

CRESCENT COTTON MILLS LIMITED



UNCONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
THIRD QUARTER ENDED 31 MARCH 2021
(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 are pleased to present to you the condensed interim financial information for the third quarter and nine months ended March 31, 2020. During the period under review, your company has earned a post-tax profit of Rs. 218.146 Million as compared to post-tax profit of Rs. 17.784 Million in the comparative period of last year.

Total sales revenue of the company from continuing operations for the nine months stood at Rs. 3,682.019 Million, whereas, the turnover figures during the same period in year 2020 was Rs. 3,867.686 Million. The cost of sales in the period under review stood at 86.29% whereas up to March 31, 2020 it was around 93.03%. During the current period the board of directors have approved disposal of assets of spinning unit of the company located at Hyderabad, Kotri. As there was no operational activity at the Kotri unit during the nine months of the financial year, the sales revenue of the company has recorded a decline. However, in spite of the decline in revenue the company has been able to record profitability. The management of the company is continuously striving hard for better results.

Future Prospectus

Pakistan's textile exports seem to have largely recovered from the Covid-19 pandemic shocks and are still growing. The textile clothing export shipments are back on growth track both in terms of their quantity and dollar value. Spinning sector is performing better than the value added textile products in terms of profit margins. State Bank of Pakistan has reduced interest rates, approved refinancing of wages to prevent layoffs during lockdown period and deferred payments of the principal amount of loans as part of the debt restructuring to businesses, provided relief under the Export Financing Scheme (EFS) and the Long-Term Financing Facility (LTFF). Furthermore, the State Bank has also launched a long-term concessionary temporary economic recovery refinance facility (TERF) for boosting investments in new capacity expansion and up-gradation of technology. However, the Pakistani textile industry faces several other challenges, These include continued shortfalls in cotton production, high cost of doing business and high local taxes and surcharges. Recently the government has announced support to the textile industry in the form of competitively priced energy and this will make the textile industry more competitive if maintained. Keeping in view the depletion of natural gas the Cabinet Committee on Energy (CCOE) slapped a moratorium on supply of gas to industrial units for self-generation electricity. In spite of the resistance from the industry having captive power plants in case the same is implemented then management fears that it will become difficult to maintain the level of profitability. Management of your company is trying its best to maintain the level of raw material required it is also focusing efforts on minimizing cost by enhancing capacity, improving efficiencies to achieve the favorable financial results for remaining period of financial year ending June 30, 2021.

Acknowledgement

The Directors wish to express their gratitude to our valued clients, lead 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



ABID MEHMOOD
DIRECTOR



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
April 29, 2021

تحصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2021 کو مختصر مالی سال کے ابتدائی نو ماہ اور تیسری سہ ماہی کے لیے مختصر عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران کمپنی کو 218.146 ملین روپے کا بعد از ٹیکس منافع ہوا جبکہ گزشتہ سال کی اسی مدت میں بعد از ٹیکس منافع 17.784 ملین روپے تھا۔

نو ماہی کے لیے کمپنی کی جاری تعاملات سے کل فروخت محصولات 3,682.019 ملین روپے رہیں جبکہ سال 2020ء میں اسی مدت کے دوران ٹرن اور کی رقم 3,867.686 ملین روپے تھی۔ زیر جائزہ مدت کے دوران فروخت کی لاگت 86.29 فیصد رہی جبکہ 31 مارچ 2020ء تک یہ 93.03 فیصد کے لگ بھگ تھی۔ موجودہ مدت کے دوران بورڈ آف ڈائریکٹرز نے حیدرآباد، کوٹری میں واقع کمپنی کے اسپننگ یونٹ کے اثاثوں کے تصرف کی منظوری دے دی ہے۔ چونکہ مالی سال کے نو مہینوں کے دوران کوٹری یونٹ میں کوئی عملی سرگرمی نہیں ہوئی تھی لہذا کمپنی کی فروخت میں ہونے والی آمدنی میں کمی ریکارڈ کی گئی ہے۔ تاہم فروخت میں کمی کے باوجود کمپنی منافع ریکارڈ کرنے میں کامیاب رہی ہے۔ بہتر نتائج کے لیے کمپنی کی انتظامیہ مستقل جدوجہد کر رہی ہے۔ مستقبل کے امکانات:

پاکستان کی ٹیکسٹائل کی برآمدات بڑے پیمانے پر کوویڈ 19 کے وبائی مرض سے بحال ہوتی محسوس ہو رہی ہیں اور ابھی تک بڑھ رہی ہیں۔ ٹیکسٹائل کپڑے کی برآمدی ترسیلات مقدار اور ڈالر کی قیمت دونوں کے اعتبار سے ترقی کی راہ پر واپس آ چکی ہیں۔ منافع کے مارجن کے لحاظ سے اسپننگ کا شعبہ ویلیو ایڈڈ ٹیکسٹائل سے بہتر کارکردگی کا مظاہرہ کر رہا ہے۔ اسٹیٹ بینک آف پاکستان نے سود کی شرحوں میں کمی کی، لاک ڈاؤن کے دوران روٹی گئی تنخواہوں کی ادائیگی کے لیے اجرتوں کی ری فنانسنگ کی منظوری دی، کاروبار کی تنظیم نو کے لیے قرضوں کی اصل رقم کی ادائیگی موخر کر دی اور ایکسپورٹ فنانسنگ اسکیم (EFS) اور طویل مدتی فنانسنگ سہولت (LTFF) کے تحت امداد فراہم کی ہے۔ مزید برآں، اسٹیٹ بینک نے نئی صلاحیت میں توسیع اور ٹیکنالوجی کی اپ گریڈیشن میں سرمایہ کاری کو بڑھانے کے لیے طویل مدتی مراعاتی عارضی معاشی بحالی ری فنانس سہولت (TERF) کا بھی آغاز کیا ہے۔

