-	55,970,110
- Temporary Economic Refinance Facility (TERF)		1,575,807,661	1,518,659,437
- Financing Scheme for Renewable Energy		153,148,681	136,987,190
<b>Bank Al-Falah Limited</b>			
- Long Term Finance Facility (LTFF)		629,711,547	684,907,046
- Temporary Economic Refinance Facility (TERF)		240,247,346	45,217,971
<b>Habib Bank Limited</b>			
- Long Term Finance Facility (LTFF)		453,795,431	476,708,158
<b>Meezan Bank Limited</b>			
- Long Term Finance Facility (LTFF)		442,498,241	471,821,121
- Islamic Temporary Economic Refinance Facility (ITERF)		165,216,260	155,465,078
<b>Habib Metropolitan Bank Limited</b>			
- Long Term Finance Facility (LTFF)		229,356,000	72,470,000
<b>Askari Bank Limited</b>			
- Long Term Finance Facility (LTFF)		113,062,101	8,760,383
		<u>6,090,363,979</u>	<u>5,314,937,168</u>

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
Current maturity shown under current liabilities		658,489,276	571,154,421
Non-current maturity shown under non-current liabilities		5,431,874,703	4,743,782,747
		<u>6,090,363,979</u>	<u>5,314,937,168</u>
<b>12. DEFERRED LIABILITIES</b>			
Deferred taxation on export debtors		35,718,231	42,626,219
Staff retirement benefits-defined benefits plan (gratuity)		138,549,051	122,168,372
Provision Gas Infrastructure Development Cess	12.2	256,498,186	237,488,178
Deferred income - Government grant		908,209,322	795,985,987
		<u>1,338,974,790</u>	<u>1,198,268,756</u>
<b>12.1 Staff retirement benefits-defined benefits plan (gratuity)</b>			
The Company operates an unfunded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2022, using the Projected Unit Credit Method.			
<b>12.1.1 Movement in defined benefit obligation</b>			
Opening defined benefit obligation		122,168,372	40,210,560
Current service cost		25,466,155	90,617,375
Interest cost		-	3,302,952
Benefits paid		(9,085,476)	(14,544,587)
Remeasurements		-	2,582,072
Closing defined benefit obligation		<u>138,549,051</u>	<u>122,168,372</u>
<b>12.1.2 Expense recognized in the statement of profit or loss</b>			
Current service cost		25,466,155	90,617,375
Interest cost on defined benefit obligation		-	3,302,952
		<u>25,466,155</u>	<u>93,920,327</u>
<b>12.2 Provision for Gas Infrastructure Development Cess</b>			
Opening balance		237,488,178	334,158,798
Effect of unwinding of the provision recognized during the period / year	19	19,010,008	30,838,827
Charge recognized in profit or loss		-	-
Effect of change in accounting estimate due to change of date of first installment		-	(127,509,447)
<b>Closing balance</b>		<u>256,498,186</u>	<u>237,488,178</u>
Current maturity shown under current liabilities		-	-
Non-current maturity shown under non-current liabilities		256,498,186	237,488,178
		<u>256,498,186</u>	<u>237,488,178</u>
<b>13. TRADE AND OTHER PAYABLES</b>			
Creditors		295,492,297	215,537,738
Accrued liabilities		412,173,938	324,833,458
Provision for gas rate difference		183,054,309	183,054,309
Provision for Sindh Infrastructure Cess		79,000,000	79,000,000
Advance from customers		37,378	204,578
Workers' Profits Participation Fund	13.1	54,063,408	247,556,906
Workers Welfare Fund	13.2	136,537,174	115,824,703
Withholding tax payable		30,491,579	26,104,679
Other payable		39,622,151	25,046,140
		<u>1,230,472,234</u>	<u>1,217,162,511</u>

