

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019
(UN-AUDITED)



CRESCENT COTTON MILLS LIMITED

Quarterly Accounts 30 Sep 2019

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Zahid Bashir
(Chairman)

Mr. Muhammad Arshad
(Chief Executive Officer)

DIRECTORS (In alphabetical order)

Mr. Abid Mehmood
Mr. Adnan Amjad
Mr. Humayun Mazhar
Mr. Naveed Gulzar
Mr. Salman Rafi
Mr. Taimur Amjad

AUDIT COMMITTEE

Mr. Salman Rafi (Chairman)
Mr. Adnan Amjad (Member)
Mr. Taimur Amjad (Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Abid Mehmood (Chairman)
Mr. Adnan Amjad (Member)
Mr. Salman Rafi (Member)

COMPANY SECRETARY

Mr. Sami Ullah Chaudhry

BANKERS

National Bank of Pakistan

AUDITORS

Riaz Ahmad & Compnay
Chartered Accountants

COMPANY REGISTRAR

Vision Consulting Limited.
3-C, LDA Flats, 1st Floor,
Lawrance Road, Lahore.
Ph: 042-36283096-97

URL

www.crescentcotton.com

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

The directors of your company present to you the condensed interim financial information for the first quarter ended September 30, 2019 During the period under review, your company has earned a pre-tax profit of Rs. 18.026 Million as compared to pre-tax loss of Rs. 6.582 Million in the comparative period of last year.

Total sales revenue of the company for the first quarter stood at Rs. 1,645.194 Million, whereas, the turnover figures during the same period in year 2018 was Rs. 1,727.487 Million. The cost of sales in the period under review stood at 94.19% whereas up to September 30, 2018 it was around 96.72%. In spite of the hardships being faced by the textile industry during the period under review, the management of the company is continuously striving hard for better results.


Future Prospectus

Although domestically the government is following stabilization process, however globally, rising trade tensions posed a risk to the global growth outlook in FY 2019-20. After a strong growth in last one and half year, global economic activity slowed noticeably in the second half of last year, reflecting a confluence of factors affecting major economies. This is the reason IMF has revised downward real GDP growth for almost all countries in World Economic Outlook. The Pakistan Textile industry is facing pressure from factors including high energy prices, non serious attitude of unorganized sector of textile industry for documentation of economy, pending refunds and tough competition from India, Bangladesh, Vietnam, Thailand and others in foreign market. The depreciation of Pak rupee that significantly raised the cost of imported inputs, rise in inflation and high cost of financing are seriously affecting growth in textile industry. In addition to the introduction of sales tax refunds bonds for export oriented Companies, it is hoped that government will come up with some other plan for the textile sector including but not limited to the resolution of GIDC matter, timely release of tax and DTLT refunds to dilute the impact of the abolition of tax credits on capital investment & increase in turnover tax. This will hopefully boost the confidence of the textile sector and to allow the textile industry to compete in the global market. We have a clear strategy and our focus for the year ahead remains on expanding our position in the textile sector with ongoing investment in textile sector businesses as we continue to build pathways toward future, sustainable and long-term growth. Cotton crop production is estimated at 15 million cotton bales for cotton season 2019- 20 and in view of pest attacks, there is rare chance of achieving the target. Management of your company is closely watching the cotton outlook to procure cotton at minimum rates and is focusing efforts on minimizing cost by enhancing capacity, improving efficiencies to achieve the favorable financial results of forthcoming financial year

Acknowledgment

The Directors wish to express their gratitude to our valued clients, bankers and shareholders for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services of the staff members and workers of the company.

For and on behalf of
the Board of Directors


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
October 30, 2019


ABID MEHMOOD
DIRECTOR

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2019ء کو مختتمہ پہلی سہ ماہی کے لیے منجمد عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی کو 18.026 ملین کا قبل از ٹیکس منافع ہوا ہے جبکہ گزشتہ سال کی اسی مدت میں قبل از ٹیکس نقصان 6.582 ملین روپے تھا۔

پہلی سہ ماہی کے لیے کمپنی کی کل فروخت کی آمدنی 1,645.194 ملین رہی جبکہ سال 2018ء میں اسی مدت کے دوران ٹرن اوور کی رقم 1,727.487 ملین روپے تھی۔ زیر جائزہ مدت میں فروخت کی لاگت 94.19 فیصد رہی جبکہ 30 ستمبر 2018ء تک یہ 96.72 فیصد کے لگ بھگ تھی۔

زیر جائزہ مدت کے دوران ٹیکسٹائل انڈسٹری کو درپیش مشکلات کے باوجود کمپنی کی انتظامیہ بہتر نتائج کے لیے کوشاں ہے۔ مستقبل کے امکانات:


