

CRESCENT COTTON MILLS LIMITED



UNCONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
THIRD QUARTER ENDED 31 MARCH 2019
(UN-AUDITED)

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Zahid Bashir
(Chairman)

Mr. Muhammad Arshad
(Chief Executive Officer)

DIRECTORS (In alphabetical order)

Mr. Abid Mehmood
Mr. Adnan Amjad
Mr. Humayun Mazhar
Mr. Naveed Gulzar
Mr. Salman Rafi
Mr. Taimur Amjad

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Abid Mehmood (Chairman)
Mr. Adnan Amjad (Member)
Mr. Salman Rafi (Member)

COMPANY SECRETARY

Mr. Sami Ullah Chaudhry

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: 042-36283096-97

URL

www.crescentcotton.com

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

The directors of your company present to you the condensed interim financial information for the third quarter and nine months ended March 31, 2019. During the period under review, your company incurred a pre-tax loss of Rs. 67.839 Million whereas in the comparative period of last year company earned a pre-tax profit of Rs. 16.939 million.

Total sales revenue of the company for the nine months stood at Rs. 5,382.073 Million, whereas, the turnover figures during the same period in year 2018 was Rs. 4,262.252 Million hence depicting an increase of twenty six percent as compared to last year. However, cost of sales in the period under review stood at 97.30% whereas, up to March 31, 2018 it was around 96.58%. The nine months of the financial year 2018-19 showed an overall downward trend of textile industry in Pakistan.

Future Prospectus

The management is devoted to value creation through adoption of advance technology. Yarn export market in the previous years was heavily dependent on Chinese market, tariff talks between USA and China will have direct impact on the sector. Spinning division has seen significant increase in turnover, this is a direct result of major capex investments over last few years to enhance and diversify existing capacity with improvisation of overall efficiency. The management is very keen to look for new avenues if the right opportunity arises. Company's constant focus on replacement and upgradation of existing machinery to modernize the overall process will positively impact the bottom line in the coming periods. Also, the devaluation trend of Pak Rupee against USD and Euro has created some breathing space for the export sector. Further, Government's initiative to reduce power cost will make Pakistani market more competitive. The Government's decision to expedite sales tax refunds in form of promissory note is a step towards right direction, although the detailed procedure to avail this benefit is still awaited.

Management of your company is closely watching the cotton outlook to procure cotton at minimum rates and is focusing efforts on minimizing cost by enhancing capacity, improving efficiencies to achieve the favorable financial results of forthcoming financial year. The company is focusing on improving efficiencies and minimizing costs by enhancing spinning capacity to achieve the better financial results of remaining period of financial year ending June 30, 2019.


Acknowledgment

We would take this opportunity to thank all our shareholders and bankers for their valued support and our employees for their dedication. We would also like to thank the Board of Directors for their valuable insight and guidance.

FAISALABAD
April 29, 2019.


ABID MEHMOOD
DIRECTOR

For and on behalf of
the Board of Directors


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2019ء کو اختتامہ مالی سال کے ابتدائی نو ماہ اور تیسری سہ ماہی کے لیے منجمد عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران کمپنی کو 67.839 ملین روپے کا قبل از ٹیکس نقصان اٹھانا پڑا جبکہ گزشتہ سال کی اسی مدت میں قبل از ٹیکس منافع 16.939 ملین روپے تھا۔

نو ماہی کے لیے کمپنی کی کل فروخت محصولات 5,382.073 ملین روپے ہیں جبکہ سال 2018ء میں اسی مدت کے دوران ٹرن اوور کی رقم 4,262.252 ملین روپے تھی اس طرح پچھلے سال کے مقابلہ میں تقریباً 26 فیصد اضافہ واقع ہوا۔ تاہم زیر جائزہ مدت کے دوران فروخت کی لاگت 97.30 فیصد رہی جبکہ 31 مارچ 2018ء تک یہ 96.58 فیصد کے لگ بھگ تھی۔ مالی سال 2018-19 کے نو ماہ نے مجموعی طور پر پاکستان کی ٹیکسٹائل انڈسٹری کے لیے تنزیل کارخانہ ظاہر کیا ہے۔



مستقبل کے امکانات:

