



# COLONY TEXTILE MILLS LIMITED

Condensed Interim  
**FINANCIAL INFORMATION**  
for the first quarter ended

**September 30, 2020**  
(un-audited)



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## COMPANY INFORMATION

### Board Of Directors

Mr. Mughis A. Sheikh	(Chairman)
Mr. Fareed Mughis Sheikh	(Chief Executive Officer)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	
Mr. Muhammad Ashraf Saif	
Mr. Abdul Hakeem Khan Qasuria	
Mr. Muhammad Ikram ul Haq	

### Board Committees

#### Audit Committee

Mr. Muhammad Ashraf Saif	(Chairman)
Mr. Muhammad Atta ullah Khan	
Mr. Abdul Hakeem Khan Qasuria	

#### HR & Remuneration Committee

Mr. Muhammad Ashraf Saif	(Chairman)
Mr. Muhammad Ikram ul Haq	
Mr. Abdul Hakeem Khan Qasuria	

### Other Management Committees

#### Executive Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	

#### Technical Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Muhammad Shoaib Khan	

#### Finance Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Atta Mohyuddin Khan	
Mr. Bilal Ahmad Khan Niazi	

### Social Compliance & Human Resource Committees

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Atta ullah Khan	
Mr. Atta Mohyuddin Khan	

**Chief Financial Officer**

Mr. Atta Mohyuddin Khan

**Company Secretary**

Mr. Muhammad Tayyab

**Auditors**

Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

**Legal Advisor**

BNR  
Advocates and Corporate Counsel

**Tax Advisor**

Riaz Ahmad & Company  
Chartered Accountants

**Registered Address**

M. Ismail Aiwan-e-Science Building  
205 Ferozepur Road, Lahore-54600  
Phone : 042-35758970-2  
Fax : 042-35763247  
Email : corporate@colonytextiles.com  
Website: www.colonytextiles.com

**Share Registrar**

Hameed Majeed Associates (Pvt.) Limited  
HM House, 7 Bank Square  
Lahore.  
Phone: (042) 37235081-2, Fax: 042-37358817  
Email : shares@hmaconsultants.com

**Bankers**

BankIslami Pakistan Limited  
Meezan Bank Limited  
Faysal Bank Limited  
Habib Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Silk Bank Limited  
The Bank of Punjab  
United Bank Limited  
Summit Bank Limited

## DIRECTORS' REVIEW

Dear Members,

The directors of the company are pleased to present the unaudited interim financial statements for the first quarter ended September 30, 2020.

The turnover of the first quarter has increased from Rs. 3,815 million to Rs. 5,757 million as compared to the corresponding period of last year. The gross profit for the period is Rs. 428 million (2019: Rs. 43 million) and the net profit of the quarter is Rs. 58 million (2019: loss of Rs. 225 million). Earnings per share for the first quarter is Rs. 0.12 as compared to the loss per share of Rs. 0.45 of the corresponding quarter of last year.

In the reported quarter things have slightly improved because by the grace of Allah, Pakistan has come through the Coronavirus pandemic with small number of patients and casualties as compared to the rest of world. The export situation is very much better and our share is increasing due to pandemic lockdown in the competitors' countries. But the local market is still under pressure and uncertainty prevails due to the expectation of second wave of Covid 19.

For the year 2020-21, although the slow opening up of European economies, we hope to get back to a sustainable level of business volumes yet it is very much dependent on the expected second wave of Corona virus which is again damaging some countries. The other challenge for the industry is low production of cotton crop in the country due to which cotton has to be imported which puts the domestic products at comparative disadvantage against other producing countries.

Management has successfully concluded its rescheduling/restructuring of financial liabilities with majority of its financial institutions.

Consolidated interim financial statements for the quarter ended September 30, 2020 of the company and its subsidiary StitchRite (Private)Limited are attached.

The management of your company is doing its utmost to overcome up to the challenge and aggressively work towards implementing measures to control costs and enhance productivity.

We would like to place on record our deep appreciation for the cooperation of our banks, efforts of executives and employees for the betterment of the company.

