



PREMIUM  
TEXTILE  
MILLS



**QUARTERLY REPORT  
(UN-AUDITED)**

**Financial Statements**

**For The Third Quarter Ended  
31st Mar 2023**

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# DIRECTORS' REPORT

## FOR THE 3rd QUARTER ENDED 31st MARCH, 2023

Dear Members,

The Directors would like to present the accounts of the Company for the 3rd quarter ended March 31st, 2023.

The overall Performance of the company is summarized below:

	March 2023	March 2022
Net Turnover	16,483,665,418	14,912,106,637
Gross profit	2,909,810,690	4,614,934,709
Operating Profit	2,380,620,658	4,157,623,323
Financial & Others	(1,167,136,284)	(371,444,565)
Profit before Taxation	1,213,484,374	3,786,178,758
Taxation	(233,305,948)	(152,812,898)
Profit after Taxation	980,178,426	3,633,365,860
Earnings per share	159.04	589.55
Gross Margin %	17.65%	30.95%
Operating Profit %	14.44%	27.88%
Profit after Tax %	5.94%	24.37%

## Operating Result

During the period under review, the company has made a profit of Rs. 980.178 million as compared to Rs.3,633.365 million during the same period of last year. Net Turnover showed an increase of 1,571.559 million due to increase in selling prices. There is decrease in gross profit by 13.30% due to higher cost of raw material and other inputs. The net profit after tax has decreased by 18.43% due to increased cost of sales and administrative expenses. The financial charges have increased due to increase in kibar/sbp rates.

Our cotton crop has been reduced to half, therefore in order to run the whole industry, we will need to import raw cotton and polyester etc. Where and how will we arrange the foreign exchange for all these activities.

On the other side, we hope the discount rates will soon come down to normal levels so that businesses can function comfortably and additional burden can be reduced.

Despite the odds, we are hopeful Inshaallah that the last quarter will still be profitable as yarn prices are still supportive.

## Future Outlook

Cotton yarn exports registered a negative growth of 36.92% in July-March 2023, remaining at \$573.084 million compared to \$908.487 million during the same period last year. High cost of financing and high inflation also had a serious impact on the results.

The future outlook has become uncertain due to the political instability and uncertainty.

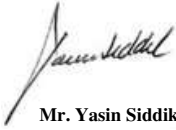
Questions like:

We will have to regain the trust of our buyers to place their orders in Pakistan and will we get the space to freely open letters of credit for raw materials and spares.

## 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 thank our valued customers, bankers for their continued trust in the company.

**ON BEHALF OF THE BOARD OF DIRECTORS**



**Mr. Yasin Siddik**  
Executive Director



**Lubna Asif Balagamwala**  
Director

**27th April 2023, Karachi**

## ڈائریکٹرز رپورٹ

برائے اختتامہ مدت 31 مارچ 2023

محترم ممبران!

کمپنی کے ڈائریکٹران مالیاتی گوشوارے برائے اختتامہ مدت 31 مارچ 2023 پیش کرتے ہوئے اظہار سرت کرتے ہیں۔

کمپنی کی مجموعی کارکردگی کا خلاصہ درج ذیل ہے:

مارچ 2022	مارچ 2023	
روپے	روپے	
14,912,106,637	16,483,665,418	خالص فروخت
4,614,934,709	2,909,810,690	خام منافع
4,157,623,323	2,380,620,658	کاروباری منافع
(371,444,565)	(1,167,136,284)	مالیاتی و دیگر اخراجات
3,786,178,758	1,213,484,374	منافع قبل از ٹیکس
(152,812,898)	(233,305,948)	ٹیکس
3,633,365,860	980,178,426	منافع بعد از ٹیکس
589.55	159.04	فی حصص آمدن
30.95%	17.65%	خام منافع کی شرح
27.88%	14.44%	کاروباری منافع کی شرح
24.37%	5.94%	منافع بعد از ٹیکس کی شرح