انتظامیہ ایڈوانس ٹیکنالوجی اپنا کر معیاری پیداوار کے لیے کوشاں ہے۔ گزشتہ سالوں میں یارن مارکیٹ کا بہت زیادہ انحصار چینی مارکیٹ پر تھا، چین اور امریکہ کے مابین قیمتوں پر مذاکرات کا اس سیکٹر پر براہ راست اثر پڑے گا۔ سپینگ ڈویژن کے ٹرن اوور میں نمایاں اضافہ دیکھنے میں آیا ہے جو کہ مجموعی کارکردگی کو بہتر بنانے کے ساتھ ساتھ موجودہ صلاحیت کو بڑھانے اور متنوع کرنے کے لیے گزشتہ چند سالوں میں capex سرمایہ کاری کا براہ راست نتیجہ ہے۔ اگر مناسب مواقع پیدا ہوں تو ان سے فائدہ اٹھانے میں انتظامیہ بھرپور دلچسپی رکھتی ہے۔ مجموعی طریقہ کار کو جدید بنانے کے لیے موجودہ مشینری کی تبدیلی اور اپریٹیشن پر کمپنی کی مستقل توجہ ہے جس سے آئندہ ادوار میں بائیں لائن پر مثبت اثر پڑے گا۔ مزید برآں امریکی ڈالر اور یورو کے مقابلے میں پاکستانی روپے کی قدر میں کمی سے ایکسپورٹ سیکٹر نے کچھ سکھ کا سانس لیا ہے۔ علاوہ ازیں حکومت کی طرف سے توانائی کی قیمتوں میں کمی کے اقدامات سے پاکستانی مارکیٹ مزید مسابقت پذیر ہوگی۔ پراسرٹی نوٹ کی شکل میں تیز رفتاری سے سیلز ٹیکس ری فیڈ کرنے کا حکومتی فیصلہ درست سمت میں قدم ہے اگرچہ اس فائدہ کو حاصل کرنے کے لیے تفصیلی طریقہ کار کا ابھی تک انتظار ہے۔

آپ کی کمپنی کی انتظامیہ کم قیمت پر کپاس کی خریداری کرنے کے لیے کپاس کے منظر نامے پر گہری نظر رکھے ہوئے ہے اور آگے آنے والے مالی سال میں سازگار مالیاتی نتائج حاصل کرنے کے لیے صلاحیت بڑھانے اور کارکردگی بہتر کرنے کے ذریعے لاگت کم کرنے کی کوششوں پر توجہ مرکوز کیے ہوئے ہے۔ کمپنی 30 جون 2019ء کو ختم ہونے والے مالی سال کے باقی ماندہ عرصہ میں بہتر مالیاتی نتائج کے حصول کے لیے سپینگ کی صلاحیت کو بڑھا کر لاگت کم کرنے اور کارکردگی میں اضافہ کرنے پر اپنی توجہ مرکوز کیے ہوئے ہیں۔

اعتراف:

ہم اس موقع کو غنیمت جانتے ہوئے اپنے حصص یافتگان اور بینکاروں کی قابل قدر مدد اور اپنے ملازمین کی لگن پر ان کے کا شکریہ ادا کرتے ہیں۔ ہم بیش قدر اور رہنمائی پر اپنے بورڈ آف ڈائریکٹرز کے بھی ممنون ہیں۔

منجانب
بورڈ آف ڈائریکٹرز

عابد محمود
ڈائریکٹر

محمد ارشد
چیف ایگزیکٹو آفیسر

فیصل آباد
29 اپریل 2019ء

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF

| | NOTE | UN-AUDITED | AUDITED |
|---|------|------------------|-----------------|
| | | 31 March 2019 | 30 June 2018 |
| (RUPEES IN THOUSAND) | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 30 000 000 (30 June 2018: 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 | | 5,028 | 192,403 |
| Surplus on revaluation of freehold land and investment properties | | 3,079,990 | 3,079,990 |
| Revenue reserves | | 297,587 | 262,370 |
| TOTAL EQUITY | | 3,626,702 | 3,778,860 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term financing | 3 | 154,485 | 178,252 |
| Employees' retirement benefit | | 90,912 | 80,592 |
| | | 245,397 | 258,844 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 842,083 | 723,195 |
| Unclaimed dividend | | 4,137 | 3,940 |
| Accrued mark-up | | 31,136 | 14,561 |
| Short term borrowings | | 940,745 | 528,780 |
| Current portion of long term financing | 3 | 47,534 | 47,534 |
| Provision for taxation | | 66,015 | 32,595 |
| | | 1,931,650 | 1,350,605 |
| TOTAL LIABILITIES | | 2,177,047 | 1,609,449 |
| CONTINGENCIES AND COMMITMENTS | 4 | 5,803,749 | 5,388,309 |
| TOTAL EQUITY AND LIABILITIES | | 5,803,749 | 5,388,309 |

