



COLONY TEXTILE MILLS LIMITED

Condensed Interim
FINANCIAL INFORMATION
for the half year ended
December 31, 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	
Mrs. Noshaba Faiz	

Board Committees

Audit Committee

Mr. Abdul Hakeem Khan Qasuria	(Chairman)
Mrs. Noshaba Faiz	
Mr. Muhammad Ashraf Saif	

HR & Remuneration Committee

Mr. Muhammad Atta ullah Khan	(Chairman)
Mr. Muhammad Ashraf Saif	
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,

It is our pleasure to present here our interim condensed financial statements for the half year ended December 31, 2020 duly reviewed by statutory auditors.

Your company has achieved net turnover of Rs. 11,587 million for the half year (2019: Rs. 9,355 million) and earned gross profit of Rs. 1,152 million as compared with Rs. 721 million for the same period of last year. The net profit for the period is Rs. 407 million as compared with net profit of Rs. 0.499 million for the same period of last year and consequently earnings per share is Rs. 0.82 (2019: Rs. 0.01).

First half of the year was extremely challenging for the global economy as the second wave of Covid-19 struck havoc across the world. Like the initial wave of Corona, Pakistan was blessed by the Grace of Almighty as damage here was much less than the rest of the world. This resulted in huge demand for Textile goods coming to Pakistan. Like all commodities, textile raw materials were no exception and started rising at an unprecedented pace. To make matters worse, our cotton crop was an absolute disaster. As the global demand for protective gear rose at an immense pace, it drove the prices for synthetics fibers way above the pre-Covid levels. The rising demand for textile goods and the gap created by the manufacturing closures across the world during the first Covid wave, caused a huge surge in cotton prices, which was only fueled by our all time low domestic cotton crop. This presented a unique opportunity for textile mills to cover raw materials at the lower levels and make very attractive margins on their products. Unfortunately, due to very limited banking lines your company was unable to capitalize on this opportunity and is faced with the challenge of purchasing raw materials at continuously rising prices.

StitchRite (Pvt.) Limited, wholly owned subsidiary

An export oriented wholly owned subsidiary by the name of StitchRite was incorporated last year to diversify and expand our business by entering the value added field of garment manufacturing. Though the installation of machinery is still in process but it is worth mentioning that the Company has started its trial production and we are confident to start commercial production by the end of this year.

Future Outlook

After an extremely challenging period, Pakistan's economy seems to be on a recovery path. Government's measures are strengthening the economy and rebuilding business confidence. Stability of Pakistani Rupee is also providing certainty for local and international trade. Timely release of sales tax, income tax and DLT refunds, stable utility tariffs, low interest rates and Covid relief package are some of the constructive measure taken by the government.

With peace within our country and pro-business measures taken by the government, we are very hopeful of better times ahead.

Management would like to express its appreciation for the outstanding devotion of all its employees and the trust placed in the Company by all the stakeholders.

For and on behalf of the board



Abdul Hakeem Khan Qasuria

Director



Fareed Mughis Sheikh

Chief Executive Officer

Lahore
March 01, 2021



Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants
 71-C-3, Gulberg-III, Lahore 54660-Pakistan.

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Independent Auditor's Review Report
To the members of Colony Textile Mills Limited
Report on Review of Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Colony Textile Mills Limited ("the company")** as at 31 December 2020 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Shahid Mehmood**.

Dated: 01 March 2021
Lahore

Tariq Abdul Ghani Maqbool

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

Tariq Abdul Ghani Maqbool & Co., a Partnership firm registered in Pakistan and an independent member of Geneva Group International (GGI), a Swiss entity.

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

AS AT DECEMBER 31, 2020

		31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
	Note	Un-audited	Audited
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
530,000,000 (30 June 2020: 530,000,000)			
ordinary shares of Rs. 10 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		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
Director's loan	6	120,000	385,187
General reserves		4,702	4,702
Unappropriated profit		1,258,714	851,217
Surplus on remeasurement of investments		2,518	1,492
		9,542,016	9,398,680
Non Current Liabilities			
Long term financing	7	7,242,735	7,599,183
Liabilities against assets subject to finance lease		13,937	21,380
Deferred liabilities		5,161,979	4,863,410
		12,418,651	12,483,973
Current Liabilities			
Trade and other payables		1,090,226	1,289,910
Short term borrowings	8	3,219,015	3,328,787
Accrued mark-up		187,792	217,947
Unclaimed dividend		94	94
Current portion of long term liabilities		753,761	430,598
Provision for taxation		166,747	251,625
		5,417,635	5,518,961
Contingencies and commitments	9	-	-
		27,378,302	27,401,614
ASSETS			
Non Current Assets			
Property, plant and equipment	10	18,085,384	18,251,031
Investment property		779,925	779,925
Long term investments	11	392,635	215,689
Long term deposits		51,132	51,132
		19,309,076	19,297,777
Current Assets			
Stores, spare parts and loose tools		275,658	275,667
Stock in trade	12	4,649,740	4,608,933
Trade debts		1,474,801	1,266,046
Loans and advances		741,463	716,430
Trade deposits and short term prepayments		126,255	255,832
Other financial assets	13	20	16
Tax refunds due from the government		748,694	932,961
Cash and bank balances		52,595	47,952
		8,069,226	8,103,837
		27,378,302	27,401,614

The annexed notes from 01 to 22 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