### کاروباری نتائج

زیر جائزہ مدت کے دوران کمپنی کا منافع 980.178 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 3,633.365 ملین روپے تھا۔ خالص فروخت میں 1,571.559 ملین روپے کا اضافہ ہوا جس کی وجہ قیمت فروخت میں اضافہ تھا۔ خام منافع میں 13.30 فیصد کمی ہوئی جس کی وجہ خام مال اور دیگر لاگوں میں اضافہ تھا۔ خالص منافع بعد از ٹیکس میں 18.43 فیصد کمی ہوئی جس کی وجہ فروخت اور انتظامی اخراجات میں اضافہ تھا۔ مالیاتی اخراجات میں KIBOR/SBP کے نرخوں میں اضافہ کی وجہ سے اضافہ ہوا۔

### مستقبل کا منظر نامہ

جولائی تا مارچ 2023 کے دوران کپاس کے سوت کی برآمدات میں 36.92 فیصد کمی مضمی ہوئی جو کہ 573.084 ملین ڈالر رہیں جبکہ گزشتہ سال اسی مدت میں 908.487 ملین ڈالر تھیں۔ قرضوں کی بلند لاگت اور بلند افراط زر نے بھی مالیاتی نتائج پر شدید اثرات مرتب کئے۔

مستقبل کا منظر نامہ سیاسی عدم استحکام اور غیر یقینی صورتحال کی وجہ سے غیر یقینی ہے۔

سوالات جیسے کہ:

☆ ہم نے اپنے خریداروں کا اعتماد بحال کرنا ہے تاکہ وہ پاکستان میں آرڈر دیں اور ہم آزادی کے ساتھ خام مال اور فاضل پرزوں کے لئے لیٹر آف کریڈٹس کھول پائیں گے۔

☆ ہماری کپاس کی فصل کم ہو کر آدھی رہ گئی ہے لہذا مکمل صنعت کو چلانے کے لئے ہمیں خام کپاس اور پولیسٹر وغیرہ کو درآمد کرنے کی ضرورت ہوگی، ہم کس طرح اور کہاں سے ان سرگرمیوں کے لئے زرمبادلہ کا اہتمام کریں گے۔

جبکہ دوسری جانب ہم امید کرتے ہیں کہ رعایتی نرخ جلد ہی نارمل سطح تک آ جائیں گے جس سے کاروبار کو پرسکون طریقے سے چلایا جاسکے گا اور اضافی بوجھ کو کم کیا جاسکے گا۔

پریشانیوں کے باوجود ہم پر امید ہیں کہ انشاء اللہ آخری سہ ماہی بھی منافع بخش رہے گی کیونکہ سوت کی قیمتیں اب بھی معاون ہیں۔

اعتراف

ہم اللہ رب العزت کے شکرگزار ہیں جس کی مدد سے ہم اپنے قابل قدر حصص یافتگان کی توقعات پر پورا اترے جنہوں نے ہم پر اپنے اعتماد کا اظہار کیا اور اس کے ساتھ ساتھ اپنی انتظامیہ، عملہ کے ممبران اور ملازمین کی انتھک محنت پر ان کے لئے ستائش ریکارڈ پر لانا چاہتے ہیں جس کے بغیر ہمارے لئے ان نتائج کا حاصل کرنا ممکن نہیں تھا۔ آپ کا بورڈ اپنے قابل قدر گاہکوں، بیکاروں کے کٹہنی پر مسلسل اعتماد پر ان کا مشکور ہے۔