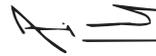
تاہم، پاکستانی ٹیکسٹائل انڈسٹری کوئی دیگر چیلنجز کا سامنا ہے۔ ان میں روٹی کی پیداوار میں مسلسل کمی، کاروبار کرنے میں زیادہ لاگت اور زیادہ مقامی ٹیکس اور جرمانے شامل ہیں۔ حال ہی میں حکومت نے مسابقتی قیمت والی توانائی کی شکل میں ٹیکسٹائل انڈسٹری کو سپورٹ کرنے کا اعلان کیا ہے، اگر اسے برقرار رکھا گیا تو یہ ٹیکسٹائل کی صنعت کو زیادہ مقابلے کے قابل بنائے گی۔ قدرتی گیس کی کمی کو مد نظر رکھتے ہوئے کاہنہ کمیٹی برائے توانائی (CCOE) نے صنعتی یونٹوں کو بجلی کی ذاتی پیداوار کے لیے گیس کی فراہمی کے تعطل کا فیصلہ کیا ہے۔ مطلوبہ پاور پلانٹس رکھنے والی صنعت کی مزاحمت کے باوجود اگر اس پر عمل درآمد ہوتا ہے تو انتظامیہ کو خدشہ ہے کہ منافع کی سطح کو برقرار رکھنا مشکل ہو جائے گا۔ آپ کی کمپنی کی انتظامیہ مطلوبہ خام مال کی سطح کو برقرار رکھنے کے لئے پوری کوشش کر رہی ہے۔ یہ 30 جون 2021 کو ختم ہونے والے مالی سال کے باقی عرصہ کے لیے سازگار مالی نتائج حاصل کرنے کے لیے استعداد کار میں بہتری لاتے ہوئے صلاحیت کو بڑھا کر لاگت کو کم کرنے پر بھی توجہ دے رہی ہے۔

اعتراف:

ڈائریکٹرز اپنے قابل قدر گاہکوں، نمایاں بینکرز اور حصص یافتگان سے کاروباری سرگرمیوں کے دوران تعاون پر اظہار تشکر کرتے ہیں۔ ڈائریکٹرز کمپنی کے کارکنوں اور سٹاف ممبرز کی محنت اور لگن پر انہیں خراج تحسین بھی پیش کرتے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز



عابد محمود

ڈائریکٹر



محمد ارشد

چیف ایگزیکٹو آفیسر

فیصل آباد

129 اپریل 2021ء

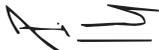
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF

	NOTE	UN-AUDITED	AUDITED
		31 March 2021	30 June 2020
(RUPEES IN THOUSAND)			
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
Capital reserves			
Premium on issue of shares reserve		5,496	5,496
Plant modernization reserve		12,000	12,000
Fair value reserve		140,314	114,105
Surplus on revaluation of freehold land and investment properties		4,136,711	4,136,711
Revenue reserves		423,198	202,043
TOTAL EQUITY		4,944,320	4,696,956
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	199,679	195,399
Employees' retirement benefit		127,865	127,075
Deferred liabilities		5,568	-
		333,112	322,474
CURRENT LIABILITIES			
Trade and other payables		709,186	740,215
Unclaimed dividend		3,980	3,980
Accrued mark-up		19,228	23,709
Short term borrowings		924,415	841,269
Current portion of non-current liabilities		103,305	30,140
Provision for taxation		218,283	170,720
		1,978,397	1,810,033
TOTAL LIABILITIES		2,311,509	2,132,507
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		7,255,829	6,829,463

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	UN-AUDITED	AUDITED
		31 March 2021	30 June 2020
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,911,234	4,926,871
Investment properties		264,224	264,224
Long term investments		7,919	6,684
Long term deposits		4,937	4,689
Deferred income tax asset		59,197	53,629
		5,247,511	5,256,097
CURRENT ASSETS			
Stores, spare parts and loose tools		66,085	67,237
Stock-in-trade		903,614	540,181
Trade debts		169,711	280,321
Loans and advances		112,142	69,698
Prepayments and balances with statutory authority		390,957	347,478
Other receivables		65,533	54,546
Short term investments		196,609	172,237
Cash and bank balances		99,593	41,668
Non-current assets held for sale	6	2,004,244	1,573,366
		4,073	-
		2,008,317	1,573,366
TOTAL ASSETS		7,255,829	6,829,463



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020

(RUPEES IN THOUSAND)

CONTINUING OPERATIONS:

REVENUE	3,682,019	3,867,686	1,387,530	1,136,415
COST OF SALES	(3,177,279)	(3,598,131)	(1,180,534)	(1,058,353)
GROSS PROFIT	504,740	269,555	206,996	78,062
DISTRIBUTION COST	(46,443)	(30,017)	(8,354)	(8,560)
ADMINISTRATIVE EXPENSES	(123,624)	(121,982)	(40,661)	(39,503)
OTHER EXPENSES	(16,628)	(1,358)	4,129	1,775
OTHER INCOME	33,196	24,190	7,184	9,141
FINANCE COST	(56,884)	(59,852)	(16,378)	(24,038)
PROFIT BEFORE TAXATION	294,357	80,536	152,916	16,877
TAXATION	(47,504)	(3,568)	(32,637)	14,458
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	246,853	76,968	120,279	31,335
DISCONTINUED OPERATION:				
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(28,707)	(59,184)	(7,577)	(17,426)
PROFIT AFTER TAXATION	218,146	17,784	112,702	13,909
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	10.89	3.40	5.31	1.38
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	(1.27)	(2.61)	(0.33)	(0.77)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020

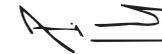
(RUPEES IN THOUSAND)

PROFIT AFTER TAXATION	218,146	17,784	112,702	13,909
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	29,365	(22,588)	70,136	(16,150)
Deferred income tax relating to investments at fair value through other comprehensive income	(147)	(8,244)	(147)	-
	29,218	(30,832)	69,989	(16,150)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	29,218	(30,832)	69,989	(16,150)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	247,364	(13,048)	182,691	(2,241)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