اگرچہ مقامی طور پر حکومت استحکام کی طرف گامزن ہے، لیکن عالمی سطح پر، تجارتی تناؤ میں بڑھتی ہوئی کشیدگی مالی سال 2019-20 میں عالمی نمو کے لئے خطرے کی گھنٹی ہے۔ پچھلے ڈیڑھ سال میں مضبوط نمو کے بعد، عالمی اقتصادی سرگرمی گزشتہ سال کے دوسرے نصف حصے میں نمایاں طور پر سست ہو گئی، جس سے بڑی معیشتوں کو متاثر کرنے والے عوامل کے گھجڑ کی عکاسی ہوتی ہے۔ یہی وجہ ہے کہ آئی ایم ایف نے عالمی معاشی آؤٹ لک میں تقریباً تمام ممالک کے لئے حقیقی جی ڈی پی تنزل پذیر یا ہر کیا ہے۔ پاکستان کی ٹیکسٹائل انڈسٹری کو توانائی کی زیادہ قیمتوں، معیشت کی دستاویزات کے لئے ٹیکسٹائل انڈسٹری کے غیر منظم شعبے کا غیر منجمد روپیہ، وصول طلب قوم کے التواء اور غیر ملکی منڈی میں بھارت، بنگلہ دیش، ویتنام، تھائی لینڈ وغیرہ ممالک سے سخت مقابلہ جیسے عوامل کے دباؤ کا سامنا ہے۔ پاکستانی روپے کی قدر میں کمی جس نے درآمدی لاگوں کی قیمت میں نمایاں اضافہ کیا، مہنگائی میں اضافہ اور سرمایہ کاری کی لاگت ٹیکسٹائل کی صنعت میں نمو کو شدید متاثر کر رہی ہے۔ برآمدی کمپنیوں کے لئے سیلز ٹیکس ریفرنڈ بائڈز متعارف کرانے کے علاوہ، امید ہے کہ حکومت ٹیکسٹائل سیکٹر کے لئے کچھ اور لائحہ عمل طے کرے گی جس میں بنیادی سرمایہ کاری پر ٹیکس کریڈٹ کے خاتمے اور ٹرن اوور ٹیکس میں اضافے کے اثرات کو کم کرنے کے لیے جی آئی ڈی سی معاملے کے حل، ٹیکس کے بروقت اجراء اور ڈی ایل ٹی ایل کی واپسی کو بھی شامل کیا جائے گا تاہم اسی تک محدود نہیں رکھا جائے گا۔ اس سے امید ہے کہ ٹیکسٹائل سیکٹر کے اعتماد میں اضافہ ہوگا اور ٹیکسٹائل انڈسٹری کو عالمی مارکیٹ میں مسابقت کا موقع ملے گا۔ ہمارے پاس واضح حکمت عملی ہے اور آئندہ سال کے لئے ہماری توجہ ٹیکسٹائل کے شعبے میں اپنی پوزیشن کو وسعت دینے پر ہے جس سے ٹیکسٹائل سیکٹر کے کاروباروں میں جاری سرمایہ کاری ہوگی کیونکہ ہم مستقبل میں پائیدار اور طویل مدتی ترقی کی طرف گامزن ہیں۔ کپاس کے موسم 2019-20 کے لئے کپاس کی پیداوار کا تخمینہ 15 ملین کانٹھ لگایا گیا ہے اور کیڑوں کے حملوں کے پیش نظر، ہدف کے حصول کا امکان بہت کم ہے۔ آپ کی کمپنی کی انتظامیہ کم سے کم نرخوں پر کپاس کی خریداری کے لئے روٹی کے آؤٹ لک کو قریب سے دیکھ رہی ہے اور آنے والے مالی سال کے سازگار مالی نتائج حاصل کرنے کے لئے استعداد کار میں بہتری لاتے ہوئے، صلاحیت میں اضافہ کر کے لاگت کم سے کم کرنے کی کوششوں پر توجہ دے رہی ہے۔

اعتراف:


ڈائریکٹران اس موقع پر کاروباری سرگرمیوں کے دوران قابل قدر تعاون پر اپنے معزز ممبران، بینکرز اور حصص یافتگان سے اظہار تشکر کرتے ہیں۔ ڈائریکٹران محنت اور لگن سے خدمات کی انجام دہی پر کمپنی شاف ممبرز اور کارکنان کو بھی خراج تحسین پیش کرتے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز


عابد محمود ڈائریکٹر

فیصل آباد
30 اکتوبر 2019ء


محمد ارشد چیف ایگزیکٹو آفیسر

CRESCENT COTTON UNCONSOLIDATED CONDENSED INTERIM STATEMENT

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
NOTE	30 September 2019	30 June 2019

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2019: 30 000 000)

ordinary shares of Rupees 10 each

300,000	300,000
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Issued, subscribed and paid up share capital

226,601	226,601
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Reserves

4,439,604	4,441,055
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Total equity

4,666,205	4,667,656
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing

118,835	130,719
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Employees' retirement benefits

109,207	101,141
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228,042	231,860
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CURRENT LIABILITIES

Trade and other payables

848,307	789,095
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Unclaimed dividend

4,028	4,028
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Accrued markup

19,994	21,695
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Short term borrowings

777,476	660,837
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Current portion of long term financing

59,417	59,417
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Provision for taxation

115,199	90,053
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1,824,421	1,625,125
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TOTAL LIABILITIES

2,052,463	1,856,985
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CONTINGENCIES AND COMMITMENTS

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TOTAL EQUITY AND LIABILITIES