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		Rupees	
<b>13.1 Workers' Profit Participation Fund</b>			
Opening balance		247,556,906	80,769,713
Add:			
- Charge for the period / year		54,506,502	247,556,906
- Interest accrued	19	101,735,715	16,596,516
		156,242,217	264,153,422
Less: Payment made during the period / year		(349,735,715)	(97,366,229)
		<u>54,063,408</u>	<u>247,556,906</u>
<b>13.2 Workers' Welfare Fund</b>			
Opening balance		115,824,703	59,397,605
Add: Contribution for the period / year		20,712,471	94,071,624
Less: Payment/adjustment during the period / year		-	(37,644,526)
		<u>136,537,174</u>	<u>115,824,703</u>
<b>14. ACCRUED MARKUP</b>			
Markup accrued on:			
- Long term financing facility		33,117,050	25,376,762
- Short term borrowings		306,590,894	123,788,101
		<u>339,707,944</u>	<u>149,164,863</u>
<b>15. SHORT TERM BORROWINGS - secured</b>			
<b>Bank Al-Habib Limited</b>			
- Running finance		5,290,877,473	3,761,705,130
- Istisna finance (Hypo)		135,800,000	135,800,000
-Export refinance		200,000,000	-
		<u>5,626,677,473</u>	<u>3,897,505,130</u>
<b>Meezan Bank Limited</b>			
- Running finance		243,505,852	-
- Istisna finance (Hypo)		499,450,050	200,616,750
- Istisna finance (Pledge)		1,049,679,591	473,794,701
		<u>1,792,635,493</u>	<u>674,411,451</u>
<b>MCB Islamic Bank Limited</b>			
- Financing Musharka		100,000,000	-
<b>Bank Al-Falah Limited</b>			
- Running finance		-	158,226,942
- Istisna finance (Pledge)		665,179,254	-
<b>Habib Bank Limited</b>			
- Running finance		-	14,933,804
<b>Habib Metro Bank Limited</b>			
- Istisna finance (Pledge)		621,957,600	-
-Export refinance		100,000,000	-
<b>Running Finance</b>			
- Istisna finance (Pledge)		6,224,128	-
		<u>8,912,673,948</u>	<u>4,745,077,327</u>
<b>16. CONTINGENCIES AND COMMITMENTS</b>			
<b>16.1 Contingencies</b>			
There has been no change in the status of contingencies as disclosed in annual financial statements of the Company for the year ended June 30, 2022.			

				(Un-audited) December 31, 2022	(Audited) June 30, 2022
				Rupees	
16.2	Commitments				
	Commitments in respect of capital expenditure			1,171,776,800	1,032,543,700
	Letter of credit to Sui Southern Gas Company Limited			96,171,100	77,900,000
	Letters of guarantee			447,138,874	269,642,340
	Letters of credit issued in respect of purchase of raw materials			1,502,223,300	3,578,773,100
		Half year ended		Quarter ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees			
17.	SALES - net				
	Local sales-net	285,601,364	147,731,479	151,876,026	72,713,220
	Export sales - indirect - net	8,234,597,611	6,867,131,728	3,910,811,679	3,786,093,644
	Export sales - direct -net	2,058,804,424	2,099,034,522	695,377,424	1,083,900,294
	Raw Material and wastage sales- net	59,412,373	35,090,406	54,047,241	4,289,281
		10,638,415,772	9,148,988,135	4,812,112,370	4,946,996,439
	Commission and brokerage	(146,153,843)	(101,484,479)	(84,395,103)	(86,094,348)
	Discount and claims	(1,185,926)	(5,784,673)	(762,792)	(1,749,380)
		(147,339,769)	(107,269,152)	(85,157,895)	(87,843,728)
		10,491,076,003	9,041,718,983	4,726,954,475	4,859,152,711
18.	COST OF SALES				
	Raw materials consumed	18.1 7,837,096,097	4,999,427,624	3,819,839,981	2,794,296,033
	Stores and spares consumed	280,969,296	174,013,342	188,482,569	99,161,498
	Packing materials consumed	130,456,031	106,002,268	54,012,195	61,300,942
	Conversion costs	18.2 1,490,321,956	1,166,977,272	813,127,787	616,454,317
		9,738,843,380	6,446,420,506	4,875,462,532	3,571,212,790
	Work in process:				
	- Opening stock	140,141,739	91,552,737	198,041,248	154,532,955
	- Closing stock	(244,828,028)	(137,345,933)	(244,828,028)	(137,345,933)
		(104,686,289)	(45,793,196)	(46,786,780)	17,187,022
	Cost of goods manufactured	9,634,157,091	6,400,627,310	4,828,675,752	3,588,399,812
	Cost of goods purchased for sale	8,556,826	19,675,132	8,556,826	(389,834)
	Yarn Dyeing / Rewinding	72,013	1,571,522	72,013	1,571,522
	Opening stock of finished goods and waste material	221,836,370	339,689,912	934,336,758	372,384,674
	Cost of goods available for sale	9,864,622,300	6,761,563,876	5,771,641,349	3,961,966,174
	Closing stock of finished goods and waste material	(1,568,725,008)	(437,481,824)	(1,568,725,008)	(437,481,824)
	Cost of goods sold	8,295,897,292	6,324,082,052	4,202,916,341	3,524,484,350
18.1	Raw materials consumed				
	Opening stock - in hand	4,473,661,596	2,841,951,125	7,317,580,750	3,869,484,120
	Purchases	10,069,225,016	7,693,295,244	3,208,049,746	4,440,565,695
		14,542,886,612	10,535,246,369	10,525,630,496	8,310,049,815
	Sale of raw materials	(8,556,826)	(19,675,132)	(8,556,826)	389,834
	Closing stock - in hand	(6,697,233,689)	(5,516,143,613)	(6,697,233,689)	(5,516,143,616)
		7,837,096,097	4,999,427,624	3,819,839,981	2,794,296,033
18.2	Conversion costs				
	Salaries, wages and other benefits	596,532,705	430,910,322	349,900,536	225,278,363
	Fuel and power	407,536,374	362,227,016	197,358,576	195,239,732
	Depreciation	413,617,854	310,230,566	228,735,218	161,423,223
	Insurance	30,532,307	19,330,624	15,739,778	12,326,233
	Vehicle running and maintenance	19,574,583	9,210,496	9,621,943	4,837,341
	Repairs and maintenance	6,802,612	24,239,691	4,060,970	13,668,545
	Water charges	5,941,053	5,706,300	2,951,250	2,927,325
	Other manufacturing expenses	9,784,468	5,122,257	4,759,516	753,555
		1,490,321,956	1,166,977,272	813,127,787	616,454,317