For and on behalf of the Board



Muhammad Ikram ul Haq  
Director



Fareed Mughis Sheikh  
Chief Executive Officer

Lahore  
October 29, 2020

# INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

## AS AT SEPTEMBER 30, 2020

	Note	(Un-Audited) September 30, 2020 Rupees "000"	(Audited) June 30, 2020 Rupees "000"
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up capital	4	4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Directors' loan		385,187	385,187
General Reserves		4,702	4,702
Unappropriated Profit		909,267	851,217
Surplus on remeasurement of investments		1,492	1,492
		9,456,730	9,398,680
<b>NON CURRENT LIABILITIES</b>			
Long term finances	5	7,427,421	7,599,183
Liabilities against assets subject to finance lease		20,284	21,380
Deferred liabilities		5,016,812	4,863,410
		12,464,517	12,483,973
<b>CURRENT LIABILITIES</b>			
Trade and other payables		967,325	1,289,910
Short term borrowings		3,286,469	3,328,787
Accrued mark up		217,880	217,947
Unclaimed dividend		94	94
Current portion of long term liabilities		593,335	430,598
Provision for taxation		333,786	251,625
		5,398,889	5,518,961
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6	-	-
		27,320,136	27,401,614
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	18,032,852	18,145,471
Right of use assets		104,060	105,560
Investment property		779,925	779,925
Long term investments		214,689	214,689
Investment in subsidiary		1,000	1,000
Long term deposits		51,132	51,132
		19,183,658	19,297,777
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		271,505	275,667
Stock in trade		4,654,317	4,608,933
Trade debts		1,296,609	1,266,046
Loans and advances		778,220	716,430
Trade deposits and short term prepayments		257,563	255,832
Other financial assets		16	16
Tax refund due from government		832,238	932,961
Cash and bank balances		46,010	47,952
		8,136,478	8,103,837
		27,320,136	27,401,614

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

## FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Note	(Un-Audited) September 30, 2020 Rupees "000"	(Un-Audited) September 30, 2019 Rupees "000"
Sales-net		5,756,669	3,814,915
Cost of sales	8	5,328,614	3,771,672
Gross profit		428,055	43,243
Operating expenses:			
Distribution cost		50,777	40,653
Administrative expenses		69,599	60,363
		120,376	101,016
Operating Profit / (Loss)		307,679	(57,773)
Finance cost		203,151	219,512
		104,528	(277,285)
Other Income	9	35,683	99,317
Profit / (Loss) before tax		140,211	(177,968)
Taxation	10	82,161	47,160
Profit / (Loss) after tax		58,050	(225,128)
Earnings / (Loss) per share-basic and diluted		0.12	(0.45)
<b>Other Comprehensive Income</b>			
Surplus on revaluation of fixed assets		-	-
Total Comprehensive Income / (Loss)		58,050	(225,128)

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)

## FOR THE PERIOD ENDED SEPTEMBER 30, 2020

Note	(Un-Audited) September 30, 2020 Rupees "000"	(Un-Audited) September 30, 2019 Rupees "000"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before taxation</b>	140,211	(177,968)
<b>Adjustments for:</b>		
Provision for gratuity	39,516	39,000
Depreciation	215,873	214,031
Gain on restructuring from banking companies	-	(91,207)
Gain on disposal of PPE	(1,315)	(2,231)
Finance cost	203,151	219,512
<b>Operating cash flows before working capital changes</b>	597,436	201,137
<b>(Increase) / decrease in current assets</b>		
Stores, spares and loose tools	4,162	64,618
Stock in trade	(45,384)	(135,234)
Trade debts	(30,563)	5,476
Loans and advances	(61,790)	2,365
Trade deposits and short term prepayments	(1,731)	1,356
Tax refund due from government	100,723	83,298
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	(284,518)	88,877
	(319,101)	110,756
<b>Cash generated from operating activities</b>	278,335	311,893
Finance cost paid	(69,085)	(70,939)
Gratuity paid	(19,833)	(10,357)
Income tax paid	(38,587)	(30,193)
	(127,505)	(111,489)
<b>Net cash generated from operating activities</b>	150,830	200,404
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(102,684)	(209,220)
Proceeds from disposal of PPE	2,245	3,547
<b>Net cash used in investing activities</b>	(100,439)	(205,673)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances obtained / (repaid)	(7,411)	12,264
Lease rentals-Net	(2,604)	(1,962)
Short term borrowings-net	(42,318)	(6,964)
<b>Net cash generated / (used) in financing activities</b>	(52,333)	3,338
<b>Net cash (decrease) / increase in cash and cash equivalents during the period</b>	(1,942)	(1,931)
Cash and cash equivalents at the beginning of the period	47,952	37,287
Cash and cash equivalents at the end of the period	46,010	35,356

