

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020
(UN-AUDITED)

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Taimur Amjad
(Chairman)

Mr. Muhammad Arshad
(Chief Executive Officer)

DIRECTORS (In alphabetical order)

Mr. Abid Mehmood
Mr. Adnan Amjad
Mr. Naveed Gulzar
Ms. Nazish Arshad
Mr. Salman Rafi
Mrs. Shameen Azfar

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mrs. Shameen Azfar (Chairman)
Mr. Adnan Amjad (Member)
Ms. Nazish Arshad (Member)

COMPANY SECRETARY

Mr. Sami Ullah

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: 042-36283096-7

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, 2020. During the period under review, your company has earned a pre-tax profit of Rs. 42.028 Million as compared to pre-tax profit of Rs. 18.026 Million in the comparative period of last year.

Total sales revenue of the company for the first quarter stood at Rs. 1,117.608 Million, whereas, the turnover figures during the same period in year 2019 was Rs. 1,645.194 Million. The cost of sales in the period under review stood at 89.11% whereas up to September 30, 2019 it was around 94.19%. Keeping in view the persisting operational/financial loss being incurred by the Company's Spinning Unit located at Hyderabad, Kotri, the board of directors while showing their concern over its deteriorating financial position has approved the disposal of assets of the spinning unit. 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

Economic uncertainty inflicted by Covid-19 pandemic has greatly affected the future planning and current performance of the Company. Apart from corona virus pandemic, other major challenge is expected rise in cotton prices due to shortage of cotton crop as a result of floods and heavy rains in cotton growing areas as well as the locust attack. Management is aware of the ensuing problems and has prepared its strategic plans accordingly. Second wave of the virus started far earlier than expected and could be compounded by an adverse alteration, a new threat looms over the world's economies. The IMF has given a one-year relief to Pakistan during the pandemic and a US\$1.386 billion were given under the Rapid Financing Instrument to address the economic impact of the COVID-19. Aid packages from Asian Development and the World Bank, along with debt relief program by G-20, will enable the economy to greatly make up for the projected loss. As the economy slowly reopens, it is expected that the adverse impact of COVID-19 will be bottoming out. However, the framework for recovery will depend on various factors like extent of adverse impact on various sectors, duration as well as severity of lockdowns and the associated risks. The outlook therefore carries challenges due to uncertainties associated with it. GDP of the world's most advanced countries shrunk by 7.6% to 24%. However, Pakistan textile sector is likely to perform well in first quarter of forthcoming financial year. Management of your company has clear strategy and is focusing for the years ahead on expanding the position in the textile sector with ongoing investment in textile sector businesses as we endure to build pathways toward future for sustainable and long-term growth. The 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 for the remaining quarters of the financial year.

Acknowledgement

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 29, 2020


ABID MEHMOOD
DIRECTOR

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2020ء کو مختصرہ پہلی سہ ماہی کے لیے متحدہ عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی کو 42.028 ملین کا قبل از ٹیکس منافع ہوا ہے جبکہ گزشتہ سال کی اسی مدت میں قبل از ٹیکس منافع 18.026 ملین روپے تھا۔

پہلی سہ ماہی کے لیے کمپنی کی کل فروخت کی آمدنی 1,117.608 ملین رہی جبکہ سال 2019ء میں اسی مدت کے دوران ٹرن اوور کی رقم 1,645.194 ملین روپے تھی۔ زیر جائزہ مدت میں فروخت کی لاگت 89.11 فیصد رہی جبکہ 30 ستمبر 2019ء تک یہ 94.19 فیصد کے لگ بھگ تھی۔

حیدرآباد، کوٹری میں واقع کمپنی کے سپننگ یونٹ کے عملی/مالی نقصان کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے اس کی مخدوش مالی صورت حال پر اپنی تشویش ظاہر کرتے ہوئے اسپننگ یونٹ کے اثاثہ جات کے تصفیے کی منظوری دی ہے۔ زیر جائزہ مدت کے دوران ٹیکسٹائل انڈسٹری کو درپیش مشکلات کے باوجود کمپنی کی انتظامیہ بہتر نتائج کے لیے کوشاں ہے۔