6,718,668	6,524,641
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

MILLS LIMITED OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
NOTE	30 September 2019	30 June 2019

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment

6	4,874,885	4,891,674
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Investment properties

	258,878	258,878
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Long term investments

7	28,127	27,950
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Long term deposits

	3,767	3,767
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Deferred income tax asset

	31,025	31,025
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5,196,682	5,213,294
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CURRENT ASSETS

Stores, spare parts and loose tools

74,540	75,418
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Stock in trade

550,080	474,606
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Trade debts

252,442	200,334
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Loans and advances

85,142	66,420
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Short term deposits, prepayments and balances with statutory authorities

196,652	204,666
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Other receivables

60,176	57,646
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Short term investments

8	188,097	181,982
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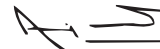
Cash and bank balances

114,857	50,275
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1,521,986	1,311,347
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TOTAL ASSETS

6,718,668	6,524,641
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ABID MEHMOOD
DIRECTOR




SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
	NOTE	30 September 2019	30 September 2018
SALES		1,645,194	1,727,487
COST OF SALES	9	(1,549,636)	(1,670,861)
GROSS PROFIT		95,558	56,626
DISTRIBUTION COST		(13,078)	(11,438)
ADMINISTRATIVE EXPENSES		(50,403)	(43,257)
OTHER OPERATING EXPENSES		(20)	(294)
		(63,501)	(54,989)
		32,057	1,637
OTHER OPERATING INCOME	10	6,663	6,390
PROFIT/(LOSS) FROM OPERATIONS		38,720	8,027
FINANCE COST		(20,694)	(14,609)
PROFIT/(LOSS) BEFORE TAXATION		18,026	(6,582)
TAXATION		(25,146)	(22,528)
PROFIT/(LOSS) AFTER TAXATION		(7,120)	(29,110)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		(0.31)	(1.28)

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2019	30 September 2018
PROFIT/(LOSS) AFTER TAXATION		(7,120)	(29,110)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Surplus on remeasurement of available for sale investments		5,669	(20,858)
Other comprehensive income for the period		5,669	(20,858)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(1,451)	(49,968)

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)**

(RUPEES IN THOUSAND)

	CAPITAL RESERVES							REVENUE RESERVES					
	SHARE CAPITAL	Premium on issue of shares	Plant Moderni- sation	Fair value reserve available for sale investments	Fair value reserve of investments at FVTOCI	Reserve for issue of bonus shares	Surplus on revaluation of freehold land	Sub Total	General reserve	Dividend equalization	(Accumulated loss) / Unappropri- ated profit	Sub Total	TOTAL EQUITY
Balance as at 30 June 2018 - Audited	226,601	5,496	12,000	192,403	-	-	3,079,990	3,289,889	96,988	4,000	161,382	262,370	3,778,860
Adjustment on adoption of IFRS 9	-	-	-	(192,403)	192,403	-	-	-	-	-	(9,870)	(9,870)	(9,870)
Adjustment on adoption of IFRS 15	-	-	-	-	-	-	-	-	-	-	(6,112)	(6,112)	(6,112)
Adjusted total equity as at 01 July 2018	226,601	5,496	12,000	-	192,403	-	3,079,990	3,289,889	96,988	4,000	145,400	246,388	3,762,878
Profit for the first quarter ended 30 September 2018	-	-	-	-	-	-	-	-	-	-	(29,110)	(29,110)	(29,110)
Other comprehensive income for the first quarter ended 30 September 2018	-	-	-	-	(20,858)	-	-	(20,858)	-	-	-	-	(20,858)
Total comprehensive income for the first quarter ended 30 September 2018	-	-	-	-	(20,858)	-	-	(20,858)	-	-	(29,110)	(29,110)	(49,968)
Balance as at 30 September 2018 - Un-audited	226,601	5,496	12,000	-	171,545	-	3,079,990	3,269,031	96,988	4,000	116,290	217,278	3,712,910
Profit for the next three quarters ended 30 June 2019	-	-	-	-	-	-	-	-	-	-	(72,138)	(72,138)	(72,138)
Other comprehensive income for the next three quarters ended 30 June 2019	-	-	-	-	(29,837)	-	1,056,721	1,026,884	-	-	-	-	1,026,884
Total comprehensive income for the next three quarters ended 30 June 2019	-	-	-	-	(29,837)	-	1,056,721	1,026,884	-	-	(72,138)	(72,138)	954,746
Balance as at 30 June 2019 - Audited	226,601	5,496	12,000	-	141,708	-	4,136,711	4,295,915	96,988	4,000	44,152	145,140	4,667,656
Loss for the first quarter ended 30 September 2019	-	-	-	-	-	-	-	-	-	-	(7,120)	(7,120)	(7,120)
Other comprehensive income for the first quarter ended 30 September 2019	-	-	-	-	5,669	-	-	5,669	-	-	-	-	5,669
Total comprehensive income for the first quarter ended 30 September 2019	-	-	-	-	5,669	-	-	5,669	-	-	(7,120)	(7,120)	(1,451)
Balance as at 30 September 2019 - Un-audited	226,601	5,496	12,000	-	147,377	-	4,136,711	4,301,584	96,988	4,000	37,032	138,020	4,666,205