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



# INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

## FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Directors' loan	REVENUE RESERVES			Total
					General reserves	unappropriated profit/(loss)	Surplus / (Deficit) on Re-measurement of investments	
.....Rupees "000" .....								
Balance as on July 01, 2019	4,980,100	3,156,388	19,594	385,187	4,702	1,197,969	986	9,744,926
Profit for the period	-	-	-	-	-	(225,128)	-	(225,128)
Balance as at September 30, 2019	4,980,100	3,156,388	19,594	385,187	4,702	972,841	986	9,519,798
Balance as on July 01, 2020	4,980,100	3,156,388	19,594	385,187	4,702	851,217	1,492	9,398,680
Profit for the period	-	-	-	-	-	58,050	-	58,050
Balance as at September 30, 2020	4,980,100	3,156,388	19,594	385,187	4,702	909,267	1,492	9,456,730

The annexed notes from 1 to 13 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

## SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE PERIOD ENDED SEPTEMBER 30, 2020

#### 1 THE COMPANY AND ITS OPERATIONS

Colony Textile Mills Limited is a public company limited by shares incorporated in Pakistan on January 12, 2011 under the provisions of the Companies Ordinance, 1984. The company is listed on Pakistan Stock Exchange Limited. The company's registered office is located at M. Ismail Aiwan-i-Science, Ferozpur Road, Lahore, Pakistan. The principal activity of the company is manufacturing and sale of yarn, fabrics, garments made ups and trading in real estate.

#### 2 BASIS OF PREPARATION OF ACCOUNTS

These financial statements are unaudited and are being submitted to members as required under section 237 of the Companies Act, 2017. These have been prepared in accordance with the International Accounting Standard 34 (Interim Financial Reporting) as applicable in Pakistan and notified by Securities and Exchange Commission of Pakistan (SECP).

#### 3 ACCOUNTING POLICIES AND SEASONALITY OF OPERATIONS

- 3.1 The accounting policies and methods of computations adopted for the preparation of these accounts are the same as applied in the preparation of preceding annual published accounts of the company.
- 3.2 Some operations of the Company are very much seasonal in nature such as cotton purchase which depends upon the crop season. Effect of such operations are also reflected in these financial statements

	September 30, 2020 Rupees "000"	June 30, 2020 Rupees "000"
<b>4 SHARE CAPITAL</b>		
<b>4.1 Authorized capital</b>		
185,000,000 ( 2019: 185,000,000) ordinary shares of Rs. 10 each	1,850,000	1,850,000
Capital of merged companies		
345,000,000 (2019: 345,000,000) ordinary shares of Rs. 10	3,450,000	3,450,000
	<u>5,300,000</u>	<u>5,300,000</u>
<b>4.2 Issued, subscribed and paid up capital</b>		
20,000 (2019: 20,000) ordinary shares of Rs. 10 each issued as fully paid shares	200	200
497,989,959 (2019: 497,989,959) fully paid ordinary shares of Rs. 10 each issued to the shareholders of amalgamated entities	4,979,900	4,979,900
	<u>4,980,100</u>	<u>4,980,100</u>