	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees			
<b>19. FINANCE COSTS</b>				
Markup and interest charges on:				
- Long term finances	186,019,666	103,714,762	143,248,505	73,709,101
- Short term borrowings	548,818,989	178,326,339	335,626,767	112,238,678
- Workers' Profit Participation Fund	101,735,715	16,596,516	101,735,715	16,596,516
Unwinding of Gas Infrastructure Cess Provision	19,010,008	15,079,183	19,010,008	15,079,183
Mark up on letter of credits	64,957,127	36,503,881	45,091,866	23,671,759
Bank charges on export receipts	15,134,885	10,029,070	1,066,441	5,943,161
Bank charges	22,724,763	8,536,390	18,207,488	4,787,026
	<u>958,401,153</u>	<u>368,786,141</u>	<u>663,986,790</u>	<u>252,025,424</u>
<b>20. OTHER INCOME / (EXPENSES) - net</b>				
Exchange gain/ (loss) on export receivables:				
- Realized	90,997,694	41,672,407	7,519,156	214,621,114
- Unrealized	(5,694,619)	3,818,722	(5,694,619)	3,818,722
	<u>85,303,075</u>	<u>45,491,129</u>	<u>1,824,537</u>	<u>25,280,836</u>
Unrealized exchange (Loss) on bank balance	(37,577,174)	-	(37,577,174)	-
Realized gain on dealing in foreign commodity markets	-	46,452,249	-	46,452,249
Realized exchange gain on import of fixed assets and raw material	101,107,635	-	26,400,943	-
Amortization of deferred government grant	84,267,395	48,878,270	84,267,395	48,878,270
Gain on disposal of operating fixed assets	477,902	7,748,443	(1,434,135)	7,262,363
Others	44,280	-	44,280	-
	<u>233,623,113</u>	<u>148,570,091</u>	<u>73,525,846</u>	<u>127,873,718</u>
<b>21. CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:				
			(Un-audited) December 31, 2022	(Audited) June 30, 2022
			Rupees	
	Note			
Cash and bank balances	9	930,590,167		286,160,873
Short term borrowings - running finance	15	(5,540,607,453)		(3,934,865,876)
		<u>(4,610,017,286)</u>		<u>(3,648,705,003)</u>

## 22. OPERATING SEGMENT RESULTS (UNAUDITED)

During the period under review, the Company has established a Socks division. Pre commissioning costs relating to this division are classified under Other Operating expenses. The division has started its operations from November 2022. All the relevant costs incurred subsequent to the operations have been presented as part of operating results of the respective division.