The annexed noted form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
	NOTE	30 September 2019	30 September 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	11	(5,657)	(191,177)
Finance cost paid		(22,395)	(17,755)
Staff retirement gratuity paid		(3,354)	(6,009)
Income tax paid		(5,550)	(11,337)
Dividend paid		-	-
Net cash (utilized in) / generated from operating activities		(36,956)	(226,278)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(3,217)	(1,357)
Proceeds from sale of property, plant and equipment		-	303
Proceeds from sale of investments		-	1,431
Net cash from investing activities		(3,217)	377
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(11,884)	(11,883)
Short term borrowings - net		116,639	163,262
Net cash (used in) / from financing activities		104,755	151,379
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		64,582	(74,522)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		50,275	105,917
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		114,857	31,395

The annexed noted form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited 'the Company' is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Ordinance, 1984). Shares of the Company are quoted on all the stock exchanges of Pakistan. The Company is engaged in manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit. The registered office of the Company is situated at New Lahore Road, Nishatabad, Faisalabad.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 237 of the Companies Act, 2017. This condensed interim financial information of the Company for the first quarter ended 30 September 2019 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2019.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

5. CONTINGENCIES AND COMMITMENTS
Contingencies:

Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 7.013 million (30 June 2019: Rupees 7.013 million). The Company, being aggrieved, has filed appeals with the Honourable High Court and Supreme Court of Pakistan which are still pending. No provision has been made in the books of account against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2019: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in this condensed interim financial information as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

Guarantees of Rupees 47.353 million (30 June 2019: Rupees 47.353 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

Cheques of Rupees 31.085 million (30 June 2019: Rupees 31.085 million) are issued to Nazir of Sindh High Court as security against impugned gas rate difference suit. If the outcome of the suit comes against the company, cheques issued as security shall be encashable.

Commitments:

Letters of credit for capital expenditure are of Rs. Nil (30 June 2019: Rupees Nil).

Letters of credit for other than capital expenditure are of Rupees Nil (30 June 2019: Rupees Nil).

(RUPEES IN THOUSAND)

	UN-AUDITED 30 September 2019	AUDITED 30 June 2019
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 6.1)	4,871,644	4,891,284
Capital work-in-progress	3,241	390
	4,874,885	4,891,674
6.1 Operating fixed assets		
Opening book value	4,891,284	3,880,320
Add : Effects on surplus on revaluation	-	1,056,721
Add : Cost of additions during the period / year (Note 6.1.1)	366	42,456
	4,891,650	4,979,497
Less:		
Book value of deletions during the period / year (Note 6.1.2)	-	2,147
Depreciation charged during the period / year	20,006	86,066
	20,006	88,213
Book value at the end of the period / year	4,871,644	4,891,284

6.1.1 Cost of additions during the period / year

Buildings on free hold land	-	124
Plant and machinery	366	35,457
Stand-by equipment	-	1,335
Electric installations	-	1,459
Furniture and fixtures	-	362
Vehicles	-	3,076
Office equipment	-	596
Service equipment	-	47
	366	42,456

6.1.2 Book value of deletions during the period / year

Plant and machinery	-	1,751
Vehicles	-	396
	-	2,147

		(RUPEES IN THOUSAND)	
		UN-AUDITED 30 September 2019	AUDITED 30 June 2019
7. LONG TERM INVESTMENTS			
Equity investments			
Unquoted - Subsidiary company		502	502
Quoted - Associated companies		2,224	2,500
Unquoted - Associated companies		616	616
Quoted - Others		196	284
Unquoted - Others		3,538	3,902
Less: Impairment loss charged to profit and loss account		-	-
Add: Fair value adjustment		4,112	4,195
		7,650	8,097
Debt instruments			
		20,477	19,853
		28,127	27,950
8. SHORT TERM INVESTMENTS – Available for sale			
Quoted - Associated companies		9,632	9,632
Quoted - Others		53,295	53,295
		62,927	62,927
Add: Fair value adjustment		125,170	119,055
		188,097	181,982
		(UN-AUDITED)	
		30 September 2019	30 September 2018
9. COST OF SALES			
Raw material consumed		1,278,940	1,420,533
Salaries, wages and other benefits		137,779	132,454
Stores, spare parts and loose tools consumed		37,542	38,466
Fuel and power		224,276	184,400
Outside weaving charges		7,623	208
Other manufacturing overheads		3,315	3,136
Insurance		2,195	2,181
Repair and maintenance		1,748	1,106
Depreciation		18,792	19,885
		1,712,210	1,802,369
Work-in-process:			
		37,241	29,916
Opening stock		(35,749)	(34,552)
Closing stock		1,492	(4,636)
		1,713,702	1,797,733
Cost of goods manufactured			
Finished goods:			
		80,343	136,958
Opening stock		(246,659)	(263,830)
Closing stock		(166,316)	(126,872)
		1,547,386	1,670,861
Cost of goods - purchased for resale		2,250	-
		1,549,636	1,670,861

