



N.P. SPINNING MILLS LIMITED

Manufacturers, Spinners and Exporters of Cotton / Polyester Yarn
and Textile All Sorts

MILLS

1.5 Km. Lallyani Road,
Opp. Raiwind Grid Station, Raiwind.
Phone: 042-35391557-8

HEAD OFFICE:

703, Uni-Tower, I.I. Chundrigar Road, Karachi-Pakistan.
Phone: (92-21) 32427202-5
Fax : (92-21) 32427210
E-mail: info@npsm.com.pk, np.purchase@gmail.com

SECY/PSX/18

October 30, 2018

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi-74000.

**SUB: INTERIM FINANCIAL INFORMATION FOR
THE QUARTER ENDED SEPTEMBER 30, 2018**

Dear Sir,

In compliance with PSX Regulations, we would like to inform you that the Board of Directors of the Company, in its meeting held on October 30, 2018 considered and approved the un-audited interim financial information for the quarter ended September 30, 2018.

Complete financial information of the Company for the period as approved by the Board of Directors at the aforesaid meeting with comparative figures of corresponding period last year is enclosed herewith.

Thanking you.

Yours faithfully,
For N. P. Spinning Mills Limited,


(Muhammad Siddique)
Company Secretary

Encl: as above.

**CONDENSED INTERIM
FINANCIAL INFORMATION**

For the First Quarter ended

SEPTEMBER 30, 2018

(Un-Audited)



N. P. Spinning Mills Limited

PRINTED MATTER
Book Post Under Postal Certificate

If undelivered, please return to:

N. P. Spinning Mills Limited

703, Uni Tower, I, Chundrigar Road, Karachi.

Phones: (92-021) 32427202-05 (4 lines)

E-mail: info@npsm.com.pk Fax: (92-021) 32427210

Website: www.npsm.com.pk

N. P. SPINNING MILLS LIMITED

DIRECTORS' REPORT

The Directors have the pleasure of presenting before you the condensed (un-audited) interim financial information for the quarter ended September 30, 2018.

Financial Results:

The financial results of the Company for the period under review are discouraging. Sales for the period amounted to Rs.10.571 million, compared to Rs.10.749 million for the corresponding period last year. The Company sustained a net loss of Rs. 22.483 million compared to Rs. 17.104 million. As reported earlier, the operations of the Company have remained suspended; however the loss for the quarter is mainly due to low selling prices compared to high cost of production and other costs.

Earnings per Share:

The earnings per share for the period is Rs. (1.53).

Future Outlook:

The estimate of cotton crop for the season 2018-19 is about 10 million bales as against the official target of 14 million bales and short from last year's production of 11 million bales, the reasons being shortage of water, increased sugarcane cultivation in cotton areas and non availability of quality seeds. This will result in import of huge quantity of cotton, affecting foreign exchange reserves and hit the cost of doing business.

Composition of Board:

Total number of Directors:

- Male: 5
- Female: 2

Composition:

- Independent Directors: 2
- Other Nonexecutive Directors: 4
- Executive Directors: 1

Committees of the Board:

a. Audit Committee

- i. Mr. Noor Muhammad Chairman
- ii. Mr. Muhammad Samee Member
- iii. Mr. Furqan Zia Member

b. HR & R Committee

- i. Mr. Muhammad Samee Chairman
- ii. Mr. Noor Muhammad Member
- iii. Mr. Furqan Zia Member

Directors Remuneration:

As per policy of the Board, no remuneration is payable to non-executive directors including independent directors.

Acknowledgement:

The Directors wish to acknowledge and appreciate the support of Shareholders, Bankers, Suppliers and the dedication and hard work of the Staff.

On behalf of the Board

(INAMUR REHMAN) (KHALID INAM)
Chairman / Director Chief Executive

Karachi, October 30, 2018

N. P. SPINNING MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited) AS AT SEPTEMBER 30, 2018

	(Un-Audited) Sept. 30, 2018	(Audited) June 30, 2018
Note	Rupees	Rupees
SHARE CAPITAL AND RESERVES		
Share capital	147,000,000	147,000,000
Capital reserve		
Surplus on revaluation of property, plant equipment-net of tax	381,790,393	384,884,862
Revenue reserve		
Accumulated loss	(543,317,783)	(523,929,649)
	(14,527,390)	7,955,213
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred liabilities	—	—
Loan from directors	153,500,000	153,500,000
Long-term finance	—	—
CURRENT LIABILITIES		
Trade and other payables	286,291,334	283,483,891
Accrued mark-up	105,504,280	95,308,493
Short-term borrowings	166,116,375	166,116,375
Current portion of long-term finance	277,000,000	277,000,000
Unclaimed dividend	3,200,855	3,209,136
	838,112,824	825,117,895
CONTINGENCIES AND COMMITMENTS		
	2	
	<u>977,085,434</u>	<u>986,573,108</u>
NON-CURRENT ASSETS		
Property, plant and equipment	3 866,262,725	875,546,358
Long-term deposits	1,645,222	1,645,222
CURRENT ASSETS		
Stores, spares and loose tools	13,141,824	13,141,824
Stock-in-trade	41,697,131	41,697,131
Trade debts	933,972	—
Advances and other receivables	23,374,840	22,895,654
Sales tax refundable	—	—
Cash and bank balances	30,029,720	31,646,919
	109,177,487	109,381,528
	<u>977,085,434</u>	<u>986,573,108</u>

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.