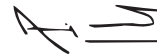
مستقبل کے امکانات:

کوویڈ 19 کی وبا کی وجہ سے پائی جانے والی معاشی بے یقینی نے کمپنی کے مستقبل کی منصوبہ بندی اور موجودہ کارکردگی کو بری طرح متاثر کیا ہے۔ کرونا وائرس کی وبا کے علاوہ بڑا چیلنج کپاس کی کاشت کے علاقوں میں سیلاب اور بہت زیادہ بارشوں کے ساتھ ساتھ ٹنڈی دل کے حملے کے نتیجے میں کپاس کی فصل کی قلت کی وجہ سے روٹی کی قیمتوں میں متوقع اضافہ ہے۔ انتظامیہ آنے والے مسائل سے آگاہ ہے اور اس نے اس کے مطابق اپنا توجہ ویرانی منصوبہ تیار کر لیا ہے۔ وائرس کی دوسری لہر تو قریب سے کہیں پہلے شروع ہو گئی ہے جس سے کسی منفی رد و بدل کے خدشے میں اضافہ ہو گیا ہے، یعنی دنیا کی معیشتوں پر ایک نیا خطرہ بڑھ گیا ہے۔ آئی ایم ایف نے اس وبا کی مرض کے دوران پاکستان کو ایک سال کا ریلیف دیا ہے اور کوویڈ 19 کے معاشی اثرات کو دور کرنے کے لیے فوری مالی اعانت (RFI) کے طور پر 1.386 بلین امریکی ڈالر دیے گئے۔ ایشیائی ترقیاتی بینک اور ورلڈ بینک کے امدادی پیکیج کے ساتھ ساتھ جی 20 کے قرض سے نجات کے پروگرام کے ذریعہ معیشت کو متوقع نقصان کو پورا کرنے میں مدد ملے گی۔ چونکہ معیشت آہستہ آہستہ دوبارہ کھل رہی ہے، توقع کی جاتی ہے کہ کوویڈ 19 کے منفی اثرات کا خاتمہ ہو جائے گا۔ تاہم بحالی کا فریم ورک مختلف عوامل پر منحصر ہوگا جیسے مختلف شعبوں پر منفی اثر کی حد، لاک ڈاؤن کی مدت اور اس کی شدت اور اس سے منسلک خطرات۔ اس لیے اس سے وابستہ غیر یقینی صورت حال کی وجہ سے آؤٹ لک میں چیلنجز کا سامنا کرنا پڑ سکتا ہے۔ دنیا کے جدید ترین ممالک کی جی ڈی پی 7.6 فیصد سے 24 فیصد تک گر گئی ہے۔ تاہم امکان ہے کہ پاکستان ٹیکسٹائل میکینز آئندہ مالی سال کی پہلی سہ ماہی میں عمدہ کارکردگی کا مظاہرہ کرے گا۔ آپ کی کمپنی کی انتظامیہ واضح حکمت عملی رکھتی ہے اور وہ ٹیکسٹائل کے شعبے میں جاری سرمایہ کاری کے علاوہ آئندہ سالوں کے لیے ٹیکسٹائل کے شعبے میں اپنی پوزیشن بڑھانے پر توجہ مرکوز کیے ہوئے ہے جیسا کہ ہم مستقبل میں پائیدار اور طویل مدتی ترقی کے لیے مستقل مزاجی سے گامزن ہیں۔ 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 صارفین، بینکرز اور حصص یافتگان سے اظہار تشکر کرتے ہیں۔ ڈائریکٹران محنت اور لگن سے خدمات کی انجام دہی پر کمپنی کے شاف ممبران اور کارکنان کو بھی خراج تحسین پیش کرتے ہیں۔

منجانب
بورڈ آف ڈائریکٹرز


عابد محمود ڈائریکٹر

فیصل آباد
29 اکتوبر 2020ء


محمد ارشد چیف ایگزیکٹو آفیسر

CRESCENT COTTON

UNCONSOLIDATED CONDENSED INTERIM STATEMENT

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
NOTE	30 September 2020	30 June 2020

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
4,493,293	4,470,355

Total equity	4,719,894	4,696,956
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LIABILITIES
NON-CURRENT LIABILITIES