مناجیب بورڈ آف ڈائریکٹرز

*Lubna Asif*

لبنی آصف بالا گام والا  
ڈائریکٹر

*Muhammad Siddique*

محمد یاسین صدیق  
ایگزیکٹو ڈائریکٹر

27 اپریل 2023ء، کراچی

# Premium Textile Mills Limited

## Condensed Interim Statement of Financial Position

As at March 31, 2023

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	—————Rupees—————	
<b>ASSETS</b>		
<b>Non- current assets</b>		
Property, plant and equipment	11,301,542,719	10,011,202,510
Long term advances and deposits	31,259,023	19,323,290
Intangible assets	10,918,881	-
	<u>11,343,720,623</u>	<u>10,030,525,800</u>
<b>Current assets</b>		
Stores and spares	360,196,356	208,821,081
Stock in trade	8,493,407,731	5,689,599,588
Trade debts - net	4,519,989,849	4,466,962,934
Tax refunds due from Government	53,442,858	121,503,904
Advances, deposits and other receivables	373,291,264	138,880,056
Cash and bank balances	1,460,647,289	286,160,873
	<u>15,260,975,347</u>	<u>10,911,928,436</u>
<b>Total assets</b>	<u><u>26,604,695,970</u></u>	<u><u>20,942,454,236</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<i>Authorized capital</i>		
7,000,000 (2021: 7,000,000) ordinary shares of Rs. 10/- each	<u>70,000,000</u>	<u>70,000,000</u>
Issued, subscribed and paid-up capital	61,630,000	61,630,000
<i>Capital reserve</i>		
Surplus on revaluation of plant and electrical instruments	1,149,970,644	1,246,126,234
<i>Revenue reserve</i>		
Unappropriated profits	7,768,475,419	7,000,291,403
<b>Total equity</b>	<u>8,980,076,063</u>	<u>8,308,047,637</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Long term financing - secured	5,659,458,751	4,743,782,747
Deferred liabilities	1,352,345,862	1,198,268,756
	<u>7,011,804,613</u>	<u>5,942,051,503</u>
<b>Current liabilities</b>		
Trade and other payables	1,517,963,371	1,217,162,511
Unclaimed dividend	9,770,974	9,795,974
Accrued markup	479,623,611	149,164,863
Short term borrowings - secured	7,907,732,549	4,745,077,327
Current maturity of long term financing	697,724,789	571,154,421
	<u>10,612,815,294</u>	<u>6,692,355,096</u>
<b>Contingencies and commitments</b>		
<b>Total equity and liabilities</b>	<u><u>26,604,695,970</u></u>	<u><u>20,942,454,236</u></u>

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

  
Director

  
Director

  
Chief Financial Officer

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

## Premium Textile Mills Limited

### Condensed Interim Statement of Profit or Loss

For the Third quarter ended March 31, 2023 (unaudited)

	Nine month ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees		Rupees	
Sales - net	16,483,665,418	14,912,106,637	5,992,589,415	5,870,387,654
Cost of sales	(13,573,854,728)	(10,297,171,928)	(5,277,957,436)	(3,973,089,876)
<b>Gross profit</b>	<b>2,909,810,690</b>	4,614,934,709	<b>714,631,979</b>	1,897,297,778
Administrative expenses	(321,692,178)	(197,268,884)	(104,840,101)	(79,358,194)
Distribution costs	(207,497,854)	(260,042,502)	(74,055,214)	(67,114,458)
	(529,190,032)	(457,311,386)	(178,895,315)	(146,472,652)
<b>Operating profit</b>	<b>2,380,620,658</b>	4,157,623,323	<b>535,736,664</b>	1,750,825,126
Finance costs	(1,469,763,287)	(565,006,853)	(511,362,134)	(196,220,712)
Other operating expenses	(127,584,177)	(150,874,168)	-	-
Other income / (expenses) - net	430,211,180	344,436,456	234,253,801	195,866,365
	(1,167,136,284)	(371,444,565)	(277,108,333)	(354,347)
<b>Profit / (Loss) before taxation</b>	<b>1,213,484,374</b>	3,786,178,758	<b>258,628,331</b>	1,750,470,779
<b>Taxation</b>				
- Current	(232,482,397)	(135,388,863)	(79,243,134)	(52,761,342)
- Deferred	(823,551)	(17,424,035)	(7,731,539)	(8,577,658)
	(233,305,948)	(152,812,898)	(86,974,673)	(61,339,000)
<b>Profit / (Loss) after taxation</b>	<b>980,178,426</b>	3,633,365,860	<b>171,653,658</b>	1,689,131,779
<b>Earnings / (Loss) per share - basic and diluted</b>	<b>159.04</b>	589.55	<b>27.85</b>	274.08