		Half year ended 31-Dec		Quarter ended 31-Dec	
		2020	2019	2020	2019
	Note	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Sales - net	14	11,587,036	9,355,355	5,830,367	5,540,440
Cost of sales	15	(10,434,763)	(8,634,650)	(5,109,937)	(4,862,978)
Gross profit		1,152,273	720,705	720,430	677,462
Operating expenses:					
Distribution cost		(140,215)	(120,528)	(89,438)	(79,875)
Administrative expenses		(243,207)	(194,933)	(173,608)	(134,570)
		(383,422)	(315,461)	(263,046)	(214,445)
Operating profit		768,851	405,244	457,384	463,017
Finance cost	16	(402,101)	(501,467)	(198,950)	(281,955)
		(402,101)	(501,467)	(198,950)	(281,955)
Other income	17	207,494	150,844	171,813	51,528
Profit before taxation		574,244	54,621	430,247	232,590
Taxation		(166,747)	(54,122)	(84,586)	(6,962)
Net profit for the period		407,497	499	345,661	225,628
Earnings per share - basic and diluted (Rupees)					
		0.82	0.01	0.69	0.45

The annexed notes from 01 to 22 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Note	Half year ended 31-Dec		Quarter ended 31-Dec	
		2020	2019	2020	2019
		(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Profit for the period		407,497	499	345,661	225,628
Other comprehensive income:					
Items that may be reclassified to profit or loss statement:					
- Net fair value gain / (loss) on investment measured at FVTOCI		1,026	234	1,026	234
Total comprehensive income for the period		408,523	733	346,687	225,862

The annexed notes from 01 to 22 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

	31-Dec-20 (Rupees in '000') Un-audited	31-Dec-19 (Rupees in '000') Un-audited
Profit/(loss) for the period before taxation	574,244	54,621
Adjustments for:		
Provision for staff retirement benefits	78,000	78,000
Depreciation on operating assets	422,691	428,207
Finance cost	402,101	501,467
(Profit) / loss from investment in IML	(175,920)	(40,133)
Gain on settlement with banks	(7,930)	(91,165)
(Profit) / loss on remeasurement of investments	(4)	(1)
(Gain) on disposal of property, plant and equipment	(3,576)	(3,506)
	715,362	872,869
Operating cash flows before working capital changes	1,289,606	927,490

Changes in working capital:

(Increase) / decrease in current assets:

Stores, spare parts and loose tools

Stock in trade

Trade debts

Loans, advances, deposits and other receivables

Increase / (decrease) in current liabilities:

Trade and other payables

9	183,038
(40,807)	(239,570)
(208,755)	14,670
104,544	(114,343)
(464,872)	(140,372)
(609,881)	(296,577)

Cash generated from operating activities

Finance cost paid

Staff retirement benefits paid

Income tax paid

679,725	630,913
(154,882)	(169,514)
(48,875)	(35,537)
(67,358)	(74,637)
(271,115)	(279,688)

Net cash generated from operating activities

408,610	351,225
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CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure

Proceeds from disposal of property, plant and equipment

Long term investment

Net cash used in investing activities

(260,598)	(248,144)
7,131	6,447
-	(1,000)
(253,467)	(242,697)

CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances repaid

Lease finance - net

Short term borrowings - net

Net cash used in financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period

(34,702)	(117,603)
(6,026)	(9,498)
(109,772)	16,711
(150,500)	(110,390)
4,643	(1,862)
47,952	37,287
52,595	35,425

The annexed notes from 01 to 22 form an integral part of this unconsolidated condensed interim financial information.

Chief Financial Officer

Director

Chief Executive Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Ordinary share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Director's loan	Revenue reserves		Surplus on remeasurement of investments	Total
					General reserves	Unappropriated profit / (loss)		
Rupees in ('000')								
Balance as at 01 July 2019 (audited)	4,980,100	3,156,388	19,594	385,187	4,702	1,197,969	986	9,744,926
Total comprehensive income:								
Profit for the half year ended 31 December 2019	-	-	-	-	-	499	-	499
Other comprehensive income:								
- Surplus on revaluation of investment property	-	-	-	-	-	-	-	-
- Loss on remeasurement of investments	-	-	-	-	-	-	234	234
Total comprehensive income for the period	-	-	-	-	-	499	234	733
Balance as at 31 December 2019 (un-audited)	4,980,100	3,156,388	19,594	385,187	4,702	1,198,468	1,220	9,745,659
Total comprehensive income:								
Profit for the half year ended 30 June 2020	-	-	-	-	-	(375,561)	-	(375,561)
Other comprehensive income:								
- Remeasurement of defined benefit obligation	-	-	-	-	-	28,310	-	28,310
- Net fair value gain on investment measured at FVTOCI	-	-	-	-	-	-	272	272
Total comprehensive income for the period	-	-	-	-	-	(347,251)	272	(346,979)
Balance as at 30 June 2020 (audited)	4,980,100	3,156,388	19,594	385,187	4,702	851,217	1,492	9,398,680
Total comprehensive income:								
Profit for the half year ended 31 December 2020	-	-	-	-	-	407,497	-	407,497
Other comprehensive income:								
- Net fair value gain on investment measured at FVTOCI	-	-	-	-	-	-	1,026	1,026
Director's loan paid during the period	-	-	-	(265,187)	-	-	-	(265,187)
	-	-	-	(265,187)	-	407,497	1,026	143,336
Balance as at 31 December 2020 (un-audited)	4,980,100	3,156,388	19,594	120,000	4,702	1,258,714	2,518	9,542,016

The annexed notes from 01 to 22 form an integral part of this unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

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

Geographical location and addresses of major business units including mills/plants of the Company are as under:

Location	Purpose
M. Ismail Aiwan-i-Science Building Ferozepur Road, Lahore.	Head Office
4km Raiwind Manga Road, Raiwind, District Kasur.	Weaving unit
Sher Shah Road Ismailabad, Multan.	Spinning unit

1.02 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, The Company has the following wholly-owned subsidiary company:

	Effective shareholding %
- Stitchrite (Private) Limited	100

2. BASIS OF PREPARATION

2.01 Statement of Compliance

- (a) These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- (b) These unconsolidated condensed interim financial statements comprise the unconsolidated condensed interim statement of financial position of the company as at December 31, 2020 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with notes forming part thereof.
- (c) These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- (d) These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2020. Comparative unconsolidated condensed interim statement of financial position has been extracted from annual financial statements for the year ended June 30, 2020, whereas comparatives for unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows and related notes for the half year ended December 31, 2019 have been subjected to review but not audited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the preceding year ended 30 June 2020.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this unconsolidated condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2020.