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 2019

| | NOTE | UN-AUDITED | AUDITED |
|--|------|------------------|-----------------|
| | | 31 March 2019 | 30 June 2018 |
| (RUPEES IN THOUSAND) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | 3,852,678 | 3,885,036 |
| Investment properties | | 250,111 | 250,111 |
| Long term investments | 6 | 8,566 | 9,820 |
| Long term deposits | | 3,767 | 3,092 |
| Deferred income tax asset | | 13,492 | 17,596 |
| | | 4,128,614 | 4,165,655 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 61,410 | 56,888 |
| Stock-in-trade | | 763,627 | 378,794 |
| Trade debts | | 218,469 | 127,024 |
| Loans and advances | | 80,878 | 43,735 |
| Prepayments and balances with statutory authority | | 208,044 | 183,819 |
| Other receivables | | 70,486 | 76,059 |
| Short term investments | | 249,412 | 250,418 |
| Cash and bank balances | | 22,809 | 105,917 |
| | | 1,675,135 | 1,222,654 |
| TOTAL ASSETS | | 5,803,749 | 5,388,309 |



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2019 (UN-AUDITED)

| NOTE | Nine months ended | | Quarter ended | |
|---|----------------------|------------------|--------------------|------------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | | | |
| REVENUE | 5,382,073 | 4,262,252 | 1,867,696 | 1,581,178 |
| COST OF SALES | (5,237,260) | (4,116,632) | (1,798,483) | (1,537,723) |
| GROSS PROFIT | 144,813 | 145,620 | 69,213 | 43,455 |
| DISTRIBUTION COST | (45,576) | (39,189) | (20,159) | (15,676) |
| ADMINISTRATIVE EXPENSES | (134,671) | (119,847) | (43,572) | (39,700) |
| OTHER EXPENSES | (370) | (186) | 626 | (8) |
| OTHER INCOME | 28,102 | 69,882 | 2,587 | 10,294 |
| FINANCE COST | (60,137) | (39,341) | (27,155) | (17,945) |
| (LOSS) / PROFIT BEFORE TAXATION | (67,839) | 16,939 | (18,460) | (19,580) |
| TAXATION | (70,118) | (27,100) | (25,394) | (12,255) |
| (LOSS) / PROFIT AFTER TAXATION | (137,957) | (10,161) | (43,854) | (31,835) |
| (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES) | (6.09) | (0.45) | (1.94) | (1.40) |

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 2019 (UN-AUDITED)

| | Nine months ended | | Quarter ended | |
|--|----------------------|------------------|------------------|------------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | | | |
| (LOSS) / PROFIT AFTER TAXATION | (137,957) | (10,161) | (43,854) | (31,835) |
| OTHER COMPREHENSIVE (LOSS) / INCOME | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | |
| (Deficit) / surplus arising on remeasurement of investments at fair value through other comprehensive income | (890) | - | (398) | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Deficit arising on remeasurement of available for sale investments to fair value | - | (87,681) | - | (175,122) |
| Reclassification adjustment for gain included in profit or loss | - | (46,713) | - | (43,743) |
| | - | (134,394) | - | (218,865) |
| Other comprehensive (loss) / income for the period | (890) | (134,394) | (398) | (218,865) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (138,847) | (144,555) | (44,252) | (250,700) |

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 2019 (UN-AUDITED)