	Note	September 30, 2020 Rupees "000"	June 30, 2020 Rupees "000"
<b>5 LONG TERM FINANCES-Secured</b>			
Long term loans		8,002,558	8,009,969
Less: Current portion shown under current liabilities		(575,137)	(410,786)
		<u>7,427,421</u>	<u>7,599,183</u>
<b>6 CONTINGENCIES AND COMMITMENTS</b>			
The status of contingencies and commitments are almost same as described in the recent annual accounts.			
<b>7 PROPERTY , PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	17,899,535	18,013,019
Capital work in progress		133,317	132,452
		<u>18,032,852</u>	<u>18,145,471</u>
<b>7.1 Operating fixed assets</b>			
Opening written down value		18,013,019	18,211,617
Add: Cost of additions during the period	7.2	101,819	684,978
		<u>18,114,838</u>	<u>18,896,595</u>
Less: Written down value of deletions during the period		930	26,083
		<u>18,113,908</u>	<u>18,870,512</u>
Less: Depreciation charged during the period		214,373	857,493
		<u>17,899,535</u>	<u>18,013,019</u>
<b>7.2 Cost of additions during the period</b>			
Building on free hold land		1,355	664
Plant and machinery		51,508	422,923
Factory tools & equipment		-	2,581
Furniture & fixture		1,158	3,245
Office and other equipment		538	2,699
Vehicles		47,260	21,649
Transferred from leased assets		-	7,190
Transferred from CWIP		-	224,027
		<u>101,819</u>	<u>684,978</u>

	September 30, 2020 Rupees "000"	September 30, 2019 Rupees "000"
<b>8 COST OF SALES</b>		
Raw material consumed	3,393,506	3,773,735
Stores and spares consumed	243,572	187,154
Salaries, wages and benefits	570,025	478,571
Power and fuel	754,206	629,515
Insurance	6,479	19,087
Depreciation	212,348	210,557
Other factory overheads	38,928	27,191
	<u>5,219,064</u>	<u>5,325,810</u>
Adjustment of work in process		
Opening	467,431	450,135
Closing	(459,931)	(433,863)
	<u>7,500</u>	<u>16,272</u>
Cost of goods manufactured	5,226,564	5,342,082
Adjustment of finished goods		
Opening	2,691,652	2,090,735
Closing	(2,589,602)	(3,661,145)
	<u>102,050</u>	<u>(1,570,410)</u>
Real estate		
Opening	165,000	165,000
Closing	(165,000)	(165,000)
	<u>-</u>	<u>-</u>
Cost of goods sold	<u>5,328,614</u>	<u>3,771,672</u>
<b>9 OTHER INCOME</b>		
Other income includes profit on bank deposits, exchange gains and rental income.		
<b>10 PROVISION FOR TAXATION</b>		
Current-Minimum Taxation	82,161	47,160
	<u>82,161</u>	<u>47,160</u>
<b>11 RELATED PARTY TRANSACTIONS</b>		
All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions.		
Loan to Stitchrite (Pvt) limited	24,000	-
Contribution to Provident Fund Trust	6,910	6,111
<b>12 SEGMENT INFORMATION</b>		
<b>12.1</b>	The company has two reportable business segments. The following summary describes the operation in each of the company's reportable segments:	
	Spinning: Production of different qualities of yarn using cotton and man-made fibers.	
	Weaving: Production of different qualities of greige fabric using cotton and man-made fiber yarn.	
	Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.	

## 12.2

	Spinning		Weaving		Total-company	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees (000)-----		-----Rupees (000)-----		-----Rupees (000)-----	
Sales:						
Total Sales	4,512,562	2,709,255	1,363,169	1,199,457	5,875,731	3,908,712
Inter segment	(119,062)	(93,797)		-	(119,062)	(93,797)
External Sales	4,393,500	2,615,458	1,363,169	1,199,457	5,756,669	3,814,915
Cost of sales	4,094,168	2,583,003	1,234,446	1,188,669	5,328,614	3,771,672
Gross profit	299,332	32,455	128,723	10,788	428,055	43,243
Distribution cost	30,466	24,392	20,311	16,261	50,777	40,653
Administration cost	41,759	36,218	27,840	24,145	69,599	60,363
	72,225	60,610	48,151	40,406	120,376	101,016
	227,106	(28,155)	80,573	(29,618)	307,679	(57,773)
Finance cost	121,891	131,707	81,260	87,805	203,151	219,512
	105,216	(159,862)	(688)	(117,423)	104,528	(277,285)
Unallocated income and expenses						
Other income					35,683	99,317
Profit / (Loss) before tax					140,211	(177,968)
Taxation					82,161	47,160
Profit / (Loss) after tax					58,050	(225,128)
Other comprehensive income:					-	-
Total Comprehensive Income / (Loss)					58,050	(225,128)

## 13. AUTHORIZATION FOR ISSUE

These accounts have been approved and authorized for issue by the board of directors in its meeting held on October 29, 2020.