5. PRESENTATION AND FUNCTIONAL CURRENCY

The unconsolidated condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

6. DIRECTOR'S LOAN

During the year one of non-executive director has gifted his loan towards his relative members amounting to Rs. 265 million that has been classified accordingly in the financial statements. Since this is not an actual cash outflow of the company, therefore, it has no impact on the cash flow statement for the period.

		31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
7. LONG TERM FINANCING	Note	Un-audited	Audited
From banking companies - Secured		7,975,267	8,009,969
Current portion shown under current liabilities		(732,532)	(410,786)
		<u>7,242,735</u>	<u>7,599,183</u>

8. SHORT TERM BORROWINGS - SECURED

Short term finances availed from various banking companies / other financial institutions under mark-up arrangements aggregate to Rs. 3,219 million (30 June 2020: Rs. 3,329 million).

9. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments as reported in the audited annual financial statements for the year ended 30 June 2020.

		31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
10. PROPERTY, PLANT AND EQUIPMENT	Note	Un-audited	Audited
Operating assets - owned	10.01	17,843,337	18,013,019
Right of use assets	10.02	92,969	105,560
Capital work in progress	10.03	149,078	132,452
		<u>18,085,384</u>	<u>18,251,031</u>
10.01 Operating assets - owned			
Opening book value		18,013,019	18,330,301
Additions during the period / year:			
Building on freehold land		1,429	664
Plant, machinery and equipment		222,141	422,923
Factory tools and equipment		324	2,581
Furniture and fixtures		1,294	3,245
Office and hospital equipment		4,633	2,699
Vehicles		14,151	21,649
		243,972	453,761
Transfer from capital work in progress during the period / year		-	224,027
Book value of assets transferred to/from right of use assets		10,207	(111,494)
Book value of assets disposed off during the period / year		(3,554)	(26,083)
Depreciation charge for the period / year		(420,307)	(857,493)
Closing book value		<u>17,843,337</u>	<u>18,013,019</u>

		31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
	Note	Un-audited	Audited
10.02 Right-of-use assets			
Opening net book value (NBV)		105,560	118,684
Transferred to operating assets		(10,207)	(7,190)
Depreciation charge for the period / year		(2,384)	(5,934)
Closing net book value (NBV)		92,969	105,560
10.03 Capital work-in-progress			
Balance at the beginning		132,452	131,659
Addition during the period / year		16,626	106,219
		149,078	237,878
Transfer to operating assets			(105,426)
- Building on freehold land		-	
- Plant, machinery and equipment		-	
		149,078	132,452
Breakup of the closing balance of capital work-in-progress			
The details are as under:			
Plant and machinery		121,135	121,135
Civil work		27,943	11,317
		149,078	132,452

11. LONG TERM INVESTMENTS

At fair value through statement of profit or loss
designated on initial recognition

- Investment in Imperial Limited

388,643 212,722

At fair value through other comprehensive income

2,992 1,967

Investment in wholly owned subsidiary

- Investment in Stitchrite (Private) Limited

11.01

1,000 1,000

392,635 215,689

11.01 Stitchrite (Private) Limited is a private company incorporated in Pakistan. As of the statement of financial position date the company owns 100 percent shareholding of Stitchrite (Private) Limited.

12. STOCK IN TRADE

Textile

Raw material

1,268,732 1,288,638

Work in process

461,541 467,431

Finished goods

2,754,467 2,687,864

4,484,740 4,443,933

Real Estate Business

Land held for development and resale

165,000 165,000

4,649,740 4,608,933

13. OTHER FINANCIAL ASSETS

Other financial assets

13.01

20

16

13.01 These include shares of listed companies classified at fair value through statement of profit or loss.

31-Dec-20	30-Jun-20	Quoted - at fair value	31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
No. of shares			Un-audited	Audited
89	89	Oil and Gas Development Company Limited	9	10
250	250	Maple Leaf Cement Factory Limited	11	6
339	339		20	16

Note	Half year ended		Quarter ended	
	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')
14. SALES - NET				
Local	10,135,546	7,941,296	5,232,324	4,962,166
Export	1,470,156	1,437,620	608,935	587,546
	11,605,702	9,378,916	5,841,259	5,549,712
Commission	(18,666)	(23,561)	(10,892)	(9,272)
	11,587,036	9,355,355	5,830,367	5,540,440

	Half year ended		Quarter ended	
	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')
15. COST OF SALES				
Raw material consumed	6,579,537	5,668,357	3,186,031	1,894,622
Stores consumed	521,741	411,350	278,169	224,196
Staff salaries, wages and benefits	1,322,304	1,027,730	752,279	549,159
Power and fuel	1,525,994	1,414,841	771,788	785,326
Insurance	26,947	38,355	20,468	19,268
Depreciation	415,819	421,254	203,471	210,697
Other factory overheads	103,134	70,107	64,206	42,916
	10,495,476	9,051,994	5,276,412	3,726,184
Work in process:				
Opening	467,431	450,135	459,931	433,863
Closing	(461,541)	(549,809)	(461,541)	(549,809)
	5,890	(99,674)	(1,610)	(115,946)
Cost of goods manufactured	10,501,366	8,952,320	5,274,802	3,610,238
Finished goods:				
Opening stock	2,687,864	2,090,735	2,589,602	3,661,145
Closing stock	(2,754,467)	(2,408,405)	(2,754,467)	(2,408,405)
	(66,603)	(317,670)	(164,865)	1,252,740
Real estate				
Opening	165,000	165,000	165,000	165,000
Closing	(165,000)	(165,000)	(165,000)	(165,000)
	-	-	-	-
Cost of sales	10,434,763	8,634,650	5,109,937	4,862,978

16. FINANCE COST				
Accrued during the period	402,101	501,467	198,950	(281,955)
	402,101	501,467	198,950	(281,955)

17. OTHER INCOME

Other income includes Rs. 176 million against remeasurement of investment in Imperial Limited.