| | (RUPEES IN THOUSAND) | | | | | | | | | | | | | | |
|--|----------------------|----------------------------|---------------------|--------------------|---------------------------------|----------------------------|--------------------------|--------------------------------|-----------|------------------|-----------------------|--------------|-----------------------|-----------|-----------|
| | SHARE CAPITAL | Premium on issue of shares | Plant Modernisation | Fair value reserve | CAPITAL RESERVES | | Reserve for bonus shares | Surplus on revaluation of land | Sub Total | REVENUE RESERVES | | TOTAL EQUITY | | | |
| | | | | | Fair value of FVOCI investments | Fair value of FVOCI shares | | | | General | Dividend equalization | | unappropriated profit | Total | |
| Balance as at 30 June 2017 - (Audited) | 213,775 | 5,496 | 12,000 | 358,282 | - | - | - | - | 12,826 | 96,988 | 4,000 | 170,639 | 271,627 | 3,727,395 | 3,941,170 |
| Transferred from unappropriated profit for issue of bonus shares | - | - | - | - | - | - | - | - | 12,826 | - | - | - | (12,826) | - | - |
| Transaction with owners: | | | | | | | | | | | | | | | |
| Issue of 6% bonus shares | 12,826 | - | - | - | - | - | (12,826) | - | (12,826) | - | - | (10,161) | (10,161) | (12,826) | (10,161) |
| Loss for the nine months ended 31 March 2018 | - | - | - | - | - | - | - | - | - | - | - | (10,161) | (10,161) | (10,161) | (10,161) |
| Other comprehensive loss for the nine months ended 31 March 2018 | - | - | (134,394) | - | - | - | (134,394) | - | (134,394) | - | - | - | - | (134,394) | (134,394) |
| Total comprehensive loss for the nine months ended 31 March 2018 | - | - | (134,394) | - | - | - | (134,394) | - | (134,394) | - | - | (10,161) | (10,161) | (144,555) | (144,555) |
| Balance as at 31 March 2018 - (Un-audited) | 226,601 | 5,496 | 12,000 | 223,888 | - | - | 3,079,990 | 3,321,374 | 96,988 | 4,000 | 147,652 | 248,640 | 3,570,014 | 3,796,615 | 3,796,615 |
| Profit for the three months ended 30 June 2018 | - | - | - | - | - | - | - | - | - | - | - | 16,044 | 16,044 | 16,044 | 16,044 |
| Other comprehensive loss for the half year ended 30 June 2018 | - | - | - | (31,485) | - | - | - | (31,485) | (31,485) | - | (2,314) | (2,314) | (2,314) | (33,799) | (33,799) |
| Total comprehensive loss for the half year ended 30 June 2018 | - | - | - | (31,485) | - | - | - | (31,485) | (31,485) | - | 13,730 | 13,730 | (17,755) | (17,755) | (17,755) |
| Balance as at 30 June 2018 - (Audited) | 226,601 | 5,496 | 12,000 | 192,403 | - | - | 3,079,990 | 3,289,889 | 96,988 | 4,000 | 161,382 | 262,370 | 3,552,259 | 3,778,860 | 3,778,860 |
| Adjustment on adoption of IFRS 9 (Note 2.3.1) | - | - | - | (192,403) | 5,918 | - | - | (186,485) | - | - | - | 181,552 | 181,552 | (4,933) | (4,933) |
| Adjustment on adoption of IFRS 15 (Note 2.3.2) | - | - | - | - | - | - | - | - | - | - | - | (6,112) | (6,112) | (6,112) | (6,112) |
| Adjusted total equity as at 01 July 2018 | 226,601 | 5,496 | 12,000 | - | 5,918 | - | 3,079,990 | 3,103,404 | 96,988 | 4,000 | 336,822 | 437,810 | 3,541,214 | 3,767,815 | 3,767,815 |
| Transaction with owners: | | | | | | | | | | | | | | | |
| Dividend for the year ended 30 June 2018 @ Rupee 0.10 per share | - | - | - | - | - | - | - | - | - | - | (2,266) | (2,266) | (2,266) | (2,266) | (2,266) |
| Loss for the nine months ended 31 March 2019 | - | - | - | - | - | - | - | - | - | - | (137,957) | (137,957) | (137,957) | (137,957) | (137,957) |
| Other comprehensive loss for the nine months ended 31 March 2019 | - | - | - | (890) | - | - | - | (890) | (890) | - | - | - | - | (890) | (890) |
| Total comprehensive loss for the nine months ended 31 March 2019 | - | - | - | (890) | - | - | - | (890) | (890) | - | - | (137,957) | (137,957) | (138,847) | (138,847) |
| Balance as at 31 March 2019 - (Un-audited) | 226,601 | 5,496 | 12,000 | - | 5,028 | - | 3,079,990 | 3,102,514 | 96,988 | 4,000 | 196,599 | 297,587 | 3,400,101 | 3,626,702 | 3,626,702 |