	Spinning				Socks				Premium Textile Mills Limited			
	Half Year ended		Quarter ended		Half Year ended		Quarter ended		Half Year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Sales - net	10,475,914,798	9,041,718,983	4,711,793,270	4,859,152,711	15,161,205	-	15,161,205	-	10,491,076,003	9,041,718,983	4,726,954,475	4,859,152,711
Cost of sales	(8,225,143,146)	(6,324,082,052)	(4,174,787,847)	(3,524,484,350)	(70,754,146)	-	(70,754,146)	-	(8,295,897,292)	(6,324,082,052)	(4,202,916,341)	(3,524,484,350)
Gross profit	<u>2,250,771,652</u>	<u>2,717,636,931</u>	<u>537,005,423</u>	<u>1,334,668,361</u>	<u>(55,592,941)</u>	<u>-</u>	<u>(55,592,941)</u>	<u>-</u>	<u>2,195,178,711</u>	<u>2,717,636,931</u>	<u>524,038,134</u>	<u>1,334,668,361</u>
Administrative expenses	(197,938,475)	(117,910,690)	(116,478,669)	(68,930,114)	(18,913,602)	-	(18,913,602)	-	(216,852,077)	(117,910,690)	(135,392,271)	(68,930,114)
Distribution costs	(127,219,722)	(192,928,044)	(60,956,815)	(95,023,781)	(6,222,918)	-	(6,222,918)	-	(133,442,640)	(192,928,044)	(67,179,733)	(95,023,781)
Operating Results	<u>1,925,613,455</u>	<u>2,406,798,197</u>	<u>359,569,939</u>	<u>1,170,714,466</u>	<u>(80,729,461)</u>	<u>-</u>	<u>(80,729,461)</u>	<u>-</u>	<u>1,844,883,994</u>	<u>2,406,798,197</u>	<u>321,466,130</u>	<u>1,170,714,466</u>

	Spinning		Sock		Premium Textile Mills Limited	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022
Segment Assets	24,705,261,895	20,942,454,236	2,062,814,332	-	26,768,076,227	20,942,454,236
Unallocated Assets	-	-	-	-	-	-
Segment Liabilities	15,716,866,453	12,634,406,599	2,205,121,635	-	17,921,988,088	12,634,406,599
Unallocated Liabilities	-	-	-	-	-	-

Note: Inter unit current account balances of respective businesses have been eliminated from the total.

## 23. FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market.

Level 2: Valuation techniques based on observable inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Presently, items in the financial statements that are carried at fair value are plant and machinery and electrical installations. The Company engages an independent external valuer to carry out a fresh revaluation of these operating fixed assets to ensure that their carrying amounts in the financial statements do not differ materially from that which would be determined using fair value at the end of the reporting period. Such valuation usually involves the use of observable and unobservable inputs; however, the weightage of observable inputs used is considered as significant. Accordingly, the Company classifies the aforesaid classes of operating fixed assets within Level 2 of the fair value hierarchy.

The management considers that the carrying amount of all other assets and liabilities recognised in the financial statements approximate their fair value.

## 24. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of key management personnel of the Company and directors and their close family members. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment. Transactions entered into and balances held, with related parties during the period / year, are as follows:

	Half year ended		Quarter ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees			
<b>Transactions during the period:</b>				
<b>Premium Knits</b> (Associate by virtue of common directorship)				
Sales of goods during the period	190,393,911	30,046,110	95,196,956	30,046,110
<b>Pinnacle Fibre (Pvt) Ltd.</b> (Associate by virtue of common directorship)				
Purchase of goods during the period	258,878,282	243,459,258	75,575,344	120,314,035
<b>Balances outstanding at year end:</b>			(Un-audited) December 31, 2022	(Audited) June 30, 2022
			Rupees	
<b>Premium Knits</b>				
Trade receivable			-	263,790,117
Trade Payables			-	-
<b>Pinnacle Fibre (Pvt) Ltd.</b>				
Trade receivable			-	-
Trade Payables			-	7,845,123

**25. GENERAL**

**25.1 Non - adjusting event after the balance sheet date**

The Board of Directors in their meeting held February 28 2023, approved an interim cash dividend of Rs.Nil/- per share . These interim financial statements do not reflect this appropriation.

**25.2 Date of authorization for issue of the condensed interim financial statements**

These interim financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on **February 28.2023**.

**25.3 Level of rounding**

In these interim financial statements, figures have been rounded off to the nearest rupee.



Director



Director



Chief Financial Officer

As required u/s 232 of the Companies Act, 2017, these interim financial statements have been signed by two directors and CFO, as the Chief Executive Officer is out of country.

# **UNDER POSTAL CERTIFICATE**

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