18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary, associated companies, other related companies, key management personnel, and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:

Related parties	Half year ended		Quarter ended	
	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')
Subsidiary:				
- Advances to subsidiary	82,759	1,701	82,759	1,701
- Investment in subsidiary	1,000	1,000	1,000	1,000
Provident Fund Trust:				
- Contribution to Provident Fund Trust	13,701	12,341	6,791	7,340

19 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The unconsolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended 30 June 2020.

The carrying value of all financial assets and liabilities reflected in the unconsolidated condensed interim financial information approximate their fair value.

19.01 Fair value hierarchy

Following are three levels in fair value hierarchy that reflect the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has financial assets at fair value of Rs. 282 million (June 30, 2020: 282 million) which is valued under level 1 valuation method. The Company does not have any investment in level 2 and 3 category.

20. SEGMENT INFORMATION

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 fibres.
- 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.

	Half year ended					
	Spinning		Weaving		Total Company	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
----- Rupees in '000' -----						
Sales:						
Total sales	9,240,060	7,217,199	2,560,844	2,360,582	11,800,904	9,577,781
Inter segment	(213,868)	(222,426)	-	-	(213,868)	(222,426)
External sales	9,026,192	6,994,773	2,560,844	2,360,582	11,587,036	9,355,355
Cost of sales	(8,190,858)	(6,430,790)	(2,243,905)	(2,203,860)	(10,434,763)	(8,634,650)
Gross profit	835,334	563,983	316,939	156,722	1,152,273	720,705
Distribution cost	(84,129)	(72,317)	(56,086)	(48,211)	(140,215)	(120,528)
Administrative expenses	(145,924)	(116,960)	(97,283)	(77,973)	(243,207)	(194,933)
	(230,053)	(189,277)	(153,369)	(126,184)	(383,422)	(315,461)
	605,281	374,706	163,570	30,538	768,851	405,244
Finance cost	(241,261)	(300,880)	(160,840)	(200,587)	(402,101)	(501,467)
	364,020	73,826	2,730	(170,049)	366,750	(96,223)
Unallocated income and expenses:						
Other income					207,494	150,844
(Loss) / profit before tax					574,244	54,621
Taxation					(166,747)	(54,122)
(Loss) / profit for the period					407,497	499
Other comprehensive income:						
(Loss) / profit on remeasurement of investments					1,026	234
Total comprehensive profit for the period					408,523	733

	Quarter ended					
	Spinning		Weaving		Total Company	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
----- Rupees in '000' -----						
Sales:						
Total sales	4,727,498	4,507,944	1,197,675	1,161,125	5,925,173	5,669,069
Inter segment	(94,806)	(128,629)	-	-	(94,806)	(128,629)
External sales	4,632,692	4,379,315	1,197,675	1,161,125	5,830,367	5,540,440
Cost of sales	(4,100,215)	(3,847,787)	(1,009,722)	(1,015,191)	(5,109,937)	(4,862,978)
Gross profit	532,477	531,528	187,953	145,934	720,430	677,462
Distribution cost	(53,663)	(47,925)	(35,775)	(31,950)	(89,438)	(79,875)
Administrative expenses	(104,099)	(80,742)	(69,509)	(53,828)	(173,608)	(134,570)
	(157,762)	(128,667)	(105,284)	(85,778)	(263,046)	(214,445)
	374,715	402,861	82,669	60,156	457,384	463,017
Finance cost	(119,369)	(169,173)	(79,581)	(112,782)	(198,950)	(281,955)
	255,346	233,688	3,088	(52,626)	258,434	181,062
Unallocated income and expenses:						
Other income					171,813	51,528
(Loss) / profit before tax					430,247	232,590
Taxation					(84,586)	(6,962)
(Loss) / profit for the period					345,661	225,628
Other comprehensive income:						
Profit / (loss) on remeasurement of investments					1,026	234
Total comprehensive profit for the period					346,687	225,862

Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Total Company	
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
----- Rupees in '000' -----						
Total assets for reportable segments	9,946,961	10,220,577	8,138,423	8,030,454	18,085,384	18,251,031
Unallocated assets:						
Investment property					779,925	779,925
Long term investments					392,635	214,689
Cash and bank balances					52,595	47,952
Other corporate assets					8,067,763	7,852,790
Total assets as per balance sheet					<u>27,378,302</u>	<u>27,401,614</u>
Unallocated liabilities:						
Directors' subordinated loan					120,000	385,187
Provision for taxation					166,747	251,625
Other corporate liabilities					27,091,555	26,764,802
Total liabilities as per balance sheet					<u>27,378,302</u>	<u>27,401,614</u>

21. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issue on March 01, 2021 by the Board of Directors of the Company.

22. GENERAL

- Corresponding figures have been re-arranged, wherever necessary, to the facilitation of comparison.
- Figures in this unconsolidated condensed interim financial information have been rounded-off to the nearest rupee in thousand except where stated otherwise.



