

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2020
(UN-AUDITED)

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Taimur Amjad
(Chairman)

Mr. Muhammad Arshad
(Chief Executive Officer)

DIRECTORS (In alphabetical order)

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Mr. Sami Ullah

BANKERS

National Bank of Pakistan

AUDITORS

Riaz Ahmad & Company
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 second quarter and half year ended December 31, 2020. During the period under review, your company has earned a post-tax profit of Rs. 105.444 Million as compared to post-tax profit of Rs. 3.876 Million in the comparative period of last year.

Total sales revenue of the company for the half year stood at Rs. 2,298.313 Million, whereas, the turnover figures during the same period in year 2019 was Rs. 3,236.021 Million. The cost of sales in the period under review stood at 86.95% whereas up to December 31, 2019 it was around 94.04%. 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 1st half 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

Outbreak of corona virus pandemic and lock down of cities globally is hitting economies of the world. Second wave of the Corona virus has started and could be compounded by an adverse alteration of pandemic, a new threat looms over the world's economies. Pakistan textile industry is performing well in view of local demand and massive export orders of home textile goods. State Bank of Pakistan has also reduced the discount rate and has provided financing at very low rates to the industry for payment of salary and wages of labor force.

In the current cotton season the indications showed the crop to be far below expectations and it is doubtful that last season's low crop outturn will be achieved. Inherent issues in the crop cultivation and seed methodology remain with no progress towards any resolution. With the demand for raw cotton expected to be at optimum levels due to improvement in textile demand, it is certain that mills will have to rely on imported cotton to meet their requirements. Pakistan spinning industry has already contracted for large scale imports from nearly all origins in the world. It is imperative that this problem is resolved through new seeds and technology. A competitive exchange rate parity and fears of COVID-19 in our neighboring countries has made Pakistan prime choice for sourcing textile products globally hence strengthening demand in Pakistan. The textile sector is running at full capacity with no dearth of orders and we expect that for the near future demand will remain strong. The company is focusing on improving efficiencies and minimizing costs by enhancing spinning capacity to achieve the better financial results 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
February 26, 2021

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2020 کو مختصر دوسری سہ ماہی اور پہلی ششماہی کے لیے متحد عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے 105.444 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جبکہ گزشتہ سال کی اسی مدت میں کمپنی کا بعد از ٹیکس منافع 3.876 ملین روپے تھا۔

پہلی ششماہی کے لیے کمپنی کی کل فروخت کی آمدنی 2,298.313 ملین روپے رہی جبکہ سال 2019ء میں اسی مدت کے دوران ٹرن اور رقم 236.021,3 ملین روپے تھی۔ زیر جائزہ مدت میں فروخت کی لاگت 86.95 فیصد رہی جبکہ 31 دسمبر 2019ء تک یہ 94.04 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 کی پہلی ششماہی کے دوران کوٹری یونٹ میں کوئی عملی سرگرمی نہیں ہوئی تھی، لہذا کمپنی کی فروخت کی آمدنی میں کمی ریکارڈ کی گئی ہے۔ تاہم مجموعی منافع میں کمی کا وجود کمپنی منافع ریکارڈ کرنے میں کامیاب رہی ہے۔ کمپنی کی انتظامیہ بہتر نتائج کے لیے مسلسل کوشاں ہے۔

مستقبل کے امکانات:

عالمی سطح پر شہروں میں کورونا وائرس وبائی بیماری کا پھیلنا اور لاک ڈاؤن دنیا کی معیشتوں کو متاثر کر رہا ہے۔ کورونا وائرس کی دوسری لہر شروع ہو گئی ہے اور وبائی بیماری کے منفی ردعمل سے اس کی تشکیل ممکن ہو سکتی ہے، جو دنیا کی معیشتوں کے لیے ایک نیا خطرہ ہے۔ پاکستان ٹیکسٹائل انڈسٹری معتمی طلب اور گھریلو ٹیکسٹائل سامان کی بڑے پیمانے پر برآمدی آرڈر کے پیش نظر اچھی کارکردگی کا مظاہرہ کرتی ہے۔ اسٹیٹ بینک آف پاکستان نے بھی رعایت کی شرح کو کم کیا ہے اور مزدوروں کی تنخواہ اور اجرت کی ادائیگی کے لئے صنعت کو انتہائی کم شرح پر فنانسنگ فراہم کی ہے۔