		(UN-AUDITED)	
		30 September 2019	30 September 2018
10. OTHER OPERATING INCOME			
Interest income on sales tax refund bonds		624	-
Gain on sale of investments		-	1,305
Dividend income		4	-
Rental income		5,828	4,949
Scrape sales		207	99
Gain on sale of property, plant and equipment		-	37
		6,663	6,390
11. CASH UTILIZED IN OPERATIONS			
Profit before taxation		18,026	(6,582)
Adjustments for non-cash charges and other items:			
Depreciation		20,006	21,186
Provision for staff retirement gratuity		11,420	8,751
Interest income on sales tax refund bonds		(623)	-
Gain on sale of property, plant and equipment		-	(37)
Gain on sale of investments		-	(1,305)
Finance cost		20,694	14,609
Working capital changes (Note 11.1)		(75,180)	(227,799)
		(5,657)	(191,177)
11.1 Working capital changes			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		878	1,256
Stock in trade		(75,474)	(158,015)
Trade debts		(52,108)	(97,020)
Loans and advances		(18,722)	(10,995)
Prepayments and balances with statutory authorities		13,564	(12,267)
Other receivables		(2,530)	4,215
		(134,392)	(272,826)
(Decrease) / increase in trade and other payables		59,212	45,027
		(75,180)	(227,799)

12. SEGMENT INFORMATION - UNCONSOLIDATED

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	First Quarter Ended		First Quarter Ended		First Quarter Ended		First Quarter Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019	30 September 2018	30 September 2019	30 September 2018
(RUPEES IN THOUSAND)								
Sales	1,630,527	1,728,608	69,590	1,313	(54,923)	(2,434)	1,645,194	1,727,487
Cost of sales	(1,544,514)	(1,672,495)	(60,045)	(800)	54,923	2,434	(1,549,636)	(1,670,861)
Gross profit	86,013	56,113	9,545	513	-	-	95,558	56,626
Distribution cost	(10,004)	(11,273)	(3,074)	(165)	-	-	(13,078)	(11,438)
Administrative expenses	(50,403)	(43,257)	-	-	-	-	(50,403)	(43,257)
Other operating expenses	(20)	(294)	-	-	-	-	(20)	(294)
	(60,427)	(54,824)	(3,074)	(165)	-	-	(63,501)	(54,989)
Other operating income	25,586	1,289	6,471	348	-	-	32,057	1,637
Profit/(loss) from operations	6,663	6,390	-	-	-	-	6,663	6,390
Finance cost	32,249	7,679	6,471	348	-	-	38,720	8,027
	(20,559)	(14,265)	(135)	(344)	-	-	(20,694)	(14,609)
Profit/(loss) before taxation	11,690	(6,586)	6,336	4	-	-	18,026	(6,582)
Taxation							(25,146)	(22,528)
Profit/(loss) after taxation							(7,120)	(29,110)

**13. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise subsidiary company, associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

DESCRIPTION	(UN-AUDITED)	
	QUARTER ENDED	
	30 September 2019	30 September 2018
(RUPEES IN THOUSAND)		

i) Transactions**Subsidiary company**

Rental expense	1,125	1,125
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Associated companies

Service charges	12,079	9,953
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14. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

15. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on October 30, 2019 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of profit or loss and other comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

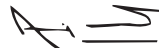
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

17. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS CONSOLIDATED CONDENSED INTERIM STATEMENT

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2019	2019

NOTE

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2019: 30 000 000)
ordinary shares of Rupees 10 each

300,000	300,000
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Issued, subscribed and paid up share capital
Reserves

226,601	226,601
4,450,177	4,466,509

Total equity

4,676,778	4,693,110
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits

118,835	130,719
109,207	101,141
228,042	231,860

CURRENT LIABILITIES

Trade and other payables
Unclaimed dividend
Accrued markup
Short term borrowings
Current portion of long term financing
Provision for taxation

843,882	785,815
4,028	4,028
34,346	35,897
782,476	665,837
59,417	59,417
116,010	90,984
1,840,159	1,641,978

TOTAL LIABILITIES

2,068,201	1,873,838
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

6,744,979	6,566,948
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

LIMITED AND ITS SUBSIDIARY OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2019	2019

NOTE

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	6	4,874,265	4,892,524
Investment properties		281,746	281,746
Long term investments	7	86,249	92,040
Long term deposits		4,289	4,289
Deferred income tax - asset		46,776	46,776
		5,293,325	5,317,375

CURRENT ASSETS

Stores, spare parts and loose tools		79,898	78,041
Stock in trade		550,080	474,606
Trade debts		252,442	200,334
Loans and advances		85,142	66,420
Short term deposits, prepayments and balances with statutory authorities		197,539	205,553
Other receivables		63,252	60,701
Short term investments	8	105,043	110,242
Cash and bank balances		118,258	53,676
		1,451,654	1,249,573

TOTAL ASSETS

6,744,979	6,566,948
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ABID MEHMOOD
DIRECTOR




SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
	NOTE	30 September 2019	30 September 2018
SALES		1,645,194	1,727,487
COST OF SALES	9	(1,549,636)	(1,670,861)
GROSS PROFIT		95,558	56,626
DISTRIBUTION COST		(13,078)	(11,438)
ADMINISTRATIVE EXPENSES		(49,300)	(42,156)
OTHER OPERATING EXPENSES		(20)	(294)
		(62,398)	(53,888)
		33,160	2,738
OTHER OPERATING INCOME	10	6,663	6,116
(LOSS)/PROFIT FROM OPERATIONS		39,823	8,854
FINANCE COST		(20,844)	(14,759)
		18,979	(5,905)
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		(4,193)	(28)
PROFIT/(LOSS) BEFORE TAXATION		14,786	(5,933)
TAXATION		(25,146)	(22,770)
PROFIT / (LOSS) AFTER TAXATION FROM		(10,360)	(28,703)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		(0.46)	(1.27)

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2019	30 September 2018
PROFIT/(LOSS) AFTER TAXATION		(10,360)	(28,703)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates		-	63,205
Surplus / (deficit) on remeasurement of available for sale investments		14,967	24,675
Other comprehensive income / (loss) for the period		14,967	87,880
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		4,607	(4,028)

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)**

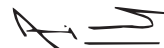
(RUPEES IN THOUSAND)

	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value reserve	CAPITAL RESERVES					REVENUE RESERVES					
					Fair value reserve of investments at FVTOCI	Reserve for issue of bonus shares	Surplus on revaluation of freehold land	Sub Total	General reserve	Dividend equalization	Share of associates reserve	(Accumulated loss) / Unappropriated profit	Sub Total	TOTAL EQUITY	
Balance as at 30 June 2018 - Audited (Restated)	226,601	5,496	12,000	61,760	-	-	3,079,990	3,159,246	44,975	4,000	-	268,985	317,960	3,703,807	
Adjustment on adoption of IFRS 9	-	-	-	(61,760)	42,666	-	-	(19,094)	-	-	19,094	(9,870)	9,224	(9,870)	
Adjustment on adoption of IFRS 15	-	-	-	-	-	-	-	-	-	-	-	(6,112)	(6,112)	(6,112)	
	226,601	5,496	12,000	-	42,666	-	3,079,990	3,140,152	44,975	4,000	19,094	253,003	321,072	3,687,825	
Loss for the first quarter ended 30 September 2018	-	-	-	-	-	-	-	-	-	-	-	(28,703)	(28,703)	(28,703)	
Other comprehensive income for the first quarter ended 30 September 2018	-	-	-	-	25,783	-	-	25,783	-	-	-	-	-	25,783	
Total comprehensive income for the first quarter ended 30 September 2018	-	-	-	-	25,783	-	-	25,783	-	-	-	(28,703)	(28,703)	(2,920)	
Balance as at 30 September 2018 - Unaudited	226,601	5,496	12,000	-	68,449	-	3,079,990	3,165,935	44,975	4,000	19,094	224,300	292,369	3,684,905	
Loss for the next three quarters ended 30 June 2019	-	-	-	-	-	-	-	-	-	-	-	44,685	44,685	44,685	
Other comprehensive income for the next three quarters ended 30 June 2019	-	-	-	-	(46,065)	-	1,056,721	1,010,656	-	-	33,926	(81,062)	(47,136)	963,520	
Total comprehensive income for the next two quarters ended 30 June 2019	-	-	-	-	(46,065)	-	1,056,721	1,010,656	-	-	33,926	(36,377)	(2,451)	1,008,205	
Balance as at 30 June 2019 - Audited	226,601	5,496	12,000	-	22,384	-	4,136,711	4,176,591	44,975	4,000	53,020	187,923	289,918	4,693,110	
Loss for the first quarter ended 30 September 2019	-	-	-	-	-	-	-	-	-	-	-	(10,360)	(10,360)	(10,360)	
Other comprehensive income for the first quarter ended 30 September 2019	-	-	-	-	14,967	-	-	14,967	-	-	(20,939)	-	(20,939)	(5,972)	
Total comprehensive income for the first quarter ended 30 September 2019	-	-	-	-	14,967	-	-	14,967	-	-	(20,939)	(10,360)	(31,299)	(16,332)	
Balance as at 30 September 2019 - Un-audited	226,601	5,496	12,000	-	37,351	-	4,136,711	4,191,558	44,975	4,000	32,081	177,563	258,619	4,676,778	

The annexed noted form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

(RUPEES IN THOUSAND)

NOTE	30 September 2019	30 September 2018
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CASH FLOWS FROM OPERATING ACTIVITIES

Cash (utilized in) / generated from operations	11	(5,669)	(191,177)
Finance cost paid		(22,395)	(17,755)
Staff retirement gratuity paid		(3,354)	(6,009)
Income tax paid		(5,550)	(11,337)
Dividend paid		-	-
		(31,299)	(35,101)
Net cash (utilized in) / generated from operating activities		(36,968)	(226,278)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure on property, plant and equipment		(3,217)	(1,357)
Proceeds from sale of property, plant and equipment		-	303
Proceeds from sale of investments		-	1,431
Net cash from investing activities		(3,217)	377

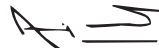
CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing		(11,884)	(11,883)
Short term borrowings - net		116,639	163,262
Net cash (used in) / from financing activities		104,755	151,379
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		64,570	(74,522)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		53,676	109,367
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		118,246	34,845

The annexed noted form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019 (UN-AUDITED)

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Crescent Cotton Mills Limited

Subsidiary Company

Crescot Mills Limited

Crescent Cotton Mills Limited

Crescent Cotton Mills Limited (formerly Crescent Sugar Mills and Distillery Limited) 'the Company' is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Act, 2017). Shares of the Company are quoted on Pakistan Stock Exchange in Pakistan. The Company is engaged in manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit. The registered office of the Company is located at New Lahore Road, Nishatabad, Faisalabad.