Chief Financial Officer



Director



Chief Executive Officer

COLONY TEXTILE MILLS LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

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

AS AT DECEMBER 31, 2020

		31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
	Note	Un-audited	Audited
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
530,000,000 (30 June 2020: 530,000,000)			
ordinary shares of Rs. 10 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		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
Director's loan	6	120,000	385,187
General reserves		4,702	4,702
Unappropriated profit		1,242,524	845,182
Surplus on remeasurement of investments		2,518	1,492
		9,525,826	9,392,645
Non Current Liabilities			
Long term financing	7	7,242,735	7,599,183
Liabilities against assets subject to finance lease		13,936	21,380
Deferred liabilities		5,161,979	4,863,410
		12,418,650	12,483,973
Current Liabilities			
Trade and other payables		1,189,334	1,294,867
Short term borrowings	8	3,219,015	3,328,787
Accrued mark-up		187,792	217,947
Unclaimed dividend		94	94
Current portion of long term liabilities		753,761	430,598
Provision for taxation		166,755	251,638
		5,516,751	5,523,931
Contingencies and commitments	9	-	-
		27,461,227	27,400,549
ASSETS			
Non Current Assets			
Property, plant and equipment	10	18,139,649	18,254,722
Investment property		779,925	779,925
Long term investments	11	391,635	214,689
Long term deposits		51,132	51,132
		19,362,341	19,300,468
Current Assets			
Stores, spare parts and loose tools		290,741	277,745
Stock in trade	12	4,654,817	4,608,933
Trade debts		1,476,132	1,267,062
Loans and advances		742,961	706,326
Trade deposits and short term prepayments		126,255	255,832
Other financial assets	13	20	16
Tax refunds due from the government		753,285	935,096
Cash and bank balances		54,675	49,071
		8,098,886	8,100,081
		27,461,227	27,400,549

The annexed notes from 01 to 22 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

		Half year ended 31-Dec		Quarter ended 31-Dec	
		2020	2019	2020	2019
Note		(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Sales - net	14	11,587,546	9,355,355	5,830,761	5,540,440
Cost of sales	15	(10,441,778)	(8,634,650)	(5,114,568)	(4,862,978)
Gross profit		1,145,768	720,705	716,193	677,462
Operating expenses:					
Distribution cost		(140,330)	(120,528)	(89,553)	(79,875)
Administrative expenses		(246,721)	(194,960)	(177,122)	(134,597)
		(387,051)	(315,488)	(266,675)	(214,472)
Operating profit		758,717	405,217	449,518	462,990
Finance cost	16	(402,114)	(501,468)	(198,963)	(281,956)
		(402,114)	(501,468)	(198,963)	(281,956)
Other income	17	207,494	150,844	171,813	51,528
Profit before taxation		564,097	54,593	422,368	232,562
Taxation		(166,755)	(54,122)	(84,594)	(6,962)
Net profit for the period		397,342	471	337,775	225,600
Earnings per share - basic and diluted (Rupees)					
		0.80	0.01	0.68	0.45

The annexed notes from 01 to 22 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	Half year ended 31-Dec		Quarter ended 31-Dec	
	2020	2019	2020	2019
Note	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Profit for the period	397,342	471	337,775	225,600
Other comprehensive income:				
Items that may be reclassified to profit or loss statement:				
- Net fair value gain / (loss) on investment measured at FVTOCI	1,026	234	1,026	234
Total comprehensive income for the period	398,368	705	338,800	225,834

The annexed notes from 01 to 22 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Profit/(loss) for the period before taxation

31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')
Un-audited	Un-audited
564,097	54,593

Adjustments for:

Provision for staff retirement benefits
Depreciation on operating assets
Finance cost
(Profit) / loss from investment in IML
Gain on settlement with banks
(Profit) / loss on remeasurement of investments
(Gain) on disposal of property, plant and equipment

78,000	78,000
423,060	428,207
402,114	501,468
(175,920)	(40,133)
(7,930)	(91,165)
(4)	(1)
(3,577)	(3,506)
715,743	872,870
1,279,840	927,463

Operating cash flows before working capital changes

Changes in working capital:

(Increase) / decrease in current assets:

Stores, spare parts and loose tools
Stock in trade
Trade debts
Loans, advances, deposits and other receivables

(12,995)	183,038
(45,884)	(239,570)
(209,070)	14,670
114,052	(114,315)
(391,827)	(140,372)
(545,724)	(296,549)

Increase / (decrease) in current liabilities:

Trade and other payables

734,116	630,914
(154,894)	(169,514)
(48,875)	(35,537)
(69,827)	(74,642)
(273,596)	(279,693)
460,520	351,221

Cash generated from operating activities

Finance cost paid
Staff retirement benefits paid
Income tax paid

Net cash generated from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure
Proceeds from disposal of property, plant and equipment

(311,542)	(165,548)
7,126	(76,149)
(304,416)	(241,697)

Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances repaid
Lease finance - net
Short term borrowings - net

(34,702)	(117,603)
(6,026)	(9,498)
(109,772)	16,711
(150,500)	(110,390)

Net cash used in financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period

5,604	(866)
49,071	37,287
54,675	36,421

The annexed notes from 01 to 22 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Ordinary share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Director's loan	Revenue reserves		Surplus on remeasurement of investments	Total
				General reserves	Unappropriated profit / (loss)		

Rupees in ('000')

Balance as at 01 July 2019 (audited) 4,980,100 3,156,388 19,594 385,187 4,702 1,197,969 986 9,744,926

Total comprehensive income:

Profit for the half year ended 31 December 2019

Other comprehensive income:

- Surplus on revaluation of investment property

- Loss on remeasurement of investments

Total comprehensive income for the period

Balance as at 31 December 2019 (un-audited)

Total comprehensive income:

Profit for the half year ended 30 June 2020

Other comprehensive income:

- Remeasurement of defined benefit obligation

- Net fair value gain on investment measured at
FVTOCI

Total comprehensive income for the period

Balance as at 30 June 2020 (audited)

Total comprehensive income:

Profit for the half year ended

31 December 2020

Other comprehensive income:- Net fair value gain on investment measured at
FVTOCI

Director's loan paid during the period

Balance as at 31 December 2020 (un-audited)

-	-	-	-	-	471	-	471
-	-	-	-	-	-	-	-
-	-	-	-	-	-	234	234
-	-	-	-	-	471	234	705

4,980,100	3,156,388	19,594	385,187	4,702	1,198,440	1,220	9,745,631
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-	-	-	-	-	(381,568)	-	(381,568)
-	-	-	-	-	28,310	-	28,310
-	-	-	-	-	-	272	272
-	-	-	-	-	(353,258)	272	(352,986)