علامات سے ظاہر ہوتا ہے کہ موجودہ سیزن میں بھی کپاس کی فصل توقعات سے بہت کم رہے گی اور شہد ہے کہ فصل کی پیداوار پچھلے سیزن کی کم ترین پیداوار تک بھی نہ پہنچ سکے گی۔ فصل کی کاشت اور بیج کے طریقہ کار میں پرانے طریقے ابھی تک کسی بھی عمل کی طرف پیشرفت نہیں کر سکے۔ ٹیکسٹائل کی طلب میں بہتری کی وجہ سے خام کپاس کی طلب میں زیادہ سے زیادہ اضافے کی توقع کی جا رہی ہے، یہ بات یقینی ہے کہ ملوں کو اپنی ضروریات پوری کرنے کے لئے درآ مد شدہ روٹی پر انحصار کرنا پڑے گا۔ پاکستان اسپننگ انڈسٹری پہلے ہی دنیا کے تقریباً تمام خطوں سے بڑے پیمانے پر درآمدات کا معاہدہ کر چکی ہے۔ ضروری ہے کہ اس مسئلے کو سننے بچوں اور ٹیکسٹائل لوجی کے ذریعہ حل کیا جائے۔ مسابقتی زرمبادلہ کی شرح کی برابر اور ہمارے پڑوسی ممالک میں کورونا وائرس کے خدشات نے عالمی سطح پر ٹیکسٹائل کی مصنوعات کے ماخذ کے لیے پاکستان کو اولین انتخاب بنا دیا ہے لہذا پاکستان میں طلب کو تقویت ملی۔ ٹیکسٹائل کا شعبہ پوری صلاحیت کے ساتھ چل رہا ہے جس میں آرڈر کی کمی نہیں اور ہم امید کرتے ہیں کہ مستقبل قریب میں طلب مستحکم رہے گی۔ کمپنی 30 جون 2021 کو ختم ہونے والے مالی سال کے بہتر مالی نتائج حاصل کرنے کے لئے اسپننگ کی صلاحیت میں اضافہ کر کے استعداد کار کو بہتر بنانے اور اخراجات کو کم کرنے پر توجہ دے رہی ہے۔

اعتراف:

ڈائریکٹرز اپنے قابل قدر گاہکوں، 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۔

مناجب

بورڈ آف ڈائریکٹرز

محمد ارشد

عابد محمود

چیف ایگزیکٹو آفیسر

ڈائریکٹر

فیصل آباد

26 فروری 2021ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CRESCENT COTTON MILLS LIMITED

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of CRESCENT COTTON MILLS LIMITED 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 half year then ended (here-in-after referred to as "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with 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 31 December 2019 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year 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 the 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 Liaquat Ali Panwar.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
February 26, 2021

UNCONSOLIDATED CONDENSED INTERIM STATEMENT

	NOTE	UN-AUDITED	AUDITED
		31 December 2020	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		<u>300,000</u>	<u>300,000</u>
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		175,157	114,105
Surplus on revaluation of freehold land and investment properties		4,136,711	4,136,711
Revenue reserves		<u>310,496</u>	<u>202,043</u>
TOTAL EQUITY		<u>4,866,461</u>	<u>4,696,956</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	202,027	195,399
Employees' retirement benefit		125,757	127,075
Deferred liabilities		31,692	-
		<u>359,476</u>	<u>322,474</u>
CURRENT LIABILITIES			
Trade and other payables		621,548	740,215
Unclaimed dividend		3,980	3,980
Accrued mark-up		19,148	23,709
Short term borrowings		968,465	841,269
Current portion of non-current liabilities		177,977	30,140
Provision for taxation		33,084	170,720
		<u>1,824,202</u>	<u>1,810,033</u>
TOTAL LIABILITIES		<u>2,183,678</u>	<u>2,132,507</u>
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		<u>7,050,139</u>	<u>6,829,463</u>

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	UN-AUDITED	AUDITED
		31 December 2020	30 June 2020
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,896,425	4,926,871
Investment properties		264,224	264,224
Long term investments		8,175	6,684
Long term deposits		4,689	4,689
Deferred income tax asset		59,197	53,629
		<u>5,232,710</u>	<u>5,256,097</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		106,573	67,237
Stock-in-trade		824,596	540,181
Trade debts		160,886	280,321
Loans and advances		120,517	69,698
Prepayments and balances with statutory authority		221,368	347,478
Other receivables		59,308	54,546
Short term investments		231,347	172,237
Cash and bank balances		76,923	41,668
		<u>1,801,518</u>	<u>1,573,366</u>
Non-current assets held for sale	6	15,911	-
		<u>1,817,429</u>	<u>1,573,366</u>
TOTAL ASSETS		<u>7,050,139</u>	<u>6,829,463</u>