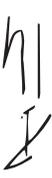
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)**

	(RUPEES IN THOUSAND)											
	CAPITAL RESERVES					REVENUE RESERVES					TOTAL reserves	TOTAL EQUITY
	SHARE CAPITAL	Premium on issue of shares	Plant Moderni- sation	Fair value investments at E.V/OCI	Surplus on revaluation of investments and investment properties	Sub Total	General reserve	Dividend equalization	Unappropri- ated profit	Sub Total		
Balance as at 30 June 2019 - (Audited)	226,601	5,496	12,000	131,541	4,136,711	4,285,748	96,988	4,000	54,319	155,307	4,441,055	4,667,656
Transfer from dividend equalization reserve to general reserve	-	-	-	-	-	-	4,000	(4,000)	-	-	-	-
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(5,167)	-	(5,167)	-	-	4,684	4,684	(483)	(483)
Profit for the period	-	-	-	(30,832)	-	(30,832)	-	-	17,784	17,784	(17,784)	(17,784)
Other comprehensive loss for the period	-	-	-	(30,832)	-	(30,832)	-	-	17,784	17,784	(30,832)	(30,832)
Total comprehensive loss for the period	-	-	-	(30,832)	-	(30,832)	-	-	17,784	17,784	(13,048)	(13,048)
Balance as at 31 March 2020 - (Un-audited)	226,601	5,496	12,000	95,542	4,136,711	4,249,749	100,988	-	76,787	177,775	4,427,524	4,654,125
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(6,013)	-	(6,013)	-	-	6,013	6,013	-	-
Profit for the period	-	-	-	-	-	-	-	-	24,247	24,247	24,247	24,247
Other comprehensive income for the period	-	-	-	24,576	-	24,576	-	-	(5,992)	(5,992)	18,584	18,584
Total comprehensive income for the period	-	-	-	24,576	-	24,576	-	-	18,255	18,255	42,831	42,831
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	4,470,355	4,696,956
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(3,009)	-	(3,009)	-	-	3,009	3,009	-	-
Profit for the period	-	-	-	-	-	-	-	-	218,146	218,146	218,146	218,146
Other comprehensive income for the period	-	-	-	29,218	-	29,218	-	-	(5,992)	(5,992)	29,218	29,218
Total comprehensive income for the period	-	-	-	29,218	-	29,218	-	-	218,146	218,146	247,364	247,364
Balance as at 31 March 2021 - (Un-audited)	226,601	5,496	12,000	140,314	4,136,711	4,294,521	100,988	-	322,210	423,198	4,717,719	4,944,320

The annexed notes form an integral part of these unconsolidated condensed interim financial statements.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

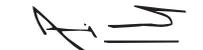
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)**

NOTE	(Nine months ended)		
	31 March 2021	31 March 2020	
	(RUPEES IN THOUSAND)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	8	76,798	(193,046)
Finance cost paid		(61,365)	(69,596)
Employees' retirement benefit paid		(27,511)	(17,874)
Long term deposits		(248)	(591)
Income tax paid		(62,398)	(26,503)
Dividend paid		-	(43)
Net cash used in operating activities		(74,724)	(307,653)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(138,190)	(29,688)
Proceeds from sale of property, plant and equipment		1,230	800
Proceeds from sale of non-current assets held for sale		105,411	-
Proceeds from sale of investments		3,607	5,998
Net cash used in investing activities		(27,942)	(22,890)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(48,533)	(40,650)
Proceeds from long term financing		125,978	75,627
Short term borrowings - net		83,146	278,810
Net cash from financing activities		160,591	313,787
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		57,925	(16,756)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		41,668	50,275
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		99,593	33,519

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (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 Companies Act, 1913 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at New Lahore Road, Nishatabad, Faisalabad. The Company is engaged in the business of manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also has an embroidery unit.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS
2.1 Basis of preparation
a) Statement of compliance

i) 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 as applicable in Pakistan for interim financial reporting comprise of:

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

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

ii) 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 of the Company for the year ended 30 June 2020.

b) Accounting policies and computation methods

The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as approved in the preparation of the audited annual financial statements for the year ended 30 June 2020 except as disclosed in Note 2.3 and Note 2.4.

2.2 Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements 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, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision of accounting estimates are recognized prospectively commencing from the period of revision.

During preparation of these unconsolidated condensed interim financial statements, 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.

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

2.3 Government grants

The benefit of lower interest rate than market rate on borrowings obtained under State Bank of Pakistan (SBP) refinance scheme for payment of salaries and wages to the employees and workers of the Company, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognized and presented as deferred government grant.

In subsequent periods, the grant shall be amortized over the period of loan and amortization shall be recognized in the profit or loss.

2.4 Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

3. LONG TERM FINANCING

UN-AUDITED	AUDITED
31 March	30 June
2021	2020

Financing from banking company - secured

(RUPEES IN THOUSAND)

Opening balance	225,539	190,136
Add: Obtained during the period / year	125,978	76,907
	351,517	267,043
Less: Repaid during the period / year	48,533	41,504
	302,984	225,539
Less: Current portion shown under current liabilities	103,305	30,140
	199,679	195,399