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR




SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2019 (UN-AUDITED)

| | (Nine months ended) | |
|---|----------------------|------------------|
| | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash used in operations | 8 (355,772) | (182,297) |
| Finance cost paid | (43,562) | (35,926) |
| Employees' retirement benefit paid | (15,933) | (22,259) |
| Income tax paid | (32,692) | (37,608) |
| Dividend paid | (2,069) | - |
| Net cash used in operating activities | (450,028) | (278,090) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure on property, plant and equipment | (33,551) | (198,943) |
| Proceeds from sale of property, plant and equipment | 1,969 | 6,697 |
| Proceeds from sale of investments | 10,304 | 53,909 |
| Net cash used in investing activities | (21,278) | (138,337) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of long term financing | (23,767) | - |
| Short term borrowings - net | 411,965 | 405,410 |
| Net cash from financing activities | 388,198 | 405,410 |
| Net decrease in cash and cash equivalents | (83,108) | (11,017) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 105,917 | 41,477 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 22,809 | 30,460 |

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 2019 (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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**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 the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2018.

b) Accounting policies and computation methods

The accounting policies and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2018 except for the changes in accounting policies as stated in Note 2.3 to these unconsolidated condensed interim financial statements.

2.2 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 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 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 2018.

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

2.3 Changes in accounting policies due to applicability of certain International Financial Reporting Standards (IFRSs)

Following changes in accounting policies have taken place effective from 01 July 2018:

2.3.1 IFRS 9 'Financial Instruments'

The Company has adopted IFRS 9 "Financial Instruments" from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt instrument shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an 'Expected Credit Loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measure expected credit losses using a lifetime expected loss allowance is available.

7

The Company has adopted IFRS 9 without restating the prior year results.

Key changes in accounting policies resulting from application of IFRS 9**i) Classification and measurement of financial instruments**

IFRS 9 largely retains the existing requirements in IAS 39 "Financial Instruments: Recognition and Measurement" for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, Fair Value Through Profit or Loss (FVTPL), available for sale and held to maturity with the categories such as amortised cost, Fair Value Through Profit or Loss (FVTPL) and Fair Value Through Other Comprehensive Income (FVTOCI).

Investments and other financial assets**a) Classification**

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at FVTPL,
- Those to be measured subsequently at FVTOCI, and
- Those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity

Investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company measures its debt instruments at amortized cost. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price.

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair Value Through Profit or Loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

ii) Impairment

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected life time losses to be recognised from initial recognition of the receivables.

iii) Impacts of adoption of IFRS 9 on these unconsolidated condensed interim financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets (01 July 2018)

| | Available for sales (AFS) | Loans and receivables | FVTOCI | FVTPL | Amortised cost | Total Financial assets |
|---|---------------------------|-----------------------|--------|---------|----------------|------------------------|
| RUPEES IN THOUSAND | | | | | | |
| Opening balance (before reclassification) | 260,238 | 299,784 | - | - | - | 560,022 |
| Adjustment on adoption of IFRS 9 reclassification of equity investments from available for sale to FVTOCI and FVTPL | (260,238) | - | 9,820 | 250,418 | - | - |
| Adjustment on adoption of IFRS 9 by reclassifying financial instruments designated as 'Loans and Receivables' to 'Amortised Cost' | - | (299,784) | - | - | 299,784 | - |
| Opening balance (after reclassification) | - | 299,784 | 9,820 | 250,418 | 299,784 | 560,022 |

The impact of these changes on the Company's reserves and equity is as follows:

Reserves and equity (01 July 2018)

| | Effect on fair value reserve of AFS investments | Effect on fair value reserve of FVTOCI investments | Effect on unappropriated profit | Effect on total equity |
|--|---|--|---------------------------------|------------------------|
| RUPEES IN THOUSAND | | | | |
| Opening balance (before reclassification) | | 192,403 | - | 192,403 |
| Adjustment on adoption of IFRS 9 reclassification of fair value reserve of AFS investments to fair value reserve of FVTOCI investments | (5,918) | 5,918 | - | - |
| Reclassification of fair value reserve of AFS investments, now treated as FVTPL investments to unappropriated profit | | (186,485) | 186,485 | - |
| Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts | | - | (4,933) | (4,933) |
| Opening balance (after reclassification) | | - | 5,918 | 181,552 |

Reclassifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of following financial instruments of the Company were changed:

| Measurement category | |
|----------------------|----------|
| Original | New |
| (IAS 39) | (IFRS 9) |

Non-current financial assets

| | | |
|-----------------------|-----------------------|----------------|
| Long term investments | Available for sale | FVTOCI |
| Long term deposits | Loans and receivables | Amortised cost |

Current financial assets

| | | |
|------------------------|-----------------------|----------------|
| Trade debts | Loans and receivables | Amortised cost |
| Loans and advances | Loans and receivables | Amortised cost |
| Other receivables | Loans and receivables | Amortised cost |
| Short term investments | Available for sale | FVTPL |
| Cash and bank balances | Loans and receivables | Amortised cost |

There was no change in the figures of the above mentioned categories of financial instruments except for the figure of trade debts which was decreased by Rupees 4.933 million.