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

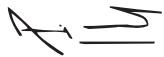
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020 (UN-AUDITED)

NOTE	Half year ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(RUPEES IN THOUSAND)				
CONTINUING OPERATIONS:				
REVENUE	2,294,489	2,731,270	1,177,623	1,343,214
COST OF SALES	(1,996,745)	(2,539,777)	(994,989)	(1,238,172)
GROSS PROFIT	297,744	191,493	182,634	105,042
DISTRIBUTION COST	(38,089)	(21,457)	(20,591)	(12,051)
ADMINISTRATIVE EXPENSES	(82,963)	(82,479)	(24,744)	(41,733)
OTHER EXPENSES	(20,757)	(4,878)	(18,996)	(4,858)
OTHER INCOME	26,012	15,050	18,948	8,387
FINANCE COST	(40,506)	(35,801)	(18,604)	(22,080)
PROFIT BEFORE TAXATION	141,441	61,928	118,647	32,707
TAXATION	(14,867)	(13,331)	2,187	530
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	126,574	48,597	120,834	33,237
DISCONTINUED OPERATION:				
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(21,130)	(44,721)	(22,974)	(20,485)
PROFIT AFTER TAXATION	105,444	3,876	97,860	12,752
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES)	5.59	2.14	5.33	1.47
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES)	(0.93)	(1.97)	(1.01)	(0.90)

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 HALF YEAR ENDED 31 DECEMBER 2020 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(RUPEES IN THOUSAND)				
PROFIT AFTER TAXATION	105,444	3,876	97,860	12,752
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	64,208	(6,438)	70,136	(12,107)
Deferred income tax relating to investments at fair value through other comprehensive income	(147)	(8,244)	(147)	15
	64,061	(14,682)	69,989	(12,092)
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	64,061	(14,682)	69,989	(12,092)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	169,505	(10,806)	167,849	660

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

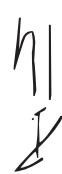
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020 (UN-AUDITED)**

	(RUPEES IN THOUSAND)										
	SHARE CAPITAL		CAPITAL RESERVES		REVENUE RESERVES		TOTAL RESERVES		TOTAL EQUITY		
	Premium on issue of shares	Plant Modernisation	Fair value investments at FVOCI	Surplus on revaluation of investment properties	Sub Total	General reserve	Dividend equalization	unappropriated profit	Sub Total	TOTAL reserves	
Balance as at 30 June 2019 - (Audited)	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	-	-	(5,164)	-	(5,164)	-	-	5,164	5,164	-	-
Profit for the period	-	-	(14,682)	-	(14,682)	-	-	3,876	3,876	(14,682)	3,876
Other comprehensive loss for the period	-	-	(14,682)	-	(14,682)	-	-	3,876	3,876	(10,806)	(10,806)
Total comprehensive loss for the period	-	-	(14,682)	-	(14,682)	-	-	3,876	3,876	(10,806)	(10,806)
Balance as at 31 December 2019 - (Un-audited)	5,496	12,000	111,695	4,136,711	4,265,902	100,988	-	63,359	164,347	4,430,249	4,656,850
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	(6,016)	-	(6,016)	-	-	6,016	6,016	-	-
Profit for the period	-	-	8,426	-	8,426	-	-	(37,672)	(37,672)	37,672	37,672
Other comprehensive income for the period	-	-	8,426	-	8,426	-	-	(5,992)	(5,992)	2,434	2,434
Total comprehensive income for the period	-	-	8,426	-	8,426	-	-	31,680	31,680	40,106	40,106
Balance as at 30 June 2020 - (Audited)	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 investment at fair value through other comprehensive income	-	-	(3,009)	-	(3,009)	-	-	3,009	3,009	-	-
Profit for the period	-	-	64,061	-	64,061	-	-	105,444	105,444	105,444	105,444
Other comprehensive income for the period	-	-	64,061	-	64,061	-	-	(5,992)	(5,992)	64,061	64,061
Total comprehensive income for the period	-	-	64,061	-	64,061	-	-	105,444	105,444	169,505	169,505
Balance as at 31 December 2020 - (Un-audited)	5,496	12,000	175,157	4,136,711	4,332,373	100,988	-	209,508	310,496	4,639,860	4,866,461

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020 (UN-AUDITED)**
CASH FLOWS FROM OPERATING ACTIVITIES
Cash used in operations