Long term financing	258,225	195,399
Employees' retirement benefits	127,043	127,075
	385,268	322,474

CURRENT LIABILITIES

Trade and other payables	751,203	740,215
Unclaimed dividend	3,980	3,980
Accrued markup	21,896	23,709
Short term borrowings	809,694	841,269
Current portion of long term financing	60,136	30,140
Provision for taxation	187,763	170,720
	1,834,672	1,810,033

TOTAL LIABILITIES	2,219,940	2,132,507
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CONTINGENCIES AND COMMITMENTS

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TOTAL EQUITY AND LIABILITIES	6,939,834	6,829,463
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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 2020

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
NOTE	30 September 2020	30 June 2020


ASSETS
NON-CURRENT ASSETS

Property, plant and equipment	6	4,915,887	4,926,871
Investment properties		264,224	264,224
Long term investments	7	7,268	6,684
Long term deposits		4,689	4,689
Deferred income tax asset		53,629	53,629
		5,245,697	5,256,097

CURRENT ASSETS

Stores, spare parts and loose tools		67,231	67,237
Stock in trade		684,147	540,181
Trade debts		238,122	280,321
Loans and advances		111,732	69,698
Short term deposits, prepayments and balances with statutory authorities		352,701	347,478
Other receivables		54,022	54,546
Short term investments	8	145,560	172,237
Cash and bank balances		40,622	41,668
		1,694,137	1,573,366

TOTAL ASSETS	6,939,834	6,829,463
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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 2020 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
NOTE		30 September 2020	30 September 2019
SALES		1,117,608	1,645,194
COST OF SALES	9	(995,863)	(1,549,636)
GROSS PROFIT		121,745	95,558
DISTRIBUTION COST		(16,123)	(13,078)
ADMINISTRATIVE EXPENSES		(49,841)	(50,403)
OTHER OPERATING EXPENSES		(1,761)	(20)
		(67,725)	(63,501)
		54,020	32,057
OTHER OPERATING INCOME	10	7,064	6,663
PROFIT/(LOSS) FROM OPERATIONS		61,084	38,720
FINANCE COST		(19,056)	(20,694)
PROFIT/(LOSS) BEFORE TAXATION		42,028	18,026
TAXATION		(17,043)	(25,146)
PROFIT/(LOSS) AFTER TAXATION		24,985	(7,120)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		1.10	(0.31)

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 2020 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2020	30 September 2019
PROFIT/(LOSS) AFTER TAXATION		24,985	(7,120)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		3,009	-
Items that may be reclassified subsequently to profit or loss:			
Surplus on remeasurement of available for sale investments		(5,056)	5,669
Other comprehensive income for the period		(2,047)	5,669
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		19,929	(1,451)

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 2020 (UN-AUDITED)

(RUPEES IN THOUSAND)

	SHARE CAPITAL	Premium on issue of shares	Plant Moderni- sation	CAPITAL RESERVES					Sub Total	REVENUE RESERVES				TOTAL EQUITY
				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	General reserve		Dividend equalization	(Accumulated loss) / Unappropri- ated profit	Sub Total		
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	
Transfer from dividend equalization reserve to general reserve	-	-	-	-	-	-	-	-	4,000	(4,000)	-	-		
Profit 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	100,988	-	37,032	138,020	4,666,205	
Profit for the next three quarters ended 30 June 2020	-	-	-	-	-	-	-	-	-	-	64,023	64,023	64,023	
Other comprehensive income for the next three quarters ended 30 June 2020	-	-	-	-	(33,272)	-	-	(33,272)	-	-	-	-	(33,272)	
Total comprehensive income for the next three quarters ended 30 June 2020	-	-	-	-	(33,272)	-	-	(33,272)	-	-	64,023	64,023	30,751	
Balance as at 30 June 2020 - Audited	226,601	5,496	12,000	-	114,105	-	4,136,711	4,268,312	100,988	-	101,055	202,043	4,696,956	
Loss for the first quarter ended 30 September 2020	-	-	-	-	-	-	-	-	-	-	24,985	24,985	24,985	
Other comprehensive income for the first quarter ended 30 September 2020	-	-	-	-	(5,056)	-	-	(5,056)	-	-	3,009	3,009	(2,047)	
Total comprehensive income for the first quarter ended 30 September 2020	-	-	-	-	(5,056)	-	-	(5,056)	-	-	27,994	27,994	22,938	
Balance as at 30 September 2020 - Un-audited	226,601	5,496	12,000	-	109,049	-	4,136,711	4,263,256	100,988	-	129,049	230,037	4,719,894	