Chief Financial Officer



Director



Chief Executive Officer

# **COLONY TEXTILE MILLS LIMITED**

## **CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

# **CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)** **AS AT SEPTEMBER 30, 2020**

	Note	(Un-Audited) September 30, 2020 Rupees "000"	(Audited) June 30, 2020 Rupees "000"
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up capital	5	4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Directors' loan		385,187	385,187
General Reserves		4,702	4,702
Unappropriated Profit		899,867	845,182
Surplus on remeasurement of investments		1,492	1,492
		9,447,330	9,392,645
<b>NON CURRENT LIABILITIES</b>			
Long term finances	6	7,427,421	7,599,183
Liabilities against assets subject to finance lease		20,284	21,380
Deferred liabilities		5,016,812	4,863,410
		12,464,517	12,483,973
<b>CURRENT LIABILITIES</b>			
Trade and other payables		965,947	1,294,867
Short term borrowings		3,286,469	3,328,787
Accrued mark up		217,880	217,947
Unclaimed dividend		94	94
Current portion of long term liabilities		593,335	430,598
Provision for taxation		333,799	251,638
		5,397,524	5,523,931
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	-	-
		27,309,371	27,400,549
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	18,037,894	18,149,162
Right of use assets		104,060	105,560
Investment property		779,925	779,925
Long term investments		214,689	214,689
Long term deposits		51,132	51,132
		19,187,700	19,300,468
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		274,090	277,745
Stock in trade		4,654,317	4,608,933
Trade debts		1,297,555	1,267,062
Loans and advances		754,372	706,326
Trade deposits and short term prepayments		257,563	255,832
Other financial assets		16	16
Tax refund due from government		834,861	935,096
Cash and bank balances		48,897	49,071
		8,121,671	8,100,081
		27,309,371	27,400,549

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# **CONSOLIDATED INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)** **FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Note	(Un-Audited) September 30, 2020 Rupees "000"	(Un-Audited) September 30, 2019 Rupees "000"
Sales-net		5,756,785	3,814,915
Cost of sales	9	5,330,998	3,771,672
Gross profit		425,787	43,243
Operating expenses:			
Distribution cost		50,777	40,653
Administrative expenses		70,695	60,363
		121,472	101,016
Operating Profit / (Loss)		304,315	(57,773)
Finance cost		203,152	219,512
		101,163	(277,285)
Other Income	10	35,683	99,317
Profit / (Loss) before tax		136,846	(177,968)
Taxation	11	82,161	47,160
Profit / (Loss) after tax		54,685	(225,128)
Earnings / (Loss) per share-basic and diluted		0.11	(0.45)
<b>Other Comprehensive Income</b>			
Surplus on revaluation of fixed assets		-	-
Total Comprehensive Income / (Loss)		54,685	(225,128)

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer



## CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Note	(Un-Audited) September 30, 2020 Rupees "000"	(Un-Audited) September 30, 2019 Rupees "000"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit / (Loss) before taxation</b>		136,846	(177,968)
<b>Adjustments for:</b>			
Provision for gratuity		39,516	39,000
Depreciation		215,884	214,031
Gain on restructuring from banking companies		-	(91,207)
Gain on disposal of PPE		(1,315)	(2,231)
Finance cost		203,152	219,512
<b>Operating cash flows before working capital changes</b>		594,083	201,137
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		3,655	64,618
Stock in trade		(45,384)	(135,234)
Trade debts		(30,493)	5,476
Loans and advances		(48,046)	2,365
Trade deposits and short term prepayments		(1,731)	1,356
Tax refund due from government		100,235	83,298
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		(290,852)	88,877
		(312,616)	110,756
<b>Cash generated from operating activities</b>		281,467	311,893
Finance cost paid		(69,086)	(70,939)
Gratuity paid		(19,833)	(10,357)
Income tax paid		(38,588)	(30,193)
		(127,507)	(111,489)
<b>Net cash generated from operating activities</b>		153,960	200,404
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(104,046)	(209,220)
Proceeds from disposal of PPE		2,245	3,547
<b>Net cash used in investing activities</b>		(101,801)	(205,673)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances obtained / (repaid)		(7,411)	12,264
Lease rentals-Net		(2,604)	(1,962)
Short term borrowings-net		(42,318)	(6,964)
<b>Net cash generated / (used) in financing activities</b>		(52,333)	3,338
Net cash (decrease) / increase in cash and cash equivalents during the period		(174)	(1,931)
Cash and cash equivalents at the beginning of the period		49,071	37,287
Cash and cash equivalents at the end of the period		48,897	35,356