4,980,100	3,156,388	19,594	385,187	4,702	845,182	1,492	9,392,645
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-	-	-	-	-	397,342	-	397,342
-	-	-	-	-	-	1,026	1,026
-	-	-	(265,187)	-	-	-	(265,187)
-	-	-	(265,187)	-	397,342	1,026	133,181

4,980,100	3,156,388	19,594	120,000	4,702	1,242,524	2,518	9,525,826
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The annexed notes from 01 to 22 form an integral part of this consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

1. THE GROUP AND ITS OPERATIONS

The group consists of Colony Textile Mills Limited ("the Holding Company") and its 100% owned subsidiary company "Stitchrite (Private) Limited". Brief profile of the Holding Company and its Subsidiary Company are as follows:

1.01 COLONY TEXTILE MILLS LIMITED

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

1.02 STITCHRITE (PRIVATE) LIMITED

Stitchrite (Private) Limited was incorporated in Pakistan as on 11 October 2019 under 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. Chundrigar Road, Karachi, North Karachi Town Sindh 74000. The Company is principally engaged in general trading and manufacturing of textile products.

	Effective Shareholding %
Stitchrite (Private) Limited	100

2. BASIS OF PREPARATION

2.01 Statement of Compliance

- (a) These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
 - Provisions of and directives issued under Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- (b) These consolidated condensed interim financial statements comprise the consolidated condensed interim statement of financial position of the company as at December 31, 2020 and the related consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows together with notes forming part thereof.
- (c) These consolidated condensed interim financial statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the preceding year ended 30 June 2020.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2020.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2020.

5. PRESENTATION AND FUNCTIONAL CURRENCY

The consolidated condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

6. DIRECTOR'S LOAN

During the year one of non-executive directors has gifted his loan towards his relative members amounting to Rs. 265 million that has been classified accordingly in the financial statements. Since this is not an actual cash outflow of the company, therefore, it has no impact on the cash flow statement for the period.

	Note	31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
		Un-audited	Audited
7. LONG TERM FINANCING			
From banking companies - Secured		7,975,267	8,009,969
Current portion shown under current liabilities		(732,532)	(410,786)
		<u>7,242,735</u>	<u>7,599,183</u>

8. SHORT TERM BORROWINGS - SECURED

Short term finances availed from various banking companies / other financial institutions under mark-up arrangements aggregate to Rs. 3,219 million (30 June 2020: Rs. 3,329 million).

9. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments as reported in the audited annual financial statements for the year ended 30 June 2020.

	Note	31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
		Un-audited	Audited
10. PROPERTY, PLANT AND EQUIPMENT			
Operating assets - owned	10.01	17,897,602	18,016,710
Right of use assets	10.02	92,969	105,560
Capital work in progress	10.03	149,078	132,452
		<u>18,139,649</u>	<u>18,254,722</u>
10.01 Operating assets - owned			
Opening book value		18,016,710	18,330,301
Additions during the period / year:			
Building on freehold land		1,428	664
Plant, machinery and equipment		270,480	423,996
Factory tools and equipment		324	2,581
Furniture and fixtures		2,083	4,056
Office and hospital equipment		4,768	3,065
Vehicles		15,832	23,134
		294,915	457,496
Transfer from capital work in progress during the period / year		-	224,027
Book value of assets transferred to/from right of use assets		10,207	(111,494)
Book value of assets disposed off during the period / year		(3,554)	(26,083)
Depreciation charge for the period / year		(420,676)	(857,537)
		<u>17,897,602</u>	<u>18,016,710</u>
10.02 Right-of-use assets			
Opening net book value (NBV)		105,560	118,684
Transferred to operating assets		(10,207)	(7,190)
Depreciation charge for the period / year		(2,384)	(5,934)
Closing net book value (NBV)		<u>92,969</u>	<u>105,560</u>

		31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
	Note	Un-audited	Audited
10.03 Capital work-in-progress			
Balance at the beginning		132,452	131,659
Addition during the period / year		16,626	106,219
		<u>149,078</u>	<u>237,878</u>
Transfer to operating assets		-	(105,426)
		<u>149,078</u>	<u>132,452</u>
Breakup of the closing balance of capital work-in-progress			
The details are as under:			
Plant and machinery		121,135	121,135
Civil work		27,943	11,317
		<u>149,078</u>	<u>132,452</u>

11. LONG TERM INVESTMENTS

At fair value through statement of profit or loss
designated on initial recognition

- Investment in Imperial Limited

At fair value through other comprehensive income

	388,643	212,722
	<u>2,992</u>	<u>1,967</u>
	<u>391,635</u>	<u>214,689</u>

12. STOCK IN TRADE

Textile

Raw material

Work in process

Finished goods

	31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
	Un-audited	Audited
	1,273,809	1,288,638
	461,541	467,431
	<u>2,754,467</u>	<u>2,687,864</u>
	4,489,817	4,443,933

Real Estate Business

Land held for development and resale

	165,000	165,000
	<u>4,654,817</u>	<u>4,608,933</u>

13. OTHER FINANCIAL ASSETS

Other financial assets

13.01

	20	16
--	----	----

13.01 These include shares of listed companies classified at fair value through statement of profit or loss.

31-Dec-20 No. of shares	30-Jun-20 No. of shares	Quoted - at fair value	31-Dec-20 (Rupees in '000')	30-Jun-20 (Rupees in '000')
			Un-audited	Audited
89	89	Oil and Gas Development Company Limited	9	10
250	250	Maple Leaf Cement Factory Limited	11	6
<u>339</u>	<u>339</u>		<u>20</u>	<u>16</u>

Note	Half year ended		Quarter ended	
	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')
14. SALES - NET				
Local	10,135,866	7,941,296	5,232,528	4,962,166
Export	1,470,346	1,437,620	609,125	587,546
	11,606,212	9,378,916	5,841,653	5,549,712
Commission	(18,666)	(23,561)	(10,892)	(9,272)
Sales - net	11,587,546	9,355,355	5,830,761	5,540,440