Crescot Mills Limited

Crescot Mills Limited (CML) is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). CCML holds 66.15% equity of the CML. Principal business of CML was manufacturing and sale of yarn. The mills is located at Sindh Industrial and Trading Estate, Kotri in the Province of Sindh. A special resolution was passed in the general meeting of the members on 28 September 1998 authorizing the Board of Directors to dispose of the plant and machinery of CML.

CML has ceased all production activities since August 1998 and has disposed of major part of the plant and machinery. The Company has leased out its buildings and other facilities to the Holding Company.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and International Accounting Standard-27 "Consolidated and Separate Financial Statements" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2019.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

- 3.1 The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2019.

3.2 Basis of consolidation

a) Subsidiary

Subsidiary Company is that entity in which Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The condensed interim financial information of the Subsidiary Company is included in the consolidated consolidated condensed interim financial information from the date control commences until the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Intragroup balances and transactions have been eliminated.

Proportionate share of accumulated losses relating to the non-controlling interest is more than their respective share capital. Therefore, losses in excess of share capital of non-controlling interest are absorbed by the Group.

b) Associates

Associates are the entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or by way of common directorship. Investments in these associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associate includes goodwill identified on acquisition, net of accumulated impairment loss, if any.

The Group's share of its associate's post-acquisition profits or losses, movement in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in the consolidated profit and loss account, consolidated statement of comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an associate reduce the carrying amount of the investment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2019.

5. CONTINGENCIES AND COMMITMENTS

Contingencies:

Holding Company

- Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 7.013 million (30 June 2019: Rupees 7.013 million). The Company, being aggrieved, has filed appeals with the Honourable High Court and with Supreme Court of Pakistan which are still pending. No provision has been made in the books of account against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

- The Holding Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2019: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in this condensed interim financial information as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

- Letters of guarantee of Rupees 47.353 million (30 June 2019: Rupees 47.353 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

- Cheques of Rupees 31.085 million (30 June 2019: Rupees 31.085 million) are issued to Nazir of Sindh High Court as security against impugned gas rate difference suit. If the outcome of the suit comes against the company, cheques issued as security shall be encashable.

Subsidiary Company

- The Subsidiary Company is contingently liable for claim of Rs. 0.215 million (30 June 2019: Rupees 0.215 million) not acknowledged by the Subsidiary Company in respect of card clothing machine demanded by Custom Authorities in 1987 against which a letter of guarantee has been issued by bank in favour of Collector.

Commitments:

- Letters of credit for capital expenditure are of Rs. Nil (30 June 2019: Rupees Nil).
- Letters of credit for other than capital expenditure are of Rupees Nil (30 June 2019: Rupees Nil).

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September 2019	30 June 2019

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	4,871,024	4,892,134
Capital work-in-progress	3,241	390
	4,874,265	4,892,524

6.1 Operating fixed assets

Opening book value	4,892,134	3,881,267
Add : Cost of additions during the period / year (Note 6.1.1)	366	1,099,177
	4,892,500	4,980,444

Less:

Book value of deletions during the period / year (Note 6.1.2)	266	2,147
Depreciation charged during the period / year	21,210	86,163
	21,476	88,310

Book value at the end of the period / year	4,871,024	4,892,134
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(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September 2019	30 June 2019

6.1.1 Cost of additions during the period / year

Land - Freehold (effect of surplus on revaluation)	-	1,056,721
Buildings on free hold land	-	124
Plant and machinery	366	35,457
Stabd-by equipment	-	1,335
Electric installations	-	1,459
Furniture and fixtures	-	362
Vehicles	-	3,076
Office equipment	-	596
Service equipments	-	47
	366	1,099,177

6.1.2 Book value of deletions during the period / year

Plant and machinery	266	1,751
Vehicles	-	396
	266	2,147

7. LONG TERM INVESTMENTS

In associates:

Cost	20,632	20,632
Share of post acquisition profit:		
At the beginning of the period / year	48,583	16,533
Share of profit/(loss) during the period / year	(4,193)	32,050
	44,390	48,583
	65,022	69,215

Available for sale:

Quoted - Others	616	616
Unquoted - Others	285	285
	901	901

Less: Impairment loss charged to profit and loss account

Add: Fair value adjustment	(151)	2,071
	750	2,972

Debt Instruments	20,477	19,853
	86,249	92,040

7.1 The investments in associates were not acquired for disposal purposes, therefore equity method of accounting has been applied and as per the requirement of IAS 28 the same have been shown under long term investments. In addition paragraph 2 (B)(d) of Part II of the Fourth Schedule to the Companies Act, 2017 requires that the investments accounted for under equity method should be classified as long term investments.