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Director

  
Director

  
Chief Financial Officer

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## Premium Textile Mills Limited

### Statement of Comprehensive Income

For the Third quarter ended March 31, 2023 (unaudited)

	Nine month ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	—————Rupees—————			
Profit / (Loss) after taxation	<b>980,178,426</b>	3,633,365,860	171,653,658	1,689,131,779
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>				
Actuarial loss on defined benefit obligation	-	-	-	-
Revaluation increase during the year	-	-	-	-
<b>Total comprehensive income / (Loss) for the period (Unaudited)</b>	<b><u>980,178,426</u></b>	<u>3,633,365,860</u>	<u>171,653,658</u>	<u>1,689,131,779</u>

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## Premium Textile Mills Limited

### Statement of Changes in Equity

For the Third quarter ended March 31, 2023 (unaudited)

	Issued, subscribed and paid up capital	Revenue reserve Unappropriated profits	Capital reserve Surplus on revaluation of plant and equipment	Total
	Rupees			
<b>Balance as at June 30, 2021 (Audited)</b>	61,630,000	3,307,989,262	2,953,067	3,372,572,329
<i>Total comprehensive income for the period ended Dec 30, 2021</i>				
- Profit after taxation	-	3,633,365,860	-	3,633,365,860
- Other comprehensive income	-	-	-	-
	-	3,633,365,860	-	3,633,365,860
Transfer to unappropriated profit on account of incremental depreciation	-	221,480	(221,480)	-
Revaluation surplus realized on disposal of fixed assets	-	-	-	-
Final cash dividend paid @ 500% for the year ended June 30, 2021 (2020: 80%)	-	(308,150,000)	-	(308,150,000)
Interim Dividend @500% for Jun 30,2022	-	(308,150,000)	-	(308,150,000)
	-	(616,300,000)	-	(616,300,000)
<b>Balance as at March 31, 2022 (Unaudited)</b>	<b>61,630,000</b>	<b>6,325,276,602</b>	<b>2,731,587</b>	<b>6,389,638,189</b>
<b>Balance as at June 30, 2022 (Audited)</b>	<b>61,630,000</b>	<b>7,000,291,403</b>	<b>1,246,126,234</b>	<b>8,308,047,637</b>
<i>Total comprehensive income for the period ended Mar 31, 2023</i>				
- Profit after taxation	-	980,178,426	-	980,178,426
- Other comprehensive income	-	-	-	-
	-	980,178,426	-	980,178,426
Transfer to unappropriated profit on account of incremental depreciation	-	93,240,863	(93,240,863)	-
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 Mar 31, 2023 (Unaudited)</b>	<b>61,630,000</b>	<b>7,768,475,419</b>	<b>1,149,970,644</b>	<b>8,980,076,063</b>

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

  
Director

  
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# Premium Textile Mills Limited

## Condensed Interim Statement of Cash Flows

For the Third quarter ended March 31, 2023 (unaudited)