Finance cost paid
Employees' retirement benefit paid
Income tax paid

Net cash used in operating activities
CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure on property, plant and equipment
Proceeds from sale of property, plant and equipment
Proceeds from sale of non-current assets held for sale
Proceeds from sale of investments

Net cash used in investing activities
CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing
Proceeds from long term financing
Short term borrowings - net

Net cash from financing activities
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS
**CASH AND CASH EQUIVALENTS AT THE
BEGINNING OF THE PERIOD**
**CASH AND CASH EQUIVALENTS AT THE
END OF THE PERIOD**

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

NOTE	31 December 2020	31 December 2019
	(RUPEES IN THOUSAND)	

8 **(86,718)** (138,203)

(44,815) (43,685)
(19,786) (11,589)
(23,884) (16,849)

(175,203) (210,326)

(104,986)	(14,069)
1,230	800
94,100	-
3,607	5,998

(6,049) (7,271)

(10,687)	(23,767)
99,998	23,882
127,196	195,287

216,507 195,402

35,255 (22,195)

41,668 50,275

76,923 28,080

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020 (UN-AUDITED)**

1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited (the Company) is a public limited company incorporated in March 1959 in Pakistan under 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.

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

3. LONG TERM FINANCING

Financing from banking company - secured

Opening balance	225,539	190,136
Add: Obtained during the period / year	99,998	76,907
	325,537	267,043
Less:		
Repaid during the period / year	10,687	41,504
Deferred income - Government grant (Note 3.1)	5,500	-
	16,187	41,504
	309,350	225,539
Less: Current portion shown under current liabilities	107,323	30,140
	202,027	195,399

3.1 This represents deferred income on initial recognition of loans obtained under SBP Refinance Scheme for payment of wages and salaries to workers.

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 December 2020 (30 June 2020: Rupees Nil).

ii) Letters of credit other than for capital expenditure as at 31 December 2020 are of Rupees 31.628 million (30 June 2020: Rupees 67.968 million).

5. PROPERTY, PLANT AND EQUIPMENT

	UN-AUDITED 31 December 2020	AUDITED 30 June 2020
(RUPEES IN THOUSAND)		
Operating fixed assets (Note 5.1)	4,804,049	4,926,601
Capital work-in-progress (Note 5.2)	92,376	270
	4,896,425	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)	12,880	119,389
	4,939,481	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
	4,843,565	5,008,321
Less: Depreciation charged during the period / year	39,516	81,720
	4,804,049	4,926,601

5.1.1 Cost of additions during the period / year

	UN-AUDITED 31 December 2020	AUDITED 30 June 2020
(RUPEES IN THOUSAND)		
Buildings and roads	78	-
Plant and machinery	11,104	34,999
Stand-by equipment	-	81,629
Electric installations	309	1,046
Tools and equipment	1,150	365
Vehicles	-	1,228
Furniture and fixtures	200	-
Office equipment	39	122
	12,880	119,389

5.2 Capital work-in-progress

Buildings and roads	70	-
Plant and machinery	7,679	270
Advances against purchase of plant and machinery	79,919	-
Electric installations	4,708	-
	92,376	270

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)	15,911	-
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 December 2020. 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)

	UN-AUDITED 31 December 2020	AUDITED 30 June 2020
(RUPEES IN THOUSAND)		
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	79,807	-
Carrying value of non-current assets held for sale	15,911	-

UN-AUDITED	AUDITED
31 December 2020	31 December 2019

6.2 Analysis of results of discontinued operation

(RUPEES IN THOUSAND)

SALES	3,824	504,751
COST OF SALES	(18,624)	(503,255)
GROSS (LOSS) / PROFIT	(14,800)	1,496
DISTRIBUTION COST	(2,425)	(8,077)
ADMINISTRATIVE EXPENSES	(12,727)	(18,955)
OTHER INCOME	14,293	-
FINANCE COST	(5,414)	(11,614)
	(6,273)	(38,646)
LOSS BEFORE TAXATION FROM DISCONTINUED OPERATION	(21,073)	(37,150)
TAXATION	(57)	(7,571)
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(21,130)	(44,721)

6.3 Analysis of the cash flows of discontinued operation

Operating cash flows	13,298	(41,763)
Investing cash flows	94,100	(1,878)
Financing cash flows	(4,246)	50
	103,152	(43,591)

7. COST OF SALES

(RUPEES IN THOUSAND)