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

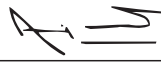
CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2020	30 September 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	11	(967)	(5,657)
Finance cost paid		(20,869)	(22,395)
Staff retirement gratuity paid		(9,018)	(3,354)
Income tax paid		(25,000)	(5,550)
Dividend paid		-	-
Net cash (utilized in) / generated from operating activities		(55,854)	(36,956)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(10,046)	(3,217)
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		3,607	-
Net cash from investing activities		(6,439)	(3,217)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(7,175)	(11,884)
Long term financing acquired		99,997	-
Short term borrowings - net		(31,575)	116,639
Net cash (used in) / from financing activities		61,247	104,755
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(1,046)	64,582
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		41,668	50,275
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		40,622	114,857

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 2020 (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 Act, 2017). Shares of the Company are quoted on Pakistan Stock Exchange. 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 2020 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 2020.

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 2020.

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 2020.

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 6.335 million (30 June 2020: Rupees 6.335 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 2020: 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 67.001 million (30 June 2020: Rupees 67.001 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited, Sui Southern Gas Pipelines Limited and Lahore Electric Supply Company Limited against gas and electricity connections.

Cheques of Rupees 32.485 million (30 June 2020: Rupees 32.485 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. 72.370 million (30 June 2020: Rupees Nil).

Letters of credit for other than capital expenditure are of Rupees 12.785 million (30 June 2020: Rupees 67.968 million).

(RUPEES IN THOUSAND)

UN-AUDITED 30 September 2020	AUDITED 30 June 2020
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6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	4,915,063	4,926,601
Capital work-in-progress	824	270
	4,915,887	4,926,871

6.1 Operating fixed assets

Opening book value	4,926,601	4,891,284
Add : Effects on surplus on revaluation	-	-
Add : Cost of additions during the period / year (Note 6.1.1)	9,492	119,389
	4,936,093	5,010,673

Less:

Book value of deletions during the period / year (Note 6.1.2)	-	2,352
Depreciation charged during the period / year	21,030	81,720
	21,030	84,072
Book value at the end of the period / year	4,915,063	4,926,601

6.1.1 Cost of additions during the period / year

Plant and machinery	9,492	34,999
Stand-by equipment	-	81,629
Electric installations	-	1,046
Tools and equipments	-	365
Vehicles	-	1,228
Office equipment	-	122
	9,492	119,389

6.1.2 Book value of deletions during the period / year

Vehicles	-	2,352
	-	2,352

7. LONG TERM INVESTMENTS
Equity investments

Quoted - Associated companies

Quoted - Others

Unquoted - Others

Less: Impairment loss charged to profit and loss account

Add: Fair value adjustment

(RUPEES IN THOUSAND)	
UN-AUDITED	AUDITED
30 September 2020	30 June 2020

427	502
690	616
873	2,784
1,990	3,902
-	-
5,278	2,782
7,268	6,684

8. SHORT TERM INVESTMENTS – Available for sale

Quoted - Others

Add: Fair value adjustment

59,883	60,481
59,883	60,481
85,677	111,756
145,560	172,237

9. COST OF SALES

Raw material consumed

Salaries, wages and other benefits

Stores, spare parts and loose tools consumed

Fuel and power

Outside weaving charges

Other manufacturing overheads

Insurance

Repair and maintenance

Depreciation

Work-in-process:

Opening stock

Closing stock

Cost of goods manufactured

Finished goods:

Opening stock

Closing stock

Cost of goods - purchased for resale

(UN-AUDITED)	
30 September 2020	30 September 2019

606,912	1,278,940
81,447	137,779
33,660	37,542
150,657	224,276
10,631	7,623
3,968	3,315
2,380	2,195
1,497	1,748
19,760	18,792
910,912	1,712,210