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# **CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)** **FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Directors' loan	REVENUE RESERVES			Total
					General reserves	unappropriated profit/(loss)	Surplus / (Deficit) on Re-measurement of investments	
.....Rupees "000" .....								
Balance as on July 01, 2019	4,980,100	3,156,388	19,594	385,187	4,702	1,197,969	986	9,744,926
Profit for the period	-	-		-	-	(225,128)	-	(225,128)
Balance as at September 30, 2019	4,980,100	3,156,388	19,594	385,187	4,702	972,841	986	9,519,798
Balance as on July 01, 2020	4,980,100	3,156,388	19,594	385,187	4,702	845,182	1,492	9,392,645
Profit for the period	-	-	-	-	-	54,685	-	54,685
Balance as at September 30, 2020	4,980,100	3,156,388	19,594	385,187	4,702	899,867	1,492	9,447,330

The annexed notes from 1 to 14 form an integral part of these financial statements.



Chief Financial Officer



Director



Chief Executive Officer

## CONSOLIDATED SELECTED EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

### FOR THE PERIOD ENDED SEPTEMBER 30, 2020

#### 1 THE COMPANY AND ITS OPERATIONS

Colony Textile Mills Limited ("the Holding Company") is a Public Company Limited by shares incorporated in Pakistan on 12 January 2011 under the provisions of the repealed Companies Ordinance, 1984 (now The Companies Act 2017). The Holding Company is listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is located at M. Ismail Aiwan-i-Science, Ferozepur Road, Lahore, Pakistan. The principal activity of the Holding Company is manufacturing and sale of yarn, fabric, garments made ups and trading in real estate.

#### 2 THE GROUP AND ITS OPERATIONS

The group consists of :

**Colony Textile Mills Limited (the Holding Company)**

**Stitchrite (Private) Limited (the Subsidiary Company)**

Stitchrite (Private) Limited was incorporated in Pakistan as on 11 October 2019 under the Companies Act, 2017 (XIX of 2017) limited by shares. The registered office of the Company is located at 221-2nd Floor, Karachi Cotton Association Building, I.I. Chandigarh Road, Karachi, North Karachi Town Sindh 74000. The Company is principally engaged in manufacturing and general trading of textile products.

	<b>Effective Shareholding %</b>
Stitchrite (Private) Limited	<b>100</b>

#### 3 BASIS OF PREPARATION OF ACCOUNTS

These financial statements are unaudited and are being submitted to members as required under section 237 of the Companies Act, 2017. These have been prepared in accordance with the International Accounting Standard 34 (Interim Financial Reporting) as applicable in Pakistan and notified by Securities and Exchange Commission of Pakistan (SECP).

#### 4 ACCOUNTING POLICIES AND SEASONALITY OF OPERATIONS

- 4.1 The accounting policies and methods of computations adopted for the preparation of these accounts are the same as applied in the preparation of preceding annual published accounts of the company.
- 4.2 Some operations of the Company are very much seasonal in nature such as cotton purchase which depends upon the crop season. Effect of such operations are also reflected in these financial statements

	September 30, 2020 Rupees "000"	June 30, 2020 Rupees "000"
<b>5 SHARE CAPITAL</b>		
<b>5.1 Authorized capital</b>		
185,000,000 ( 2019: 185,000,000) ordinary shares of Rs. 10 each	1,850,000	1,850,000
Capital of merged companies		
345,000,000 (2019: 345,000,000) ordinary shares of Rs. 10	3,450,000	3,450,000
	<u>5,300,000</u>	<u>5,300,000</u>
<b>5.2 Issued, subscribed and paid up capital</b>		
20,000 (2019: 20,000) ordinary shares of Rs. 10 each issued as fully paid shares	200	200
497,989,959 (2019: 497,989,959) fully paid ordinary shares of Rs. 10 each issued to the shareholders of amalgamated entities	4,979,900	4,979,900
	<u>4,980,100</u>	<u>4,980,100</u>