	Half year ended		Quarter ended	
	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-20 (Rupees in '000')	31-Dec-19 (Rupees in '000')
15. COST OF SALES				
Raw material consumed	6,579,536	5,668,357	3,186,030	1,894,622
Stores consumed	523,561	411,350	279,877	224,196
Staff salaries, wages and benefits	1,323,492	1,027,730	753,101	549,159
Power and fuel	1,525,993	1,414,841	771,787	785,326
Insurance	26,947	38,355	20,338	19,268
Depreciation	416,187	421,254	203,828	210,697
Other factory overheads	106,775	70,107	66,082	42,916
	10,502,491	9,051,994	5,281,043	3,726,184
Work in process:				
Opening	467,431	450,135	459,931	433,863
Closing	(461,541)	(549,809)	(461,541)	(549,809)
	5,890	(99,674)	(1,610)	(115,946)
Cost of goods manufactured	10,508,381	8,952,320	5,279,433	3,610,238
Finished goods:				
Opening stock	2,687,864	2,090,735	2,589,602	3,661,145
Closing stock	(2,754,467)	(2,408,405)	(2,754,467)	(2,408,405)
	(66,603)	(317,670)	(164,865)	1,252,740
Real estate				
Opening	165,000	165,000	165,000	165,000
Closing	(165,000)	(165,000)	(165,000)	(165,000)
	-	-	-	-
Cost of sales	10,441,778	8,634,650	5,114,568	4,862,978

16. FINANCE COST				
Accrued during the period	402,114	501,468	198,963	(281,955)
	402,114	501,468	198,963	(281,955)

17. OTHER INCOME

Other income includes Rs. 176 million against remeasurement of investment in Imperial Limited.

18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary, associated companies, other related companies, key management personnel, and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:

	Half year ended		Quarter ended	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Related parties				
Subsidiary:				
- Advances to subsidiary	82,759	1,701	82,759	1,701
- Investment in subsidiary	1,000	1,000	1,000	1,000
Provident Fund Trust:				
- Contribution to Provident Fund Trust	13,701	12,341	6,791	7,340

19. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The consolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2020.

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Group for the year ended 30 June 2020.

The carrying value of all financial assets and liabilities reflected in the consolidated condensed interim financial information approximate their fair value.

19.01 Fair value hierarchy

Following are three levels in fair value hierarchy that reflect the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Group has financial assets at fair value of Rs. 282 million (June 30, 2020: 282 million) which is valued under level 1 valuation method. The Group does not have any investment in level 2 and 3 category.

20. SEGMENT INFORMATION

The Group 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 fibres.
- 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.

	Half year ended					
	Spinning		Weaving		Total Company	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
----- Rupees in '000' -----						
Sales:						
Total sales	9,240,060	7,217,199	2,560,844	2,360,582	11,800,904	9,577,781
Inter segment	(213,868)	(222,426)	-	-	(213,868)	(222,426)
External sales	9,026,192	6,994,773	2,560,844	2,360,582	11,587,036	9,355,355
Cost of sales	(8,190,858)	(6,430,790)	(2,243,905)	(2,203,860)	(10,434,763)	(8,634,650)
Gross profit	835,334	563,983	316,939	156,722	1,152,273	720,705
Distribution cost	(84,129)	(72,317)	(56,086)	(48,211)	(140,215)	(120,528)
Administrative expenses	(145,924)	(116,960)	(97,283)	(77,973)	(243,207)	(194,933)
	(230,053)	(189,277)	(153,369)	(126,184)	(383,422)	(315,461)
	605,281	374,706	163,570	30,538	768,851	405,244
Finance cost	(241,261)	(300,880)	(160,840)	(200,587)	(402,101)	(501,467)
	364,020	73,826	2,730	(170,049)	366,750	(96,223)
Unallocated income and expenses:						
Other income					207,494	150,844
(Loss) / profit before tax					574,244	54,621
Taxation					(166,747)	(54,122)
(Loss) / profit for the period					407,497	499
Other comprehensive income:						
(Loss) / profit on remeasurement of investments					1,026	234
Total comprehensive profit for the period					408,523	733

	Quarter ended					
	Spinning		Weaving		Total Company	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
----- Rupees in '000' -----						
Sales:						
Total sales	4,727,498	4,507,944	1,197,675	1,161,125	5,925,173	5,669,069
Inter segment	(94,806)	(128,629)	-	-	(94,806)	(128,629)
External sales	4,632,692	4,379,315	1,197,675	1,161,125	5,830,367	5,540,440
Cost of sales	(4,100,215)	(3,847,787)	(1,009,722)	(1,015,191)	(5,109,937)	(4,862,978)
Gross profit	532,477	531,528	187,953	145,934	720,430	677,462
Distribution cost	(53,663)	(47,925)	(35,775)	(31,950)	(89,438)	(79,875)
Administrative expenses	(104,099)	(80,742)	(69,509)	(53,828)	(173,608)	(134,570)
	(157,762)	(128,667)	(105,284)	(85,778)	(263,046)	(214,445)
	374,715	402,861	82,669	60,156	457,384	463,017
Finance cost	(119,369)	(169,173)	(79,581)	(112,782)	(198,950)	(281,955)
	255,346	233,688	3,088	(52,626)	258,434	181,062
Unallocated income and expenses:						
Other income					171,813	51,528
(Loss) / profit before tax					430,247	232,590
Taxation					(84,586)	(6,962)
(Loss) / profit for the period					345,661	225,628
Other comprehensive income:						
Profit / (loss) on remeasurement of investments					1,026	234
Total comprehensive profit for the period					346,687	225,862

Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Total Company	
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
----- Rupees in '000' -----						
Total assets for reportable segments	9,946,509	10,220,577	8,138,053	8,030,454	18,084,562	18,251,031
Unallocated assets:						
Investment property					779,925	779,925
Long term investments					391,635	214,689
Cash and bank balances					52,595	47,952
Other corporate assets					8,152,510	8,106,952
Total assets as per balance sheet					<u>27,461,227</u>	<u>27,400,549</u>
Unallocated liabilities:						
Directors' subordinated loan					120,000	385,187
Provision for taxation					166,747	251,625
Other corporate liabilities					27,174,480	26,763,737
Total liabilities as per balance sheet					<u>27,461,227</u>	<u>27,400,549</u>

21. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorized for issue on March 01, 2021 by the Board of Directors of the Company.