26,831	37,241
(24,573)	(35,749)
2,258	1,492
913,170	1,713,702

220,364	80,343
(137,671)	(246,659)
82,693	(166,316)
995,863	1,547,386
-	2,250
995,863	1,549,636

10. OTHER OPERATING INCOME

Interest income on sales tax refund bonds

Dividend income

Rental income

Scrape sales

11. CASH UTILIZED IN OPERATIONS

Profit before taxation

Adjustments for non-cash charges and other items:

Depreciation

Provision for staff retirement gratuity

Interest income on sales tax refund bonds

Finance cost

Working capital changes (Note 11.1)

Working capital changes

11.1 (Increase) / decrease in current assets

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans and advances

Prepayments and balances with statutory authorities

Other receivables

(Decrease) / increase in trade and other payables

(UN-AUDITED)	
30 September 2020	30 September 2019

-	624
5	4
6,683	5,828
376	207
6,663	6,663

42,028	18,026
21,030	20,006
8,986	11,420
-	(623)
19,056	20,694
(92,067)	(75,180)
(967)	(5,657)

6	878
(143,966)	(75,474)
42,199	(52,108)
(42,034)	(18,722)
40,216	13,564
524	(2,530)
(103,055)	(134,392)

10,988	59,212
(92,067)	(75,180)

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 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019
..... (RUPEES IN THOUSAND)								
Sales	1,056,180	1,630,527	110,926	69,590	(49,498)	(54,923)	1,117,608	1,645,194
Cost of sales	(954,385)	(1,544,514)	(90,976)	(60,045)	49,498	54,923	(995,863)	(1,549,636)
Gross profit	101,795	86,013	19,950	9,545	-	-	121,745	95,558
Distribution cost	(9,413)	(10,004)	(6,710)	(3,074)	-	-	(16,123)	(13,078)
Administrative expenses	(48,278)	(50,403)	(1,563)	-	-	-	(49,841)	(50,403)
Other operating expenses	(203)	(20)	(1,558)	-	-	-	(1,761)	(20)
	(57,894)	(60,427)	(9,831)	(3,074)	-	-	(67,725)	(63,501)
Other operating income	43,901	25,586	10,119	6,471	-	-	54,020	32,057
	7,064	6,663	-	-	-	-	7,064	6,663
Profit/(loss) from operations	50,965	32,249	10,119	6,471	-	-	61,084	38,720
Finance cost	(17,700)	(20,559)	(1,356)	(135)	-	-	(19,056)	(20,694)
Profit/(loss) before taxation	33,265	11,690	8,763	6,336	-	-	42,028	18,026
Taxation							(17,043)	(25,146)
Profit/(loss) after taxation							24,985	(7,120)

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 2020	30 September 2019
(RUPEES IN THOUSAND)		

i) Transactions
Subsidiary company

Rental expense	-	1,125
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Associated companies

Service charges	-	12,079
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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 29, 2020 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 statement of financial position 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 statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows 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 30 September 2020	AUDITED 30 June 2020
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NOTE

EQUITY AND LIABILITIES**SHARE CAPITAL AND RESERVES****Authorized share capital**

30 000 000 (30 June 2020: 30 000 000)

ordinary shares of Rupees 10 each

300,000	300,000
----------------	---------

Issued, subscribed and paid up share capital

226,601	226,601
----------------	---------

Reserves

4,518,345	4,480,702
------------------	-----------

Total equity

4,744,946	4,707,303
------------------	-----------

LIABILITIES**NON-CURRENT LIABILITIES****Long term financing**

258,225	195,399
----------------	---------

Employees' retirement benefits

127,043	127,075
----------------	---------

385,268	322,474
----------------	---------

CURRENT LIABILITIES**Trade and other payables**

747,579	736,577
----------------	---------

Unclaimed dividend

3,980	3,980
--------------	-------

Accrued markup

36,098	37,911
---------------	--------

Short term borrowings

814,694	846,269
----------------	---------

Current portion of long term financing

60,136	30,140
---------------	--------

Provision for taxation

188,511	171,468
----------------	---------

1,850,998	1,826,345
------------------	-----------

TOTAL LIABILITIES

2,236,266	2,148,819
------------------	-----------

CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

6,981,212	6,856,122
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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 2020