4. CONTINGENCIES AND COMMITMENTS
a) Contingencies:

i) Certain additions have been made by the assessing officers in tax years 1993, 2002, 2006 and 2010 on various grounds and have created demand of Rupees 6.355 million (30 June 2020: Rupees 6.355 million). The Company, being aggrieved, has filed appeals with Lahore High Court, Lahore and with Supreme Court of Pakistan, which are still pending. Date of the institution of above mentioned appeals were 14 October 2002, 22 July 2008, 05 September 2016 and 05 April 2017 respectively. No provision has been made in these unconsolidated condensed interim financial statements against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

ii) The Company filed a suit against Crescent Fibres Limited (CFL) for the recovery of Rupees 23.000 million (30 June 2020: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. CFL filed an application seeking rejection of the suit but the said application was dismissed by Civil Court, Lahore. Against this rejection, CFL filed civil revision petition before Lahore High Court, Lahore on 08 October 2016 and under order of Lahore High Court, Lahore, the proceedings before Civil Court, Lahore were stayed. No provision against this receivable has been made in these unconsolidated condensed interim financial statements as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

iii) The Company has filed a suit in Lahore High Court, Lahore dated 15 October 2018 against levy of cotton cess. However the related provision of Rupees 1.696 million (30 June 2020: Rupees 1.696 million) is not accounted for in these condensed interim financial statements as the management is hopeful that the case will be decided in the favour of the Company.

iv) Guarantees of Rupees 81.149 million (30 June 2020: Rupees 67.001 million) are given by the Bank of the Company to Sui Northern Gas Pipelines Limited and Sui Southern Gas Pipelines Limited against gas connections and to Lahore Electric Supply Company Limited against electricity connections.

v) 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.

(b): Commitments:

i) There was no commitment in respect of capital expenditure as at 31 March 2021 (30 June 2020: Rupees Nil).

ii) Letters of credit other than for capital expenditure as at 31 March 2021 are of Rupees 52.129 million (30 June 2020: Rupees 67.968 million).

5. PROPERTY, PLANT AND EQUIPMENT

UN-AUDITED 31 March 2021	AUDITED 30 June 2020
--------------------------------	----------------------------

(RUPEES IN THOUSAND)

Operating fixed assets (Note 5.1)	4,857,856	4,926,601
Capital work-in-progress (Note 5.2)	53,378	270
	4,911,234	4,926,871

5.1 Operating fixed assets

Opening book value	4,926,601	4,891,284
Add: Cost of additions during the period / year (Note 5.1.1)	85,082	119,389
	5,011,683	5,010,673

Less:

Book value of deletions during the period / year - vehicles	198	2,352
Transferred to non-current assets held for sale (Note 6.1)	95,718	-
	95,916	2,352

4,915,767 5,008,321

Less: Depreciation charged during the period / year **57,911** 81,720

4,857,856 4,926,601

5.1.1 Cost of additions during the period / year

Buildings and roads	78	-
Plant and machinery	82,912	34,999
Stand-by equipment	-	81,629
Electric installations	197	1,046
Tools and equipment	1,344	365
Vehicles	-	1,228
Furniture and fixtures	481	-
Office equipment	70	122
	85,082	119,389

5.2 Capital work-in-progress

Building	651	-
Plant and machinery	26,747	270
Stand-by equipment	25,980	-
	53,378	270

UN-AUDITED 31 March 2021	AUDITED 30 June 2020
--------------------------------	----------------------------

(RUPEES IN THOUSAND)

6. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets classified as held for sale under IFRS-5 "Non Current Assets held for Sale and Discontinued Operations" are summarized hereunder :

Property, plant and equipment - Spinning unit (Kotri) **4,073** -

Property, plant and equipment related to Spinning Unit at S.I.T.E. Kotri, District Jamshoro has been presented as held for sale following the approval of the Board of Directors (BOD) of the Company by resolution through circulation on 10 October 2020 regarding the disposal of entire assets of the Spinning Unit at Kotri. This resolution was later ratified and approved in the BOD's meeting dated 29 October 2020. Most of these assets have been sold uptill 31 March 2021. Moreover, the management is hopeful of completing the sale transaction of the remaining assets during the current financial year.

6.1 Book value of assets transferred from property, plant and equipment (Note 5.1)

Buildings and roads	4,662	-
Plant and machinery	81,500	-
Electric installations	3,678	-
Tools and equipment	1,094	-
Vehicles	4,015	-
Furniture and fixtures	622	-
Office equipment	147	-
	95,718	-

Less : Book value of assets disposed of during the period **91,645** -

Carrying value of non-current assets held for sale **4,073** -

UN-AUDITED	
31 March 2021	31 March 2020

(RUPEES IN THOUSAND)

6.2 Analysis of results of discontinued operation

SALES	3,917	729,152
COST OF SALES	(19,828)	(730,220)
GROSS (LOSS) / PROFIT	(15,911)	(1,068)

DISTRIBUTION COST	(3,007)	(10,573)
ADMINISTRATIVE EXPENSES	(17,401)	(28,699)
OTHER INCOME	13,766	-
FINANCE COST	(6,095)	(18,173)
	(12,737)	(57,445)

LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION **(28,648)** (58,513)

TAXATION **(59)** (671)

LOSS AFTER TAXATION FROM DISCONTINUED OPERATION **(28,707)** (59,184)

(Un-audited)

Half year ended		Quarter ended	
31 March 2021	31 March 2020	31 March 2021	31 March 2020

(RUPEES IN THOUSAND)

7. COST OF SALES

Raw materials consumed	2,145,264	2,756,973	884,149	786,320
Salaries, wages and other benefits	253,330	275,352	90,814	76,920
Stores, spare parts and loose tools consumed	104,136	89,477	36,472	25,264
Fuel and power	525,705	501,662	178,124	154,399
Outside weaving / other charges	47,286	33,402	11,086	9,437
Other manufacturing overheads	38,745	7,930	30,063	2,954
Insurance	7,144	5,354	1,552	1,737
Repair and maintenance	4,051	5,167	1,256	2,279
Depreciation	53,055	49,068	17,695	16,452
	3,178,716	3,724,385	1,251,211	1,075,762
Work-in-process				
Opening stock	26,831	26,607	24,663	25,293
Closing stock	(29,279)	(38,318)	(29,279)	(38,318)
	(2,448)	(11,711)	(4,616)	(13,025)
Cost of goods manufactured	3,176,268	3,712,674	1,246,595	1,062,737
Finished goods				
Opening stock	215,151	62,140	188,013	179,121
Closing stock	(264,559)	(187,491)	(264,559)	(187,491)
	(49,408)	(125,351)	(76,546)	(8,370)
	3,126,860	3,587,323	1,170,049	1,054,367
Cost of goods purchased for resale	50,419	10,808	10,485	3,986
	3,177,279	3,598,131	1,180,534	1,058,353