	Half year ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Raw materials consumed	1,261,115	1,970,655	654,203	900,837
Salaries, wages and other benefits	162,516	198,432	76,427	86,160
Stores, spare parts and loose tools consumed	67,664	64,213	34,004	34,903
Fuel and power	347,581	347,263	193,518	173,218
Outside weaving / other charges	36,200	23,965	25,569	16,342
Other manufacturing overheads	8,682	4,975	4,714	1,954
Insurance	5,592	3,617	2,880	1,868
Repair and maintenance	2,795	2,888	1,276	1,285
Depreciation	35,360	32,616	13,243	16,394
	1,927,505	2,648,624	1,005,834	1,232,961
Work-in-process				
Opening stock	26,831	26,607	24,573	25,115
Closing stock	(24,663)	(25,293)	(24,663)	(24,682)
	2,168	1,314	(90)	433
Cost of goods manufactured	1,929,673	2,649,938	1,005,744	1,233,394
Finished goods				
Opening stock	215,151	62,140	137,324	228,456
Closing stock	(188,013)	(179,122)	(188,013)	(228,249)
	27,138	(116,982)	(50,689)	207
	1,956,811	2,532,956	955,055	1,233,601
Cost of goods purchased for resale	39,934	6,821	39,934	4,571
	1,996,745	2,539,777	994,989	1,238,172

UN-AUDITED	
31 December 2020	31 December 2019

(RUPEES IN THOUSAND)

8. CASH USED IN OPERATIONS

Profit before taxation	120,368	24,778
Adjustments for non-cash charges and other items:		
Depreciation	39,516	40,071
Provision for employees' retirement benefit	18,467	21,734
Gain on sale of property, plant and equipment	(1,031)	(28)
Gain on sale of non-current assets held for sale	(14,290)	-
Finance cost	45,920	47,415
Amortization of deferred grant	(2,654)	-
De-recognition of accrued interest on debt instruments	-	153
Gain on remeasurement of deferred liability	(8,474)	-
Provision for doubtful loans and advances	4,693	-
Loans and advances written off	42	-
Allowance for expected credit losses	1,990	2,205
Working capital changes (Note 7.1)	(291,265)	(274,531)
	(86,718)	(138,203)

8.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(39,336)	(39,483)
Stock-in-trade	(284,415)	(221,707)
Trade debts	117,445	(126,893)
Loans and advances	(55,554)	(39,160)
Prepayments and balances with statutory authority	(8,280)	67,028
Other receivables	(4,762)	(2,162)
	(274,902)	(362,377)
(Decrease) / increase in trade and other payables	(16,363)	87,846
	(291,265)	(274,531)

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 December 2020 (Un-Audited)				
At fair value through other comprehensive income	239,153	-	369	239,522
	239,153	-	369	239,522
At 30 June 2020 (Audited)				
At fair value through other comprehensive income	178,048	-	873	178,921
	178,048	-	873	178,921

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 recognize 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 trading and equity 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. This is the case for unlisted equity securities.

(ii) 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	
31 December 2020	31 December 2019
(RUPEES IN THOUSAND)	

Shariah compliant bank deposits and bank balances

Bank balances	6,921	12,353
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Loans / advances obtained as per Islamic mode

Advances from customers	91,655	81,965
Short term borrowings	302,076	316,258

UN-AUDITED	
31 December 2020	31 December 2019
(RUPEES IN THOUSAND)	

Revenue earned from shariah compliant business	2,294,489	3,236,021
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Exchange loss	2,825	194
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Gain or dividend earned from shariah compliant investments

Dividend income	5	4
Unrealized gain / (loss) on remeasurement of investments measured at FVTOCI	1,946	(5,187)

Profits earned or interest paid on any conventional loan / advance

Mark-up on long term financing	11,540	14,360
Mark-up on short term borrowings	25,881	31,284

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

13. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on February 26, 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

NOTE	UN-AUDITED	AUDITED
	31 December 2020	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
Reserves

226,601	226,601
4,649,688	4,480,702

Total equity

4,876,289	4,707,303
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits
Deferred liabilities

202,027	195,399
125,757	127,075
31,692	-
359,476	322,474

CURRENT LIABILITIES

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

617,968	736,577
3,980	3,980
33,350	37,911
973,465	846,269
177,977	30,140
33,832	171,468
1,840,572	1,826,345
2,200,048	2,148,819

TOTAL LIABILITIES

CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

7,076,337	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

OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

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

ASSETS

NON-CURRENT ASSETS

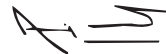
Property, plant and equipment	6	4,897,149	4,927,634
Investment properties		287,792	287,792
Long term investments	7	52,250	54,794
Long term deposits		5,211	5,211
Deferred income tax - asset		64,064	58,496
		5,306,466	5,333,927