2.3.2 IFRS 15 'Revenue from Contracts with Customers'

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results.

i) Key changes in accounting policies resulting from application of IFRS 15

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Otherwise, control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates and enhances an asset that the customer controls as the Company performs; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

b) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered.

c) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

ii) Impacts of adoption of IFRS 15 on these unconsolidated condensed interim financial statements as on 01 July 2018

Following adjustments were made to the amounts recognized in the unconsolidated condensed interim financial statements at 01 July 2018.

Statement of financial position

| | 30 June 2018 Reported | Adjustment | 30 June 2018 Restated |
|---|--------------------------|------------|--------------------------|
| Current assets | | | |
| Stock in trade | 378,794 | 16,547 | 395,341 |
| Trade debts | 127,024 | (17,553) | 109,471 |
| Prepayments and balances with statutory authority | 183,819 | 805 | 184,624 |
| Current liabilities | | | |
| Trade and other payables | 723,195 | 5,911 | 729,106 |
| Equity | | | |
| Unappropriated profit | 161,382 | (6,112) | 155,270 |

2.3.3 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

| UN-AUDITED | AUDITED |
|------------------|-----------------|
| 31 March 2019 | 30 June 2018 |

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING
Financing from banking company - secured

| | | |
|---|---------|---------|
| Opening balance | 225,786 | 225,786 |
| Less: Repaid during the period / year | 22,367 | - |
| | 248,153 | 225,786 |
| Less: Current portion shown under current liabilities | 48,934 | 47,534 |
| | 154,485 | 178,252 |

4. CONTINGENCIES AND COMMITMENTS
a) Contingencies:

i) Certain additions have been made by the assessing officers in tax years 1993, 2002, 2004, 2006 and 2010 on various grounds and have created demand of Rupees 7.013 million (30 June 2018: Rupees 7.013 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, 23 May 2012, 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 2018: 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) Guarantees of Rupees 47.480 million (30 June 2017: Rupees 47.480 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections.

iv) Cheques of Rupees 31.085 million (30 June 2018: Rupees 26.444 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) Letters of credit for capital expenditure as at 31 March 2019 are of Rupees 0.413 million (30 June 2018: Rupees 13.034 million).

li) Letters of credit other than for capital expenditure as at 31 March 2019 are of Rupees 73.812 million (30 June 2018: Rupees Nil).

| UN-AUDITED | AUDITED |
|----------------------|-----------------|
| 31 March 2019 | 30 June 2018 |
| | |
| (RUPEES IN THOUSAND) | |

5. PROPERTY, PLANT AND EQUIPMENT

| | | |
|-------------------------------------|------------------|-----------|
| Operating fixed assets (Note 5.1) | 3,851,820 | 3,880,320 |
| Capital work-in-progress (Note 5.2) | 858 | 4,716 |
| | 3,852,678 | 3,885,036 |

5.1 Operating fixed assets

| | | |
|---|------------------|-----------|
| Opening book value | 3,880,320 | 3,298,983 |
| Add: Cost of additions during the period / year (Note 5.1.1) | 37,409 | 669,482 |
| | 3,917,729 | 3,968,465 |
| Less: | | |
| Book value of deletions during the period / year (Note 5.1.2) | 1,765 | 5,594 |
| Depreciation charged during the period / year | 64,144 | 82,551 |
| | 65,909 | 88,145 |
| | 3,851,820 | 3,880,320 |

5.1.1 Cost of additions during the period / year

| | | |
|--------------------------------------|---------------|---------|
| Freehold land | - | 87,905 |
| Buildings and roads on freehold land | 124 | 148,251 |
| Plant and machinery | 35,660 | 381,604 |
| Electric installations | 1,039 | 37,965 |
| Tools and equipment | - | 4,600 |
| Furniture and fixtures | 107 | 1,129 |
| Vehicles | 126 | 6,065 |
| Office equipment | 306 | 1,963 |
| Service equipment | 47 | - |
| | 37,409 | 669,482 |