UN-AUDITED

31 March 2021	31 March 2020
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(RUPEES IN THOUSAND)

8. CASH USED IN OPERATIONS

Profit before taxation	265,709	22,023
Adjustments for non-cash charges and other items:		
Depreciation	57,911	60,226
Provision for employees' retirement benefit	28,300	32,600
Gain on sale of property, plant and equipment	(1,031)	(28)
Gain on sale of non-current assets held for sale	(13,766)	-
Finance cost	62,979	-
De-recognition of accrued interest on debt instruments	-	-
Gain on remeasurement of deferred liability	(8,474)	78,025
Provision for workers' profit participation fund	13,206	153
Allowance for expected credit losses	1,990	505
Working capital changes (Note 7.1)	(330,026)	(386,550)
	76,798	(193,046)

8.1 Working capital changes**(Increase) / decrease in current assets**

Stores, spare parts and loose tools	1,152	(12,098)
Stock-in-trade	(363,433)	(305,124)
Trade debts	108,620	(6,951)
Loans and advances	(42,444)	(169,025)
Prepayments and balances with statutory authority	21,301	5,519
Other receivables	(10,987)	4,427
	(285,791)	(483,252)
(Decrease) / increase in trade and other payables	(44,235)	96,702
	(330,026)	(386,550)

9. SEGMENT INFORMATION - UNCONSOLIDATED

9.1

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Nine months ended		Nine months ended		Nine months ended		Nine months ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	3,373,150	3,633,369	308,869	234,317	(168,746)	(221,669)	3,682,019	3,867,686
	74,519	152,350	-	-	(168,746)	(221,669)	-	-
Revenue	3,447,669	3,785,719	308,869	234,317	168,746	221,669	3,682,019	3,867,686
External intersegment	(3,093,056)	(3,610,134)	(252,969)	(209,666)	-	-	(3,177,279)	(3,598,131)
Cost of sales	354,613	175,585	55,900	24,651	-	-	504,740	269,555
Gross profit	(28,131)	(18,409)	(18,312)	(11,608)	-	-	(46,443)	(30,017)
Distribution cost	(123,238)	(121,970)	(386)	(12)	-	-	(123,624)	(121,982)
Administrative expenses	30,743	24,190	2,453	2,314	-	-	33,196	24,190
Other income	(53,899)	(59,209)	(2,985)	(643)	-	-	(56,884)	(59,852)
Finance cost	180,088	187	36,670	14,702	-	-	310,985	81,894
Profit before taxation and unallocated expenses								
Unallocated expenses:								
Other expenses					(16,628)		(16,628)	(1,358)
Taxation					(47,504)		(47,504)	(3,568)
Profit after taxation from continued operation					246,853		246,853	76,968
Loss after taxation from discontinued operation					(28,707)		(28,707)	(59,184)
Profit after taxation					218,146		218,146	17,784

CONTINUING OPERATIONS:

	(RUPEES IN THOUSAND)	
Revenue	3,373,150	3,633,369
External intersegment	74,519	152,350
Cost of sales	(3,093,056)	(3,610,134)
Gross profit	354,613	175,585
Distribution cost	(28,131)	(18,409)
Administrative expenses	(123,238)	(121,970)
Other income	30,743	24,190
Finance cost	(53,899)	(59,209)
Profit before taxation and unallocated expenses	180,088	187

Unallocated expenses:

Other expenses	(16,628)
Taxation	(47,504)
Profit after taxation from continued operation	246,853
Loss after taxation from discontinued operation	(28,707)
Profit after taxation	218,146

9.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	7,183,664	6,681,693	8,895	94,141	7,192,559	6,775,834
Unallocated assets:						
Deferred income tax asset					59,197	53,629
Non-current assets held for sale					4,073	-
Total assets as per unconsolidated statement of financial position					7,255,829	6,829,463
Total liabilities for reportable segments	2,079,901	1,939,731	13,325	22,056	2,093,226	1,961,787
Unallocated liability:						
Provision for taxation					218,283	170,720
Total liabilities as per unconsolidated statement of financial position					2,311,509	2,132,507

9.3 Geographical information:

The Company's revenue from external customers by geographical location is detailed below:

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(RUPEES IN THOUSAND)					
Africa	-	-	306,405	208,162	306,405	208,162
South America	-	2,463	-	-	-	2,463
North America	89,317	-	-	-	89,317	-
Pakistan	3,285,297	4,357,744	4,917	28,469	3,290,214	4,386,213
	3,374,614	4,360,207	311,322	236,631	3,685,936	4,596,838

10. 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 is as follows:

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(RUPEES IN THOUSAND)			
i) Transactions				
Subsidiary company				
Rental expense	-	3,375	-	1,125
Stores consumed by the Company	-	34	-	-
Sale of assets	7,000	-	7,000	-
Expenses paid on behalf of subsidiary company	72	-	14	-
Associated company				
Service and accrued charges	12,398	11,502	-	-
Other related parties				
Loans received from / (repaid to) Chief Executive Officer, Directors, Executives and Sponsors - net	(10,810)	16,052	(12,629)	6,527
Remuneration paid to Chief Executive Officer, Directors and Executives	52,091	46,967	26,045	15,656
ii) Period end balances				
Subsidiary company				
Trade and other payables			1,122	8,194
Associated company				
Trade and other payables			2,927	2,110
Other related parties				
Short term borrowings			293,616	300,257

11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS
11.1 Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
(RUPEES IN THOUSAND)				
Financial assets - recurring fair value measurement				
At 31 March 2021 - (Un-audited)				
At fair value through other comprehensive income	204,159	-	369	204,528
	<u>204,159</u>	<u>-</u>	<u>369</u>	<u>204,528</u>
At 30 June 2020 - (Audited)				
At fair value through other comprehensive income	178,048	-	873	178,921
	<u>178,048</u>	<u>-</u>	<u>873</u>	<u>178,921</u>

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

11.2 Valuation techniques used to determine fair values

Specific valuation technique used to value financial instruments includes the use of quoted market prices for listed securities.

12. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

(Un-audited)	(Audited)
31 March 2021	30 June 2020

(RUPEES IN THOUSAND)

Shariah compliant bank deposits and bank balances

Bank balances	6,921	12,353
---------------	--------------	--------

Loans / advances obtained as per Islamic mode

Advances from customers	71,861	81,965
Short term borrowings	293,616	316,258

	UN-AUDITED	
	31 March 2021	31 March 2020

(RUPEES IN THOUSAND)

Revenue earned from shariah compliant business	3,682,019	4,596,838
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Exchange (loss)/gain	3,413	2,315
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Gain or dividend earned from shariah compliant investments		
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Dividend income	1,649	2,620
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Unrealized gain / (loss) on remeasurement of investments measured at FVTOCI	(504)	(1,548)
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Profits earned or interest paid on any conventional loan / advance

Mark-up on long term financing	14,400	23,007
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Mark-up on short term borrowings	43,233	52,776
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Relationship with shariah compliant banks

Name	Relationship
Meezan Bank Limited	Bank balances
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balances
Bank Al-Habib Limited	Bank balance
Bank Alfalah Limited	Bank balance

There is no profit earned from shariah compliant bank balances as all the bank balances are in current accounts. Moreover there was no mark-up on Islamic mode of financing as all loans / advances were interest free.

13. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been approved by the Board of Directors of company and authorized for issue on April 29, 2021.

14. CORRESPONDING FIGURES

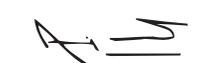
In order to comply with the requirements of IAS 34, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures of unconsolidated condensed interim statement of profit or loss and related notes have been re-arranged due to showing Spinning Unit (Kotri) as discontinued operation. Apart from that, no significant re-arrangements have been made.

15. 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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF

NOTE	UN-AUDITED	AUDITED
	31 March	30 June
	2021	2020
	(RUPEES IN THOUSAND)	

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
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Issued, subscribed and paid up share capital
Reserves

226,601	226,601
4,762,544	4,480,702

Total equity

4,989,145	4,707,303
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits
Deferred liabilities

199,679	195,399
127,865	127,075
5,568	-
333,112	322,474

CURRENT LIABILITIES

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

712,620	736,577
3,980	3,980
33,430	37,911
929,415	846,269
103,305	30,140
219,031	171,468
2,001,781	1,826,345
2,334,893	2,148,819

TOTAL LIABILITIES

CONTINGENCIES AND COMMITMENTS

5

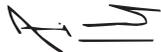
TOTAL EQUITY AND LIABILITIES

7,324,038	6,856,122
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The annexed notes form an integral part of this unconsolidated condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

FINANCIAL POSITION AS AT 31 MARCH 2021

NOTE	UN-AUDITED	AUDITED
	31 March	30 June
	2021	2020
	(RUPEES IN THOUSAND)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	6	4,918,938	4,927,634
Investment properties		287,792	287,792
Long term investments	7	52,288	54,794
Long term deposits		5,459	5,211
Deferred income tax - asset		64,064	58,496
		5,328,541	5,333,927

CURRENT ASSETS

Stores, spare parts and loose tools		68,575	69,727
Stock in trade		903,614	540,181
Trade debts		169,711	280,321
Loans and advances		112,142	69,698
Short term deposits, prepayments and balances with statutory authorities		391,697	348,218
Other receivables		69,050	58,063
Short term investments	8	173,641	110,918
Cash and bank balances		102,994	45,069
		1,991,424	1,522,195
Non-current assets held for sale		4,073	-
		1,995,497	1,522,195

TOTAL ASSETS

7,324,038	6,856,122
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SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

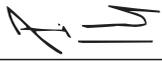
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

	NOTE	Nine months ended		Quarter ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
CONTINUING OPERATIONS :					
(RUPEES IN THOUSAND)					
SALES		3,682,019	3,867,686	1,387,530	1,136,416
COST OF SALES	9	(3,177,279)	(3,598,131)	(1,180,534)	(1,058,353)
GROSS PROFIT		504,740	269,555	206,996	78,063
DISTRIBUTION COST		(46,443)	(30,017)	(8,354)	(8,560)
ADMINISTRATIVE EXPENSES		(123,755)	(118,997)	(40,696)	(38,484)
OTHER OPERATING EXPENSES		(16,628)	(1,358)	4,129	1,775
		(186,826)	(150,372)	(44,921)	(45,269)
		317,914	119,183	162,075	32,794
OTHER OPERATING INCOME		33,196	24,190	7,184	9,140
(LOSS)/PROFIT FROM OPERATIONS		351,110	143,373	169,259	41,934
FINANCE COST		(56,884)	(60,302)	(16,378)	(24,188)
		294,226	83,071	152,881	17,746
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		(1,100)	1,944	38	174
PROFIT/(LOSS) BEFORE TAXATION		293,126	85,015	152,919	17,920
TAXATION		(47,504)	(4,547)	(32,637)	13,944
PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATION		245,622	80,468	120,282	31,864
DISCONTINUED OPERATION :					
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION		(28,707)	(59,184)	(7,577)	(17,426)
PROFIT AFTER TAXATION		216,915	21,284	112,705	14,438
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES):		10.84	3.55	5.31	1.41
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES):		(1.27)	(2.61)	(0.33)	(0.77)