(RUPEES IN THOUSAND)

	UN-AUDITED 30 September 2020	AUDITED 30 June 2020
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NOTE

ASSETS**NON-CURRENT ASSETS****Property, plant and equipment**

6	4,916,630	4,927,634
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Investment properties

	287,792	287,792
--	----------------	---------

Long term investments

7	52,258	54,794
----------	---------------	--------

Long term deposits

	5,211	5,211
--	--------------	-------

Deferred income tax - asset

	58,502	58,496
--	---------------	--------

	5,320,393	5,333,927
--	------------------	-----------

CURRENT ASSETS**Stores, spare parts and loose tools**

	69,721	69,727
--	---------------	--------

Stock in trade

	684,147	540,181
--	----------------	---------

Trade debts

	238,122	280,321
--	----------------	---------

Loans and advances

	111,732	69,698
--	----------------	--------

Short term deposits, prepayments and balances with statutory authorities

	353,441	348,218
--	----------------	---------

Other receivables

	57,539	58,063
--	---------------	--------

Short term investments

8	102,094	110,918
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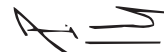
Cash and bank balances

	44,023	45,069
--	---------------	--------

	1,660,819	1,522,195
--	------------------	-----------

TOTAL ASSETS

	6,981,212	6,856,122
--	------------------	-----------


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 2020 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
NOTE		30 September 2020	30 September 2019
SALES		1,117,608	1,645,194
COST OF SALES	9	(995,863)	(1,549,636)
GROSS PROFIT		121,745	95,558
DISTRIBUTION COST		(16,123)	(13,078)
ADMINISTRATIVE EXPENSES		(49,875)	(49,300)
OTHER OPERATING EXPENSES		(1,761)	(20)
		(67,759)	(62,398)
		53,986	33,160
OTHER OPERATING INCOME	10	7,064	6,663
(LOSS)/PROFIT FROM OPERATIONS		61,050	39,823
FINANCE COST		(19,056)	(20,844)
		41,994	18,979
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		(152)	(4,193)
PROFIT/(LOSS) BEFORE TAXATION		41,842	14,786
TAXATION		(17,043)	(25,146)
PROFIT / (LOSS) AFTER TAXATION FROM		24,799	(10,360)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		1.09	(0.46)

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



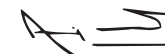
CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2020	30 September 2019
PROFIT/(LOSS) AFTER TAXATION		24,799	(10,360)
OTHER COMPREHENSIVE INCOME / (LOSS)			
Items that will not be reclassified to profit or loss		(113)	-
Items that may be reclassified subsequently to profit or loss:			
Surplus / (deficit) on remeasurement of available for sale investments		(8,824)	14,967
Other comprehensive income / (loss) for the period		(8,937)	14,967
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		15,975	4,607

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 2020 (UN-AUDITED)**


(RUPEES IN THOUSAND)