5.1.2 Book value of deletions during the period / year

| | | |
|---------------------|--------------|-------|
| Plant and machinery | 1,751 | 4,173 |
| Vehicles | 14 | 1,421 |
| | 1,765 | 5,594 |

| UN-AUDITED | AUDITED |
|------------------|-----------------|
| 31 March 2019 | 30 June 2018 |
| | |

(RUPEES IN THOUSAND)

5.2 Capital work-in-progress

| | | |
|---------------------|------------|-------|
| Plant and machinery | 858 | 4,716 |
|---------------------|------------|-------|

6. LONG TERM INVESTMENTS

| | | |
|-------------------------------|--------------|-------|
| Quoted - Associated companies | 502 | 602 |
| Unquoted - Associated company | 2,500 | 2,500 |
| Quoted - Others | 616 | 616 |
| Unquoted - Others | 284 | 456 |
| | 3,902 | 4,174 |

Less: Impairment loss charged to statement of unconsolidated statement of profit or loss

| | | |
|--|--------------|-------|
| | (364) | (272) |
|--|--------------|-------|

Add: Fair value adjustment

| | | |
|--|--------------|-------|
| | 5,028 | 5,918 |
|--|--------------|-------|

| | | |
|--|--------------|-------|
| | 8,566 | 9,820 |
|--|--------------|-------|

(Un-audited)

| Half year ended | | Quarter ended | |
|------------------|------------------|------------------|------------------|
| 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | | | |

(RUPEES IN THOUSAND)

7. COST OF SALES

| | | | | |
|--|------------------|-----------|------------------|-----------|
| Raw materials consumed | 4,132,867 | 3,129,659 | 1,324,381 | 1,168,630 |
| Salaries, wages and other benefits | 400,845 | 355,272 | 132,097 | 127,420 |
| Stores, spare parts and loose tools consumed | 110,752 | 105,634 | 37,199 | 35,328 |
| Fuel and power | 544,545 | 513,700 | 176,523 | 180,420 |
| Outside weaving / other charges | 14,293 | 16,341 | 12,114 | 8,495 |
| Other manufacturing overheads | 9,506 | 7,217 | 3,001 | 2,355 |
| Insurance | 6,572 | 5,974 | 2,161 | 2,101 |
| Repair and maintenance | 4,331 | 4,985 | 1,368 | 1,437 |
| Depreciation | 60,194 | 55,418 | 20,291 | 19,842 |
| | 5,283,905 | 4,194,200 | 1,709,135 | 1,546,028 |

Work-in-process

| | | | | |
|---------------|-----------------|----------|-----------------|----------|
| Opening stock | 29,916 | 21,293 | 36,625 | 30,214 |
| Closing stock | (37,599) | (30,890) | (37,599) | (30,890) |
| | (7,683) | (9,597) | (974) | (676) |

Cost of goods manufactured

| | | | | |
|--|------------------|-----------|------------------|-----------|
| | 5,276,222 | 4,184,603 | 1,708,161 | 1,545,352 |
|--|------------------|-----------|------------------|-----------|

Finished goods

| | | | | |
|---------------|------------------|-----------|------------------|-----------|
| Opening stock | 136,958 | 149,087 | 266,242 | 209,429 |
| Closing stock | (175,920) | (217,058) | (175,920) | (217,058) |
| | (38,962) | (67,971) | 90,322 | (7,629) |

| | | | | |
|--|------------------|-----------|------------------|-----------|
| | 5,237,260 | 4,116,632 | 1,798,483 | 1,537,723 |
|--|------------------|-----------|------------------|-----------|

| | UN-AUDITED | |
|--|----------------------|------------------|
| | 31 March 2019 | 31 March 2018 |
| 8. CASH USED IN OPERATIONS | | |
| | (RUPEES IN THOUSAND) | |
| (Loss) / profit before taxation | (67,839) | 16,939 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 64,144 | 59,783 |
| Provision for employees' retirement benefit | 26,252 | 20,647 |
| Gain on sale of property, plant and equipment | (204) | (1,344) |
| Loss / (gain) on sale of investments | (9,298) | (50,150) |
| Fair value gain on FVTPL investments | (14,455) | - |
| Impairment loss on long term investments | 364 | 171 |
| Finance cost | 60,137 | 39,341 |
| Working capital changes (Note 8.1) | (414,873) | (267,684) |
| | <u>(355,772)</u> | <u>(182,297)</u> |
| 8.1 Working capital changes | | |
| | (RUPEES IN THOUSAND) | |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | (4,522) | (10,416) |
| Stock-in-trade | (384,833) | (512,344) |
| Trade debts | (91,445) | (161,458) |
| Loans and advances | (37,143) | (14,056) |
| Prepayments and balances with statutory authority | (21,391) | (33,878) |
| Other receivables | 5,573 | (3,556) |
| | <u>(533,761)</u> | <u>(735,708)</u> |
| Increase in trade and other payables | 118,888 | 468,024 |
| | <u>(414,873)</u> | <u>(267,684)</u> |