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
(RUPEES IN THOUSAND)				
PROFIT/(LOSS) AFTER TAXATION	216,915	21,284	112,705	14,437
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income of associates	-	-	-	-
Surplus / (deficit) on remeasurement of available for sale investments	13,391	15,950	(51,671)	983
Other comprehensive income / (loss) for the period	13,391	15,950	(51,671)	983
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	230,306	37,234	61,034	15,420

The annexed notes form an integral part of this unconsolidated 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 NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)**

	(RUPEES IN THOUSAND)													
	CAPITAL RESERVES			REVENUE RESERVES				TOTAL EQUITY						
	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value reserve	Fair value reserve in respect of shares at FVTOC	Reserve for issue of shares	Surplus on revaluation of land	Sub Total	General Reserve	Dividend equalization	Share of Associate unappropriated profit	Sub Total	TOTAL EQUITY	
Balance as at 30 June 2019 - Audited	226,601	5,496	12,000	-	22,362	-	4,136,711	4,176,569	44,975	4,000	53,020	187,945	2,89,940	4,693,110
Transferred from dividend equalization reserve to general reserve	-	-	-	-	-	-	-	-	4,000	(4,000)	-	-	-	-
Profit for the nine months ended 31 March 2020	-	-	-	-	-	-	-	-	-	-	-	21,284	21,284	21,284
Other comprehensive income for the nine months ended 31 March 2020	-	-	-	-	15,972	-	-	15,972	-	-	(20,939)	(22)	(20,961)	(4,989)
Total comprehensive income for the nine months ended 31 March 2020	-	-	-	-	15,972	-	-	15,972	-	-	(20,939)	21,262	323	16,295
Balance as at 31 December 2019 - Unaudited	226,601	5,496	12,000	-	38,334	-	4,136,711	4,192,541	48,975	32,081	209,207	290,263	4,709,405	
Loss for the next half year ended 30 June 2020	-	-	-	-	-	-	-	-	-	-	(7,386)	(7,386)	(7,386)	
Other comprehensive income for the next half year ended 30 June 2020	-	-	-	-	(16,077)	-	-	(16,077)	-	-	21,361	-	21,361	5,284
Total comprehensive income for the next quarter ended 30 June 2020	-	-	-	-	(16,077)	-	-	(16,077)	-	-	21,361	(7,386)	13,975	(2,102)
Balance as at 30 June 2020 - 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	
Gain realized on disposal of equity investment at fair value through other comprehensive income	-	-	-	-	(3,009)	-	-	(3,009)	-	-	3,009	-	3,009	-
Profit for the nine months ended 31 March 2021	-	-	-	-	-	-	-	-	-	-	-	216,915	216,915	216,915
Other comprehensive income for the nine months ended 31 March 2021	-	-	-	-	13,391	-	-	13,391	-	-	22,829	-	22,829	36,220
Total comprehensive income for the nine months ended 31 March 2021	-	-	-	-	13,391	-	-	13,391	-	-	22,829	245,622	268,451	281,842
Balance as at 31 March 2021 - Un-audited	226,601	5,496	12,000	-	32,639	-	4,136,711	4,186,846	48,975	76,271	450,452	575,698	4,989,145	

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 CASH FLOWS
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)**

	NOTE	(Nine months ended)	
		31 March 2021	31 March 2020
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	10	85,028	(192,781)
Finance cost paid		(61,365)	(69,596)
Staff retirement gratuity paid		(27,511)	(17,874)
Long term deposits		(248)	(846)
Income tax paid		(62,398)	(26,513)
Dividend paid		-	(43)
		(151,522)	(114,872)
Net cash (utilized in) / generated from operating activities		(66,494)	(307,653)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(145,190)	(29,688)
Proceeds from sale of property, plant and equipment		105,411	800
Proceeds from sale of investments		3,607	5,998
Net cash from investing activities		(36,172)	(22,890)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(48,533)	(40,650)
Proceeds from long term financing		125,978	75,627
Short term borrowings - net		83,146	278,810
Net cash (used in) / from financing activities		160,591	313,787
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		57,925	(16,756)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		45,069	53,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		102,994	36,920

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

1. THE GROUPS AND ITS OPERATIONS

The Group consist 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 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 81.149 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.

- The Company has filed appeal in Lahore High Court, Lahore, dated 15 October 2018 against the levy of cotton cess. However the related provision of Rupees 1.696 million (30 June 2020 : Rupees 1.696 million) is not accounted for in these condensed interim financial statements in view of favorable outcome of the appeal.

- Guarantees of Rupees 81.149 million (30 June 2020: Rupees 67.001 million) are given by the Bank of the Company to SNGPL against gas connections and to Lahore Electric Supply Company Limited against electricity connection.

- 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.

Commitments:

- Letters of credit for capital expenditure are of Rs. Nil (30 June 2020: Rupees Nil).
- Letters of credit for other than capital expenditure are of Rupees 52.129 Mln (30 June 2020: Rupees 67.968 million).

6. PROPERTY, PLANT AND EQUIPMENT

	UN-AUDITED 31 March 2021	AUDITED 30 June 2020
(RUPEES IN THOUSAND)		
Operating fixed assets (Note 6.1)	4,865,560	4,927,364
Capital work-in-progress	53,378	270
	4,918,938	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)	92,082	119,389
	5,019,446	5,011,523
Less:		
Book value of deletions during the period / year (Note 6.1.2)	198	2,352
Depreciation charged during the period / year	57,970	81,807
Transferred to non-current assets held for sale	95,718	-
	153,886	84,159
Book value at the end of the period / year	4,865,560	4,927,364

UN-AUDITED 31 March 2021	AUDITED 30 June 2020
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(RUPEES IN THOUSAND)

6.1.1 Cost of additions during the period / year

Buildings on free hold land	7,078	-
Plant and machinery	82,912	34,999
Stand-by equipment	-	81,629
Electric installations	197	1,046
Tools and equipments	1,344	365
Vehicles	-	1,228
Furniture and fixtures	481	-
Office equipment	70	122
	92,082	119,389

6.2 Book value of deletions during the period / year

Vehicles	198	2,352
	198	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	(1,100)	(13,253)
	34,230	35,330
	48,390	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	2,997	684
	3,898	1,585
	52,288	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.