	Note	September 30, 2020 Rupees "000"	June 30, 2020 Rupees "000"
<b>6 LONG TERM FINANCES-Secured</b>			
Long term loans		8,002,558	8,009,969
Less: Current portion shown under current liabilities		(575,137)	(410,786)
		<u>7,427,421</u>	<u>7,599,183</u>
<b>7 CONTINGENCIES AND COMMITMENTS</b>			
The status of contingencies and commitments are almost same as described in the recent annual accounts.			
<b>8 PROPERTY , PLANT AND EQUIPMENT</b>			
Operating fixed assets	8.1	17,904,577	18,016,710
Capital work in progress		133,317	132,452
		<u>18,037,894</u>	<u>18,149,162</u>
<b>8.1 Operating fixed assets</b>			
Opening written down value		18,016,710	18,211,617
Add: Cost of additions during the period	8.2	103,181	688,713
		<u>18,119,891</u>	<u>18,900,330</u>
Less: Written down value of deletions during the period		930	26,083
		<u>18,118,961</u>	<u>18,874,247</u>
Less: Depreciation charged during the period		214,384	857,537
		<u>17,904,577</u>	<u>18,016,710</u>
<b>8.2 Cost of additions during the period</b>			
Building on free hold land		1,355	664
Plant and machinery		52,331	423,996
Factory tools & equipment		-	2,581
Furniture & fixture		1,562	4,056
Office and other equipment		673	3,065
Vehicles		47,260	23,134
Transferred from leased assets		-	7,190
Transferred from CWIP		-	224,027
		<u>103,181</u>	<u>688,713</u>

	September 30, 2020 Rupees "000"	September 30, 2019 Rupees "000"
<b>9 COST OF SALES</b>		
Raw material consumed	3,393,506	3,773,735
Stores and spares consumed	243,684	187,154
Salaries, wages and benefits	570,391	478,571
Power and fuel	754,206	629,515
Insurance	6,609	19,087
Depreciation	212,359	210,557
Other factory overheads	40,693	27,191
	<u>5,221,448</u>	<u>5,325,810</u>
Adjustment of work in process		
Opening	467,431	450,135
Closing	(459,931)	(433,863)
	<u>7,500</u>	<u>16,272</u>
Cost of goods manufactured	5,228,948	5,342,082
Adjustment of finished goods		
Opening	2,691,652	2,090,735
Closing	(2,589,602)	(3,661,145)
	<u>102,050</u>	<u>(1,570,410)</u>
Real estate		
Opening	165,000	165,000
Closing	(165,000)	(165,000)
	<u>-</u>	<u>-</u>
Cost of goods sold	<u>5,330,998</u>	<u>3,771,672</u>
<b>10 OTHER INCOME</b>		
Other income includes profit on bank deposits, exchange gains and rental income.		
<b>11 PROVISION FOR TAXATION</b>		
Current-Minimum Taxation	82,161	47,160
	<u>82,161</u>	<u>47,160</u>
<b>12 RELATED PARTY TRANSACTIONS</b>		
All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions.		
Contribution to Provident Fund Trust	6,910	6,111
<b>13 SEGMENT INFORMATION</b>		
<b>13.1</b>	The company has two reportable business segments. The following summary describes the operation in each of the company's reportable segments:	
	Spinning: Production of different qualities of yarn using cotton and man-made fibers.	
	Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.	
	Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.	

## 13.2

Spinning		Weaving		Total-company	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
-----Rupees (000)-----		-----Rupees (000)-----		-----Rupees (000)-----	

## Sales:

Total Sales	4,512,562	2,709,255	1,363,169	1,199,457	5,875,731	3,908,712
Inter segment	(119,062)	(93,797)		-	(119,062)	(93,797)
External Sales	4,393,500	2,615,458	1,363,169	1,199,457	5,756,669	3,814,915
Cost of sales	4,094,168	2,583,003	1,234,446	1,188,669	5,328,614	3,771,672
Gross profit	299,332	32,455	128,723	10,788	428,055	43,243
Distribution cost	30,466	24,392	20,311	16,261	50,777	40,653
Administration cost	41,759	36,218	27,840	24,145	69,599	60,363
	72,225	60,610	48,151	40,406	120,376	101,016
	227,106	(28,155)	80,573	(29,618)	307,679	(57,773)
Finance cost	121,891	131,707	81,260	87,805	203,151	219,512
	105,216	(159,862)	(688)	(117,423)	104,528	(277,285)