	SHARE CAPITAL	Premium on issue of shares	Plant Moderni- sation	CAPITAL RESERVES					Sub Total	General reserve	Dividend equalization	REVENUE RESERVES		Sub Total	TOTAL EQUITY
				Fair value reserve	Fair value reserve of investments at FVTOCI	Reserve for issue of bonus shares	Surplus on revaluation of freehold land	Share of associates reserve				(Accumulated loss) / Unappropri- ated profit			
Balance as at 30 June 2019 - Audited (Restated)	226,601	5,496	12,000	-	22,362	-	4,136,711	4,176,569	44,975	4,000	53,020	187,945	289,940	4,693,110	
Transferred from dividend equalization reserve to general reserve	-	-	-	-	-	-	-	-	4,000	(4,000)	-	-	-		
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	-	-	-	-	14,989	-	-	14,989	-	-	(20,939)	-	(20,939)	(5,950)	
Total comprehensive income for the first quarter ended 30 September 2019	-	-	-	-	14,989	-	-	14,989	-	-	(20,939)	(10,360)	(31,299)	(16,310)	
Balance as at 30 September 2019 - Unaudited	226,601	5,496	12,000	-	37,351	-	4,136,711	4,191,558	48,975	-	32,081	177,585	258,641	4,676,800	
Loss for the next three quarters ended 30 June 2020	-	-	-	-	-	-	-	-	-	-	-	24,236	24,236	24,236	
Other comprehensive income for the next three quarters ended 30 June 2020	-	-	-	-	(15,094)	-	-	(15,094)	-	-	21,361	-	21,361	6,267	
Total comprehensive income for the next two quarters ended 30 June 2019	-	-	-	-	(15,094)	-	-	(15,094)	-	-	21,361	24,236	45,597	30,503	
Balance as at 30 June 2019 - Audited	226,601	5,496	12,000	-	22,257	-	4,136,711	4,176,464	48,975	-	53,442	201,821	304,238	4,707,303	
Loss for the first quarter ended 30 September 2019	-	-	-	-	-	-	-	-	-	-	-	24,799	24,799	24,799	
Other comprehensive income for the first quarter ended 30 September 2019	-	-	-	-	(8,824)	-	-	(8,824)	-	-	21,668	-	21,668	12,844	
Total comprehensive income for the first quarter ended 30 September 2019	-	-	-	-	(8,824)	-	-	(8,824)	-	-	21,668	24,799	46,467	37,643	
Balance as at 30 September 2019 - Un-audited	226,601	5,496	12,000	-	13,433	-	4,136,711	4,167,640	48,975	-	75,110	226,620	350,705	4,744,946	

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



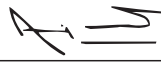
CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2020	30 September 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	11	(967)	(5,669)
Finance cost paid		(20,869)	(22,395)
Staff retirement gratuity paid		(9,018)	(3,354)
Income tax paid		(25,000)	(5,550)
Dividend paid		-	-
		(54,887)	(31,299)
Net cash (utilized in) / generated from operating activities		(55,854)	(36,968)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(10,046)	(3,217)
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		3,607	-
Net cash from investing activities		(6,439)	(3,217)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(7,175)	(11,884)
Long term financing acquired		99,997	-
Short term borrowings - net		(31,575)	116,639
Net cash (used in) / from financing activities		61,247	104,755
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(1,046)	64,570
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		45,069	53,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		44,023	118,246

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 2020 (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 2020.

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 2020.

**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 2020.

**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 6.355 million (30 June 2020: Rupees 6.355 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 2020: 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 67.001 million (30 June 2020: Rupees 67.001 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited, Sui Southern Gas Company Limited and Lahore Electric Supply Company Limited against gas and electricity connections.
- Cheques of Rupees 32.485 million (30 June 2020: Rupees 32.485 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 2020: 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. The Company has issued a margin deposit of Rs. 0.255 million against this claim which will be released upon resolution of this matter.

Commitments:

- Letters of credit for capital expenditure are Rupees 72.370 million (30 June 2020: Rupees Nil).
- Letters of credit for other than capital expenditure are of Rupees 12.785 million (30 June 2020: Rupees 67.968 million).

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2020	2020

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	4,915,806	4,927,364
Capital work-in-progress	824	270
	4,916,630	4,927,634

6.1 Operating fixed assets

Opening book value	4,927,364	4,892,134
Add : Cost of additions during the period / year (Note 6.1.1)	9,492	119,389
	4,936,856	5,011,523

Less:

Book value of deletions during the period / year (Note 6.1.2)
Depreciation charged during the period / year

-	2,352
21,050	81,807

	21,050	84,159
Book value at the end of the period / year	4,915,806	4,927,364



(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2020	2020

6.1.1 Cost of additions during the period / year

Plant and machinery	9,492	34,999
Stand-by equipment	-	81,629
Electric installations	-	1,046
Tools and equipments	-	365
Vehicles	-	1,228
Office equipment	-	122
	9,492	119,389

6.1.2 Book value of deletions during the period / year

Vehicles	-	2,352
	-	2,352

7. LONG TERM INVESTMENTS

In associates:

Cost	14,160	17,879
Share of post acquisition profit:		
At the beginning of the period / year	35,330	48,583
Share of profit/(loss) during the period / year	(152)	(13,253)
	35,178	35,330
	49,338	53,209

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	2,019	684
	2,920	1,585

Debt Instruments	-	-
	52,258	54,794

- 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	AUDITED
30 September 2020	30 June 2020