CURRENT ASSETS

Stores, spare parts and loose tools		109,063	69,727
Stock in trade		824,596	540,181
Trade debts		160,886	280,321
Loans and advances		120,517	69,698
Short term deposits, prepayments and balances with statutory authorities		222,108	348,218
Other receivables		62,825	58,063
Short term investments	8	173,641	110,918
Cash and bank balances		80,324	45,069
		1,753,960	1,522,195
Non-current assets held for sale		15,911	-
		1,769,871	1,522,195

TOTAL ASSETS

7,076,337	6,856,122
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ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER


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

NOTE	Half year ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(RUPEES IN THOUSAND)				
CONTINUING OPERATIONS :				
SALES	2,294,489	2,731,270	1,177,623	1,343,214
COST OF SALES	(1,996,745)	(2,539,777)	(994,989)	(1,238,172)
GROSS PROFIT	297,744	191,493	182,634	105,042
DISTRIBUTION COST	(38,089)	(21,457)	(20,591)	(12,051)
ADMINISTRATIVE EXPENSES	(83,059)	(80,513)	(24,744)	(41,733)
OTHER OPERATING EXPENSES	(20,757)	(4,878)	(18,996)	(4,858)
	(141,905)	(106,848)	(64,331)	(58,642)
	155,839	84,645	118,303	46,400
OTHER OPERATING INCOME	26,012	22,621	18,948	8,387
(LOSS)/PROFIT FROM OPERATIONS	181,851	107,266	137,251	54,787
FINANCE COST	(40,506)	(36,101)	(18,604)	(22,080)
	141,345	71,165	118,647	32,707
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES	(1,138)	1,770	(986)	5,963
PROFIT/(LOSS) BEFORE TAXATION	140,207	72,935	117,661	38,670
TAXATION	(14,867)	(21,367)	2,187	3,779
PROFIT / (LOSS) AFTER TAXATION FROM CONTINUING OPERATION	125,340	51,568	119,848	42,449
DISCONTINUED OPERATION :				
LOSS AFTER TAXATION FROM DISCONTINUED OPERATION	(21,130)	(44,721)	(22,974)	(25,242)
PROFIT AFTER TAXATION	104,210	6,847	96,874	17,207
EARNINGS PER SHARE - BASIC AND DILUTED FROM CONTINUING OPERATIONS (RUPEES):	5.53	2.28	5.29	1.87
LOSS PER SHARE - BASIC AND DILUTED FROM DISCONTINUED OPERATION (RUPEES):	(0.93)	(1.97)	(1.01)	(1.11)

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 HALF YEAR ENDED 31 DECEMBER 2020 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
(RUPEES IN THOUSAND)				
PROFIT/(LOSS) AFTER TAXATION	104,210	6,847	96,874	17,207
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	65,062	13,011	69,989	(1,956)
Other comprehensive income / (loss) for the period	65,062	13,011	69,989	(1,956)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	169,272	19,858	166,863	15,251

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

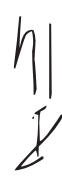
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020 (UN-AUDITED)**

	(RUPEES IN THOUSAND)											
	SHARE CAPITAL			CAPITAL RESERVES			REVENUE RESERVES			TOTAL EQUITY		
	SHARED CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value reserve at FVOCI	Fair value reserve on issue of shares	Surplus on revaluation of land	Sub Total	General Reserve	Dividend equalization	Share of Associate unappropriated profit	Sub Total	
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	289,940	4,693,110
Transferred from dividend equalization reserve to general reserve	-	-	-	-	-	-	4,000	(4,000)	-	-	-	-
Loss for the half year ended 31 December 2019	-	-	-	-	-	-	-	-	-	6,847	6,847	6,847
Other comprehensive income for the half year ended 31 December 2019	-	-	-	13,033	-	13,033	-	-	(20,939)	(22)	(20,961)	(7,928)
Total comprehensive income for the half year ended 31 December 2019	-	-	-	13,033	-	13,033	-	-	(20,939)	6,825	(14,114)	(1,081)
Balance as at 31 December 2019 - Unaudited	226,601	5,496	12,000	35,395	4,136,711	4,189,602	48,975	-	32,081	194,770	275,826	4,692,029
Loss for the next half year ended 30 June 2020	-	-	-	-	-	-	-	-	-	7,051	7,051	7,051
Other comprehensive income for the next half year ended 30 June 2020	-	-	-	(13,138)	-	(13,138)	-	-	-	21,361	21,361	8,223
Total comprehensive income for the next half year ended 30 June 2020	-	-	-	(13,138)	-	(13,138)	-	-	-	21,361	21,361	15,274
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	3,009
Loss for the half year ended 31 December 2020	-	-	-	-	-	-	-	-	-	104,210	104,210	104,210
Other comprehensive income for the half year ended 31 December 2020	-	-	-	65,062	-	65,062	-	-	(21,416)	-	(21,416)	43,646
Total comprehensive income for the half year ended 31 December 2020	-	-	-	65,062	-	65,062	-	-	(21,416)	125,340	103,924	168,986
Balance as at 31 December 2020 - Un-audited	226,601	5,496	12,000	84,310	4,136,711	4,238,517	48,975	-	32,026	330,170	411,171	4,876,289