UN-AUDITED	AUDITED
31 March 2021	30 June 2020

(RUPEES IN THOUSAND)

8. SHORT TERM INVESTMENTS - Available for sale

Quoted - Others	89,319	89,319
Add : Fair value adjustment	84,322	21,599
	173,641	110,918

(Un-audited)

Nine months ended		Quarter ended	
31 March 2021	31 March 2020	31 March 2021	31 March 2020

(RUPEES IN THOUSAND)

9. COST OF SALES

Raw material consumed	2,145,264	2,756,973	884,149	786,320
Salaries, wages and other benefits	253,330	275,352	90,814	76,920
Stores, spare parts and loose tools consumed	104,136	89,477	36,472	25,264
Fuel and power	525,705	501,662	178,124	154,399
Outside weaving charges	47,286	33,402	11,086	9,437
Other manufacturing overheads	38,745	7,930	30,063	2,954
Insurance	7,144	5,354	1,552	1,737
Repair and maintenance	4,051	5,167	1,256	2,279
Depreciation	53,055	49,068	17,695	16,452

3,178,716 3,724,385 **1,251,211** 1,075,762

Work-in-process:

Opening stock	26,831	26,607	24,663	25,293
Closing stock	(29,279)	(38,318)	(29,279)	(38,318)
	(2,448)	(11,711)	(4,616)	(13,025)

Cost of goods manufactured **3,176,268** 3,712,674 **1,246,595** 1,062,737

Finished goods:

Opening stock	215,151	62,140	188,013	179,121
Closing stock	(264,559)	(187,491)	(264,559)	(187,491)
	(49,408)	(125,351)	(72,818)	(8,370)

3,126,860 3,587,323 **1,173,777** 1,054,367

Cost of goods purchased **50,419** 10,808 **10,485** 3,986
3,177,279 3,598,131 **1,184,262** 1,058,353

UN-AUDITED	
31 March 2021	31 March 2020

(RUPEES IN THOUSAND)

10. CASH UTILIZED IN OPERATIONS

Profit before taxation **264,362** 26,502

Adjustments for non-cash charges and other items:

Depreciation	95,718	60,291
Provision for staff retirement gratuity	57,911	32,600
Gain on sale of property, plant and equipment	(14,797)	(28)
Fair value gain on FVTPL investments	-	17,572
Share of (profit) / loss from associated companies	1,100	(1,944)
Finance cost	62,979	78,475
Impairment loss on investments	-	-
Working capital changes (Note 10.1)	(382,245)	(406,249)

85,028 (192,781)

10.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	1,152	(12,065)
Stock in trade	(363,433)	(305,124)
Trade debts	110,610	(6,951)
Loans and advances	(42,444)	(169,025)
Prepayments and balances with statutory authorities	(53,186)	(14,181)
Other receivables	(10,987)	4,405
	(358,288)	(502,941)

(Decrease) / increase in trade and other payables (23,957) 96,692

(382,245) (406,249)

11. SEGMENT INFORMATION - CONSOLIDATED

	(UN-AUDITED)							
	Textiles		Trading		Elimination of Inter-segment transactions		CONSOLIDATED	
	Nine months ended	31 March 2020	Nine months ended	31 March 2020	Nine months ended	31 March 2020	Nine months ended	31 March 2020
	(RUPEES IN THOUSAND)							
CONTINUING OPERATIONS								
Sales	3,541,896	3,855,038	308,869	234,317	(168,746)	(221,669)	3,682,019	3,867,686
Cost of sales	(3,093,056)	(3,610,134)	(252,969)	(209,666)	168,746	221,669	(3,177,279)	(3,598,131)
Gross profit	448,840	244,904	55,900	24,651	-	-	504,740	269,555
Distribution cost	(28,131)	(18,409)	(18,312)	(11,608)	-	-	(46,443)	(30,017)
Administrative expenses	(123,369)	(118,985)	(386)	(12)	-	-	(123,755)	(118,997)
Other operating expenses	(16,628)	(1,358)	-	-	-	-	(16,628)	(1,358)
	(168,128)	(138,752)	(18,698)	(11,620)	-	-	(186,826)	(150,372)
Other operating income	280,712	106,152	37,202	13,031	-	-	317,914	119,183
Profit from operations	30,743	21,876	2,453	2,314	-	-	33,196	24,190
Finance cost	(53,899)	(59,659)	(2,985)	(643)	-	-	(56,884)	(60,302)
Profit/(loss) before taxation and unallocated income and expenses	257,556	68,369	36,670	14,702	-	-	294,226	83,071
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							(1,100)	1,944
Taxation							(47,504)	(4,547)
Loss after taxation from discontinued operation							(28,707)	(59,184)
Profit/(loss) after taxation							216,915	21,284

12. TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(RUPEES IN THOUSAND)			
i) Transactions				
Associated companies				
Service charges	12,398	11,502	-	-
Other related parties				
Loans received from/(repaid to) Chief Executive Officer, Directors, Executives and Sponsors -net	(10,810)	16,052	(12,629)	6,527
Remuneration paid to Chief Executive Officer, Directors and Executives	52,091	46,967	26,045	15,656

13. 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.

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on April 29, 2021 by the Board of Directors of the Group.

15. CORRESPONDING FIGURES

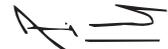
In order to comply with the requirements of IAS 34, the unconsolidated condensed interim balance sheet and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

16. 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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