## Unallocated income and expenses

Other income					35,683	99,317
Profit / (Loss) before tax					140,211	(177,968)
Taxation					82,161	47,160
Profit / (Loss) after tax					58,050	(225,128)
Other comprehensive income:					-	-
Total Comprehensive Income / (Loss)					58,050	(225,128)

## 14. AUTHORIZATION FOR ISSUE

These accounts have been approved and authorized for issue by the board of directors in its meeting held on October 29, 2020.



Chief Financial Officer



Director



Chief Executive Officer

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹران، بخوشی پہلی سہ ماہی مختتمہ 30 ستمبر 2020ء کے غیر تنقیح شدہ مالی حسابات پیش کر رہے ہیں۔

پہلی سہ ماہی کا کاروباری حجم پچھلے سال کی اسی سہ ماہی کے مقابلے میں مبلغ 3,815 ملین روپے سے زیادہ ہو کر مبلغ 5,757 ملین روپے ہو گیا ہے۔ اس مدت کا خام منافع مبلغ 428 ملین روپے (2019: 43 ملین روپے) جبکہ اس سہ ماہی کا بعد از ٹیکس منافع مبلغ 58 ملین روپے (2019: بعد از ٹیکس نقصان 225 ملین روپے) ہے۔ اس طرح نفع فی حصہ 0.12 روپیہ رہا جو کہ پچھلے سال اسی سہ ماہی میں 0.45 روپیہ فی حصہ نقصان تھا۔

اللہ کے فضل و کرم سے باقی دنیا کے مقابلے میں پاکستان نے کم انسانی نقصان کے ساتھ کرونا واء پر قابو پایا ہے جس کی وجہ سے اس سہ ماہی میں کچھ بہتری آئی ہے۔ حریف ملک میں کرونا کی وجہ سے جاری لاک ڈاؤن کی صورتحال میں پاکستان کی برآمدات میں کافی بہتری آئی ہے۔ جبکہ مقامی منڈی کرونا واء کی دوسری لہر کی خبروں کی وجہ سے ابھی دباؤ میں ہے۔

سال 2020-21 کے شروع میں یورپی ملک کی منڈیاں آہستہ آہستہ کھل رہی ہیں ہم پر امید ہیں کہ کاروباری حجم اچھی اور بہتر سطح پر مستحکم ہو جائے گا جس کا دار و مدار کرونا کی دوسری لہر پر منحصر ہے جو دوبارہ بہت سے ممالک کو نقصان پہنچا رہا ہے۔ دوسرا بڑا خطرہ ملک میں کپاس کی فصل کی کم پیداوار ہے جس کی وجہ سے ہم کپاس درآمد کر رہے ہیں اور مقامی مصنوعات کو عالمی مقابلہ بازی میں مشکلات کا سامنا ہوگا۔

کمپنی انتظامیہ نے کامیابی سے اپنے زیادہ تر مالیاتی اداروں سے اپنے قرضہ جات کے سلسلے میں از سر نو تنظیم نو کا عمل مکمل کر لیا ہے۔

کمپنی اور اس کی ذیلی ادارہ سٹی رائٹ پرائیویٹ لمیٹڈ کے 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے مجموعی مالی حسابات لف ہیں۔

کمپنی انتظامیہ مستعدی سے لاگت کو کنٹرول کرنے اور پیداوار کو بڑھانے میں اپنی سرتوڑنگ دود کے ساتھ مصروف عمل ہے۔

ہم اپنے ایگزیکٹوز اور دیگر ملازمین کی کاوشوں کا تہہ دل سے شکر گزار ہیں۔

Dr. Akram ul Haq

اکرام الحق

ڈائریکٹر

— نسیمہ کمال

فرید منیٹ شیخ

چیف ایگزیکٹو آفیسر

لاہور: 29 اکتوبر 2020

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**COLONY TEXTILE MILLS LIMITED**

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