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

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

CASH FLOWS FROM OPERATING ACTIVITIES

	NOTE	31 December 2020	31 December 2019
(RUPEES IN THOUSAND)			
Cash (utilized in) / generated from operations	10	(86,718)	(138,152)
Finance cost paid		(44,815)	(43,685)
Staff retirement gratuity paid		(19,786)	(11,589)
Income tax paid		(23,884)	(16,900)
Dividend paid		-	-
		(88,485)	(72,174)
Net cash (utilized in) / generated from operating activities		(175,203)	(210,326)

CASH FLOWS FROM INVESTING ACTIVITIES


Capital expenditure on property, plant and equipment	(104,986)	(14,069)
Proceeds from sale of property, plant and equipment	95,330	800
Proceeds from sale of investments	3,607	5,998
Net cash from investing activities	(6,049)	(7,271)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing	(10,687)	(23,767)
Proceeds from long term financing	99,998	23,882
Short term borrowings - net	127,196	195,287
Net cash (used in) / from financing activities	216,507	195,402
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	35,255	(22,195)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	45,069	53,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	80,324	31,481

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

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

1. THE GROUPS AND ITS OPERATIONS

The Group consist of:

Holding Company

Crescent Cotton Mills Limited

Subsidiary Company

crecot 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.

Cre Scot Mills Limited

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

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

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and International Accounting Standard-27 "Consolidated and Separate Financial Statements" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2020.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

3.1 The accounting policies and methods of computations adopted for the preparation of this consolidated condensed interim financial information are the same as applied in the preparation of preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2020.

3.2 Basis of consolidation

A) Subsidiary

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

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

Intragroup balances and transactions have been eliminated.

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

b) Associates 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 31.628 Mln (30 June 2020: Rupees 67.968 million).

UN-AUDITED	AUDITED
31 December	30 June
2020	2020

(RUPEES IN THOUSAND)

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	4,804,773	4,927,364
Capital work-in-progress	92,376	270
	<u>4,897,149</u>	<u>4,927,634</u>

UN-AUDITED	AUDITED
31 December	30 June
2020	2020

(RUPEES IN THOUSAND)

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)	12,880	119,389
Less:	4,940,244	5,011,523
Book value of deletions during the period / year (Note 6.1.2)	198	2,352
Depreciation charged during the period / year	39,555	81,807
Transferred to non-current assets held for sale	95,718	-
	135,471	84,159
Book value at the end of the period / year	<u>4,804,773</u>	<u>4,927,364</u>

6.1.1 Cost of additions during the period / year

Buildings on free hold land	78	-
Plant and machinery	11,104	34,999
Stand-by equipment	-	81,629
Electric installations	309	1,046
Tools and equipments	1,150	365
Vehicles	-	1,228
Furniture and fixtures	200	-
Office equipment	39	122
	<u>12,880</u>	<u>119,389</u>

6.1.2 Book value of deletions during the period / year

Vehicles	198	2,352
	<u>198</u>	<u>2,352</u>

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	(1,138)	(13,253)
	34,192	35,330
	48,352	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
	<u>52,250</u>	<u>54,794</u>

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 December 2020	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
	<u>173,641</u>	<u>110,918</u>

(Un-audited)

Half year ended		Quarter ended	
31 December 2020	31 December 2019	31 December 2020	31 December 2019

(RUPEES IN THOUSAND)

9. COST OF SALES

Raw material consumed	1,261,115	1,970,655	654,203	900,837
Salaries, wages and other benefits	162,516	198,432	76,427	86,160
Stores, spare parts and loose tools consumed	67,664	64,213	34,004	34,903
Fuel and power	347,581	347,263	193,518	173,218
Outside weaving charges	36,200	23,965	25,569	16,342
Other manufacturing overheads	8,682	4,975	4,714	1,954
Insurance	5,592	3,617	2,880	1,868
Repair and maintenance	2,795	2,888	1,276	1,285
Depreciation	35,360	32,616	13,243	16,394
	<u>1,927,505</u>	<u>2,648,624</u>	<u>1,005,834</u>	<u>1,232,961</u>