(RUPEES IN THOUSAND)

UN-AUDITED 30 September 2019	AUDITED 30 June 2019
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8. SHORT TERM INVESTMENTS – Available for sale

Quoted - Others	89,925	89,925
Add: Fair value adjustment	15,118	20,317
	105,043	110,242

(UN-AUDITED)

30 September 2019	30 September 2018
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(RUPEES IN THOUSAND)

9. COST OF SALES

Raw material consumed	1,278,940	1,420,533
Salaries, wages and other benefits	137,779	132,454
Stores, spare parts and loose tools consumed	37,542	38,466
Fuel and power	224,276	184,400
Outside weaving charges	7,623	208
Other manufacturing overheads	3,315	3,136
Insurance	2,195	2,181
Repair and maintenance	1,748	1,106
Depreciation	18,792	19,885

1,712,210 1,802,369

Work-in-process:

Opening stock	37,241	29,916
Closing stock	(35,749)	(34,552)
	1,492	(4,636)

Cost of goods manufactured **1,713,702** 1,797,733

Finished goods:

Opening stock	80,343	136,958
Closing stock	(246,659)	(263,830)
	(166,316)	(126,872)
	1,547,386	1,670,861

Cost of goods purchased	2,250	-
	1,549,636	1,670,861

10. OTHER OPERATING INCOME

Interest income on sales tax refund bonds	624	-
Gain on sale of investments	-	1,031
Dividend income	4	-
Rental income	5,828	4,949
Scrape sale	207	99
Gain on sale of property, plant and equipment	-	37
		6,116

(UN-AUDITED)

30 September 2019	30 September 2018
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(RUPEES IN THOUSAND)

11. CASH UTILIZED IN OPERATIONS

Profit before taxation	14,786	(5,933)
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Adjustments for non-cash charges and other items:

Depreciation	21,210	21,210
Provision for staff retirement gratuity	11,420	8,751
Interest income on sales tax refund bonds	(623)	-
Gain on sale of property, plant and equipment	-	(37)
Credit balances written back	-	(1,031)
Share of (profit) / loss from associated companies	4,193	29
Finance cost	20,844	14,759
Working capital changes (Note 11.1)	(77,499)	(228,925)

(5,669) **(191,177)**
11.1
Working capital changes
(Increase) / decrease in current assets

Stores, spare parts and loose tools	(1,857)	1,255
Stock in trade	(75,474)	(158,015)
Trade debts	(52,108)	(97,020)
Loans and advances	(18,722)	(10,995)
Prepayments and balances with statutory authorities	13,564	(12,266)
Other receivables	(2,551)	4,215
	(137,148)	(272,826)

(Decrease) / increase in trade and other payables 59,649 43,901

(77,499) **(228,925)**

12. SEGMENT INFORMATION - CONSOLIDATED

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	First Quarter Ended		First Quarter Ended		First Quarter Ended		First Quarter Ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017
(RUPEES IN THOUSAND)								
Sales	1,630,527	1,728,608	69,590	1,313	(54,923)	(2,434)	1,645,194	1,727,487
Cost of sales	(1,544,514)	(1,672,495)	(60,045)	(800)	54,923	2,434	(1,549,636)	(1,670,861)
Gross profit	86,013	56,113	9,545	513	-	-	95,558	56,626
Distribution cost	(10,004)	(11,273)	(3,074)	(165)	-	-	(13,078)	(11,438)
Administrative expenses	(49,300)	(42,156)	-	-	-	-	(49,300)	(42,156)
Other operating expenses	(20)	(294)	-	-	-	-	(20)	(294)
	(59,324)	(53,723)	(3,074)	(165)	-	-	(62,398)	(53,888)
	26,689	2,390	6,471	348	-	-	33,160	2,738
Other operating income	6,663	6,116	-	-	-	-	6,663	6,116
Profit from operations	33,352	8,506	6,471	348	-	-	39,823	8,854
Finance cost	(20,709)	(14,415)	(135)	(344)	-	-	(20,844)	(14,759)
Profit/(loss) before taxation and unallocated income and expenses	12,643	(5,909)	6,336	4	-	-	18,979	(5,905)
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							(4,193)	(28)
Taxation							(25,146)	(22,770)
Profit/(loss) after taxation							(10,360)	(28,703)

**13. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise associated companies, other related parties and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances with related parties are as follows:

DESCRIPTION	UN-AUDITED	
	QUARTER ENDED	
	30 September 2019	30 September 2018
(RUPEES IN THOUSAND)		

i) Transactions**Associated companies**

Service charges	12,079	9,953
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14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2019.

15. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on October 30, 2019 by the Board of Directors of the Group.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim balance sheet and consolidated condensed interim statement of changes in equity have been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the consolidated condensed interim profit and loss account, consolidated condensed interim statement of profit or loss and other comprehensive income and consolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

17. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

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