(KHALID INAM) (MUHAMMAD YASIN) (INAMUR REHMAN)
Chief Executive Chief Financial Officer Chairman/Director

N. P. SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

		Sept. 30, 2018	Sept. 30, 2017
	Note	Rupees	Rupees
Sales		—	—
Cost of sales	4	(10,571,134)	(10,748,708)
Gross loss		(10,571,134)	(10,748,708)
Other income		181,613	5,556,242
		(10,389,521)	(5,192,466)
Distribution cost		—	75,805
Administrative expenses		1,895,729	2,634,844
Finance cost		10,197,352	9,201,038
		(12,093,081)	(11,911,887)
Loss before tax		(22,482,603)	(17,104,153)
Taxation		—	—
Loss for the period		(22,482,603)	(17,104,153)
Other comprehensive income		—	—
Total comprehensive loss for the period		(22,482,603)	(17,104,153)
Earnings per share—basic and diluted		(1.53)	(1.16)

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.

(KHALID INAM) (MUHAMMAD YASIN) (INAMUR REHMAN)
Chief Executive Chief Financial Officer Chairman/Director

N. P. SPINNING MILLS LIMITED
CONDENSED INTERIM CASH FLOW
STATEMENT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Sept. 30, 2018	Sept. 30, 2017
	Rupees	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(22,482,603)	(17,104,153)
Adjustments for:		
Depreciation	9,283,631	9,794,405
Provision for staff retirement gratuity	—	475,381
Profit on deposits/saving accounts	(181,613)	—
Finance cost	10,197,352	9,201,038
	(3,183,233)	2,366,671
(Increase)/decrease in current assets		
Trade debts	(933,872)	(401,703)
Advances and other receivables	(459,433)	(329,441)
Sales tax refundable	—	9,356,425
Increase/(decrease) in current liabilities		
Trade and other payables	2,807,443	(1,331,002)
	1,414,038	7,294,278
Cash generated from operations	(1,769,195)	9,660,950
Finance cost paid	(1,585)	(420)
Tax paid	(19,751)	—
Net cash generated from operating activities	(1,790,531)	9,660,530

N. P. SPINNING MILLS LIMITED

	Sept. 30, 2018	Sept. 30, 2017
	Rupees	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Profit received on deposits/saving accounts	181,613	—
Net cash generated from investing activities	181,613	—
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of unclaimed dividend	(8,281)	—
Net cash used in financing activities	(8,281)	—
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,617,199)	9,660,530
Cash and cash equivalents at the beginning of the period	(134,469,456)	(143,023,652)
Cash and cash equivalents at end of the period	(136,086,655)	(133,363,122)
Cash and cash equivalents	30,029,720	32,900,254
Cash and bank balances	(166,116,375)	(188,283,375)
Short-term borrowings	(136,086,655)	(133,363,122)

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.

(KHALID INAM) (MUHAMMAD YASIN) (INAMUR REHMAN)
Chief Executive Chief Financial Officer Chairman/Director

N. P. SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Share Capital	Capital reserve Surplus on revaluation of property, plant & equipment-net of tax	Revenue reserve Accumulated loss	Total
	Rupees			
Balance at July 01, 2017	147,000,000	396,519,532	(449,253,947)	93,265,585
Comprehensive Income				
Loss for the period ended September 30, 2017	—	—	(17,104,153)	(17,104,153)
Other Comprehensive income for the period	—	—	—	—
	—	—	(17,104,153)	(17,104,153)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation	—	(3,645,544)	3,645,544	—
Balance at September 30, 2017	147,000,000	391,873,988	(462,712,556)	76,161,432
Balance at July 01, 2018	147,000,000	384,884,862	(523,929,549)	7,955,213
Comprehensive Income				
Loss for the period ended September 30, 2018	—	—	(22,482,603)	(22,482,603)
Other Comprehensive income for the period	—	—	—	—
	—	—	(22,482,603)	(22,482,603)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation	—	(3,094,469)	3,094,469	—
Balance at September 30, 2018	147,000,000	381,790,393	(543,317,783)	(14,527,390)

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.

(KHALID INAM) (MUHAMMAD YASIN) (INAMUR REHMAN)
Chief Executive Chief Financial Officer Chairman/Director