Work-in-process:

Opening stock	26,831	26,607	24,573	25,115
Closing stock	(24,663)	(25,293)	(24,663)	(24,682)
	2,168	1,314	(90)	433
Cost of goods manufactured	1,929,673	2,649,938	1,005,744	1,233,394

Finished goods:

Opening stock	215,151	62,140	137,324	228,456
Closing stock	(188,013)	(179,122)	(188,013)	(228,249)
	27,138	(116,982)	(72,818)	207
	1,956,811	2,532,956	932,926	1,233,601

Cost of goods purchased	39,934	6,821	39,934	4,571
	<u>1,996,745</u>	<u>2,539,777</u>	<u>972,860</u>	<u>1,238,172</u>

	UN-AUDITED	
	31 December 2020	31 December 2019

(RUPEES IN THOUSAND)

10. CASH UTILIZED IN OPERATIONS

Profit before taxation	119,020	28,214
Adjustments for non-cash charges and other items:		
Depreciation	95,718	40,115
Provision for staff retirement gratuity	39,516	21,734
Gain on sale of property, plant and equipment	(15,321)	(28)
Fair value gain on FVTPL investments	-	17,572
Share of (profit) / loss from associated companies	1,138	(1,770)
Finance cost	35,092	47,715
Impairment loss on investments	-	-
Working capital changes (Note 10.1)	(361,881)	(291,704)
	<u>(86,718)</u>	<u>(138,152)</u>

Working capital changes

10.1

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(39,336)	(39,449)
Stock in trade	(284,415)	(221,707)
Trade debts	119,435	(124,688)
Loans and advances	(50,819)	(39,160)
Prepayments and balances with statutory authorities	(19,682)	47,328
Other receivables	(4,762)	(2,183)
	(279,579)	(379,859)
(Decrease) / increase in trade and other payables	(82,302)	88,155
	<u>(361,881)</u>	<u>(291,704)</u>

11. SEGMENT INFORMATION - Consolidated

	Textiles		Trading		Elimination of Inter-segment transactions		(UN-AUDITED) Consolidated	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(RUPEES IN THOUSAND)							
CONTINUING OPERATIONS								
Sales	2,144,393	2,703,228	224,615	180,392	(74,519)	(152,350)	2,294,489	2,731,270
Cost of sales	(1,901,238)	(2,533,942)	(170,026)	(158,185)	74,519	152,350	(1,996,745)	(2,539,777)
Gross profit	243,155	169,286	54,589	22,207	-	-	297,744	191,493
Distribution cost	(15,987)	(12,343)	(22,102)	(9,114)	-	-	(38,089)	(21,457)
Administrative expenses	(82,448)	(80,406)	(611)	(107)	-	-	(83,059)	(80,513)
Other operating expenses	(20,757)	(4,878)	-	-	-	-	(20,757)	(4,878)
	(119,192)	(97,627)	(22,713)	(9,221)	-	-	(141,905)	(106,848)
Profit from operations	123,963	71,659	31,876	12,986	-	-	155,839	84,645
Finance cost	26,012	22,621	-	-	-	-	26,012	22,621
Profit/(loss) before taxation and unallocated income and expenses	149,975	94,280	31,876	12,986	-	-	181,851	107,266
	(38,617)	(35,589)	(1,889)	(512)	-	-	(40,506)	(36,101)
Profit/(loss) after taxation	111,358	58,691	29,987	12,474	-	-	141,345	71,165
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							(1,138)	1,770
Taxation							(14,867)	(21,367)
Loss after taxation from discontinued operation							(21,130)	(44,721)
Profit/(loss) after taxation							104,210	6,847

12. TRANSACTIONS WITH RELATED PARTIES

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

Description	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019

i) Transactions

(RUPEES IN THOUSAND)

Associated companies				
Service charges	12,398	11,502	871	-
Other related parties				
Loans received from/(repaid to)				
Chief Executive Officer,				
Directors, Executives and Sponsors - Net	1,819	9,525	(11,575)	(8,587)
Remuneration paid to Chief Executive Officer,				
Directors, and Executives	34,727	31,311	17,364	15,806

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 February 26, 2020 by the Board of Directors of the Group.

15. CORRESPONDING FIGURES

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

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

16. GENERAL

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR


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