22. GENERAL

- Corresponding figures have been re-arranged, wherever necessary, to the facilitation of comparison.
- Figures in this consolidated condensed interim financial information have been rounded-off to the nearest rupee in thousand except where stated otherwise.



Chief Financial Officer



Director



Chief Executive Officer

ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر ان ششماہی مالی حسابات تختہ 31 دسمبر 2020ء بمع محاسب کی جائزہ شدہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

آپ کی کمپنی کا کاروباری حجم اس ششماہی میں مبلغ -/11,587 ملین روپے رہا (2019: مبلغ -/9,355 ملین روپے) اور خام منافع مبلغ -/1,152 ملین روپے رہا جبکہ یہ پچھلے سال اسی عرصہ میں مبلغ -/721 ملین روپے تھا۔ اس عرصہ کا خالص منافع مبلغ -/407 ملین روپے ہے جبکہ پچھلے سال اسی عرصہ میں خالص منافع مبلغ -/0.499 ملین روپے تھا چنانچہ آمدن فی حصہ 0.82 روپے رہی جو کہ پچھلے سال اسی ششماہی میں 0.01 روپے فی حصہ تھی۔

کرونا واء کی دوسری لہر کی تباہ کاریوں کی وجہ سے سال کی پہلی ششماہی عالمی معیشت کے لئے ایک سنگینی درپیش تھی۔ کرونا واء کی پہلی لہر کی طرح اللہ تعالیٰ کے کرم سے پاکستان باقی دنیا کی طرح کسی بڑے نقصان سے محفوظ رہا ہے۔ جس کے نتیجے میں پاکستان میں ٹیکسٹائل کی مصنوعات کی طلب میں اضافہ ہوا ہے۔ باقی تمام اشیاء کی طرح ٹیکسٹائل کے لئے خام مال کی قیمتیں بھی غیر معمولی رفتار سے بڑھی ہیں۔ اس کے ساتھ کپاس کی فصل کی تباہی نے معاملات کو اور گہر کر دیا ہے۔ عالمی طلب میں اضافہ کے ساتھ ساتھ مصنوعی ربڑوں کی قیمتوں میں بھی اضافہ ہونے سے یہ کوئی صورت حال سے پہلی والی سطح پر پہنچ گئی ہیں ٹیکسٹائل مصنوعات کی بڑھتی ہوئی طلب اور کوئی پہلی لہر میں پیداوار کی بندش کے باعث کپاس کی قیمتوں میں بے پناہ اضافہ ہوا ہے جسے تاریخی کمی کے باوجود ہماری کپاس کی فصل نے پورا کیا ہے۔ اس سے ٹیکسٹائل ملز کو اس سطح پر خام مال کی وجہ سے اپنی مصنوعات سے بہتر منافع حاصل کرنے کا موقع ہے۔ بد قسمتی سے بینکوں کی طرف سے محدود قرضہ جات کی وجہ سے آپ کی کمپنی اس موقع سے فائدہ نہیں اٹھا سکی اور خام مال مسلسل بڑھتی ہوئی قیمتوں پر خرید رہی ہے۔

سٹرائٹ (پرائیویٹ) لمیٹڈ، مکمل ملکیتی ماتحت کمپنی

آپ کی کمپنی نے پچھلے سال گارمنٹس کی تیاری اور برآمدات کے لئے "سٹرائٹ (پرائیویٹ) لمیٹڈ" کے نام سے ایک مکمل ملکیتی ماتحت کمپنی بنائی تھی۔ اگرچہ مشینری کی تنصیب کا مکمل جاری ہے۔ مگر یہ بات قابل ذکر ہے کہ آپ کی کمپنی نے آزمائشی پیداوار شروع کر دی ہے۔ اور سال کے آخر تک تجارتی پیداوار شروع کرنے کے لئے ہم پر امید ہیں

مستقبل کا نقطہ نظر

انتہائی مشکل دور کے بعد پاکستانی معیشت بہتری کی طرف گامزن نظر آ رہی ہے۔ حکومت کی طرف سے کئے گئے اقدامات کے نتیجے میں کاروباری اعتماد میں اضافہ کے ساتھ معیشت بھی مضبوط ہو رہی ہے۔ پاکستان روپے کی مستحکم قدر سے مقامی اور عالمی تجارت میں اعتماد بحال ہو رہا ہے۔ حکومت کی طرف سے سیلونیکس، اٹک ٹیکس اور ڈی ایل ٹی ایل کی بروقت واپسی ادائیگیاں، بجلی کے مستحکم نرخ، کم شرح سود اور کوئیڈر بیلینف جیسے تعمیری اقدامات اٹھائے گئے ہیں۔ ملک میں امن کی صورتحال اور حکومت کی طرف سے اقدامات سے ہم آئے والے دنوں میں بہتری دیکھ رہے ہیں۔

ہم دل کی گہرائیوں سے اپنے ملازمین کمپنی اور دیگر متعلقین کے تعاون اور خلوص کے لئے تہ دل سے شکر گزار ہیں۔

Qasim Khan

عبدالحکیم خان قصورویہ

ڈائریکٹر

منجانب بورڈ

Farid Meethi

فرید معیش

چیف ایگزیکٹو آفیسر

لاہور: 01 مارچ 2021ء

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