	Nine Month ended	
	March 31, 2023	March 31, 2022
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,213,484,374	3,786,178,758
<i>Adjustments for non cash and other items:</i>		
- Depreciation	724,752,818	527,808,576
- Gain on disposal of property, plant and equipment	(490,228)	(11,049,554)
- Profit on foreign cotton contracts	(142,507,386)	(235,305,495)
- Provision for staff retirement benefits	39,093,837	29,629,761
- Amortization of intangible assets	451,783	-
- 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	20,712,471	41,545,061
- Unrealized exchange loss (gain)	5,694,619	-
- Finance costs	1,469,763,287	565,006,853
	<u>2,087,710,308</u>	<u>978,086,039</u>
<b>Cash generated from operating activities before working capital changes</b>	<b>3,301,194,682</b>	<b>4,764,264,797</b>
<b>Effect on cash flow due to working capital changes</b>		
<i>(Increase) / decrease in current assets</i>		
- Stores and spares	(151,375,275)	(3,711,719)
- Stock in trade	(2,803,808,143)	(2,248,957,581)
- Trade debts	(58,721,534)	(2,004,071,017)
- Advances, deposits and other receivables	(234,411,208)	(370,786,499)
- Sales tax refundable / payable	59,279,055	40,809,299
	<u>473,491,853</u>	<u>334,355,591</u>
<i>Increase / (decrease) in current liabilities</i>		
- Trade and other payables	(2,715,545,252)	(4,252,361,926)
	<u>585,649,430</u>	<u>511,902,871</u>
<b>Cash used in operations</b>	<b>223,700,406</b>	<b>(121,758,121)</b>
- Taxes paid	(19,898,580)	(6,739,041)
- Staff retirement benefits	(349,735,715)	(97,366,229)
- Payment of Workers' Profit Participation Fund	(841,984,121)	(457,479,825)
- Finance cost paid	(11,935,733)	-
- Long term advances and deposits - net	(861,605,125)	(171,440,345)
<b>Net cash used in operating activities</b>	<b>(2,022,513,946)</b>	<b>(744,053,785)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- Acquisition of property, plant and equipment	(11,370,664)	-
- Acquisition of intangible assets	4,336,800	17,275,000
- Insurance claim receivable	7,911,147	23,056,800
- Proceeds from disposal of property, plant and equipment	(2,021,636,663)	(703,721,985)
<b>Net cash used in investing activities</b>	<b>(2,021,636,663)</b>	<b>(703,721,985)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
- Repayment of Long term financing (principal portion)	(448,309,027)	(281,826,740)
- Long term financing obtained	1,609,618,079	524,384,255
- Short term borrowings - net	1,792,505,372	-
- Dividend paid	(308,175,000)	(530,000,680)
<b>Net cash generated from financing activities</b>	<b>2,645,639,424</b>	<b>(287,443,165)</b>
Net decrease in cash and cash equivalents	(237,602,364)	(1,162,605,495)
Cash and cash equivalents at the beginning of the period / year	(3,648,705,003)	(3,003,963,070)
Effect of movements in exchange rates on cash held	41,938,930	-
<b>Cash and cash equivalents at the end of the period / year</b>	<b>(3,844,368,437)</b>	<b>(4,166,568,565)</b>
<b>Cash and cash equivalents comprise of the following:</b>		
Cash and Bank Balances	1,460,647,289	227,211,990
Short term Borrowings (running finance)	(5,305,015,726)	(4,393,780,555)
	<u>(3,844,368,437)</u>	<u>(4,166,568,565)</u>

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

  
Director

  
Director

  
Chief Financial Officer

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**SELECTED EXPLANATORY NOTES TO THE ACCOUNTS FOR THE THIRD QUARTER ENDED MARCH 31, 2023**

**1) THE COMPANY & ITS OPERATION**

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 Socks division which manufactures and sells Socks of different varieties.

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.

**5) 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:

	<b>NINE MONTH JUL'22-MAR'23 2023 Rupees</b>	<b>NINE MONTH JUL'21-MAR'22 2022 Rupees</b>
<b>PREMIUM KNITS</b>		
Sales of goods during the period	<u>190,393,911</u>	<u>146,024,081</u>
Outstanding balance due as at Mar 31,	<u>-</u>	<u>154,289,124</u>
<b><u>PINNACLE FIBRE (PVT) LTD.</u></b>		
Purchase of goods during the period	<u>258,878,282</u>	<u>399,549,089</u>
Outstanding balance due as at Mar 31,	<u>-</u>	<u>61,898,089</u>

**6) AUTHORISATION FOR ISSUE**

These accounts have been authorised for issue on **April 27, 2023** by the Board of Directors of the Company.

- 7) 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 third quarter financial statements have been signed by two directors and CFO, as the Chief Executive Officer is out of country.

# **UNDER POSTAL CERTIFICATE**

## **BOOK POST PRINTED MATTER**



If undeliverable please return to:

**PREMIUM TEXTILE MILLS LIMITED**

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