8. SHORT TERM INVESTMENTS – Available for sale

Quoted - Others	89,319	89,319
Add: Fair value adjustment	12,775	21,599
	102,094	110,918

(UN-AUDITED)

30 September 2020	30 September 2019
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(RUPEES IN THOUSAND)

9. COST OF SALES

Raw material consumed	606,912	1,278,940
Salaries, wages and other benefits	81,447	137,779
Stores, spare parts and loose tools consumed	33,660	37,542
Fuel and power	150,657	224,276
Outside weaving charges	10,631	7,623
Other manufacturing overheads	3,968	3,315
Insurance	2,380	2,195
Repair and maintenance	1,497	1,748
Depreciation	19,760	18,792

910,912 1,712,210

Work-in-process:

Opening stock	26,831	37,241
Closing stock	(24,573)	(35,749)

2,258 1,492Cost of goods manufactured **913,170** 1,713,702

Finished goods:

Opening stock	220,364	80,343
Closing stock	(137,671)	(246,659)

82,693 (166,316)**995,863** 1,547,386

Cost of goods purchased - 2,250

995,863 1,549,636**10. OTHER OPERATING INCOME**

Interest income on sales tax refund bonds	-	624
Dividend income	5	4
Rental income	6,683	5,828
Scrape sale	376	207

7,064 6,663

(UN-AUDITED)

30 September 2020	30 September 2019
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(RUPEES IN THOUSAND)

11. CASH UTILIZED IN OPERATIONSProfit before taxation **41,842** 14,786

Adjustments for non-cash charges and other items:

Depreciation	21,050	21,210
Provision for staff retirement gratuity	8,986	11,420
Interest income on sales tax refund bonds	-	(623)
Gain on sale of property, plant and equipment	-	-
Credit balances written back	-	-
Share of (profit) / loss from associated companies	152	4,193
Finance cost	19,056	20,844
Working capital changes (Note 11.1)	(92,053)	(77,499)

(967) (5,669)**11.1 Working capital changes**

(Increase) / decrease in current assets

Stores, spare parts and loose tools	6	(1,857)
Stock in trade	(143,966)	(75,474)
Trade debts	42,199	(52,108)
Loans and advances	(42,034)	(18,722)
Prepayments and balances with statutory authorities	40,216	13,564
Other receivables	524	(2,551)
	(103,055)	(137,148)

(Decrease) / increase in trade and other payables **11,002** 59,649**(92,053)** (77,499)

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 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019
..... (RUPEES IN THOUSAND)								
Sales	1,056,180	1,630,527	110,926	69,590	(49,498)	(54,923)	1,117,608	1,645,194
Cost of sales	(954,385)	(1,544,514)	(90,976)	(60,045)	49,498	54,923	(995,863)	(1,549,636)
Gross profit	101,795	86,013	19,950	9,545	-	-	121,745	95,558
Distribution cost	(9,413)	(10,004)	(6,710)	(3,074)	-	-	(16,123)	(13,078)
Administrative expenses	(48,312)	(49,300)	(1,563)	-	-	-	(49,875)	(49,300)
Other operating expenses	(203)	(20)	(1,558)	-	-	-	(1,761)	(20)
	(57,928)	(59,324)	(9,831)	(3,074)	-	-	(67,759)	(62,398)
	43,867	26,689	10,119	6,471	-	-	53,986	33,160
Other operating income	7,064	6,663	-	-	-	-	7,064	6,663
Profit from operations	50,931	33,352	10,119	6,471	-	-	61,050	39,823
Finance cost	(17,700)	(20,709)	(1,356)	(135)	-	-	(19,056)	(20,844)
Profit/(loss) before taxation and unallocated income and expenses	33,231	12,643	8,763	6,336	-	-	41,994	18,979
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							(152)	(4,193)
Taxation							(17,043)	(25,146)
Profit/(loss) after taxation							24,799	(10,360)

**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 2020	30 September 2019

(RUPEES IN THOUSAND)

i) Transactions**Associated companies**

Service charges	-	12,079
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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 2020.

15. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on October 29, 2020 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 statement of financial position 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 statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows 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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