| | (UN-AUDITED) | | | | | | | |
|--|----------------------|---------------|-------------------|---------------|---|---------------|-------------------|-----------------|
| | Textiles | | Trading | | Elimination of inter-segment transactions | | TOTAL | |
| | Nine months ended | | Nine months ended | | Nine months ended | | Nine months ended | |
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | | | | | | | |
| Sales | 5,366,428 | 4,272,404 | 106,115 | 108,732 | (90,470) | (118,884) | 5,382,073 | 4,262,252 |
| Cost of sales | (5,235,648) | (4,130,322) | (92,082) | (105,194) | 90,470 | 118,884 | (5,237,260) | (4,116,632) |
| Gross profit / (loss) | 130,780 | 142,082 | 14,033 | 3,538 | - | - | 144,813 | 145,620 |
| Distribution cost | (39,992) | (35,991) | (5,584) | (3,198) | - | - | (45,576) | (39,189) |
| Administrative expenses | (134,637) | (119,793) | (34) | (54) | - | - | (134,671) | (119,847) |
| Other income | 27,109 | 67,700 | 993 | 2,182 | - | - | 28,102 | 69,882 |
| Finance cost | (59,849) | (39,267) | (288) | (74) | - | - | (60,137) | (39,341) |
| (Loss) / Profit before taxation and unallocated expenses | (76,589) | 14,731 | 9,120 | 2,394 | - | - | (67,469) | 17,125 |
| Unallocated expenses: | | | | | | | | |
| Other expenses | | | | | | | (370) | (186) |
| Taxation | | | | | | | (70,118) | (27,100) |
| Profit / (Loss) after taxation | | | | | | | <u>(137,957)</u> | <u>(10,161)</u> |

9. SEGMENT INFORMATION - UNCONSOLIDATED

9.1

9.2 Reconciliation of reportable segment assets and liabilities:

| | Textiles | | Trading | | TOTAL | |
|--|----------------------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|------------------------------|
| | (UN-AUDITED) 31 March 2019 | (AUDITED) 30 June 2018 | (UN-AUDITED) 31 March 2019 | (AUDITED) 30 June 2018 | (UN-AUDITED) 31 March 2019 | (AUDITED) 30 June 2018 |
| | (RUPEES IN THOUSAND) | | | | | |
| Total assets for reportable segments | <u>5,788,945</u> | <u>5,362,629</u> | <u>1,312</u> | <u>8,084</u> | <u>5,790,257</u> | <u>5,370,713</u> |
| Unallocated asset: | | | | | | |
| Deferred income tax asset | | | | | 13,492 | 17,596 |
| Total assets as per unconsolidated statement of financial position | | | | | 5,803,749 | 5,388,309 |
| Total liabilities for reportable segments | <u>2,107,246</u> | <u>1,576,854</u> | <u>3,786</u> | <u>-</u> | <u>2,111,032</u> | <u>1,576,854</u> |
| Unallocated liability: | | | | | | |
| Provision for taxation | | | | | 66,015 | 32,595 |
| Total liabilities as per unconsolidated statement of financial position | | | | | <u>2,177,047</u> | <u>1,609,449</u> |

10. TRANSACTIONS WITH RELATED PARTIES

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

| | (Un-audited) | | | |
|---|----------------------|------------------|------------------|------------------|
| | Nine months ended | | Quarter ended | |
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| i) Transactions | (RUPEES IN THOUSAND) | | | |
| Subsidiary company | | | | |
| Rental expense | 3,375 | 1,450 | 1,125 | 300 |
| Stores consumed by the Company | 12 | 4 | - | - |
| Associated companies | | | | |
| Dividend paid | 33 | - | - | - |
| Service and accrued charges | 11,253 | 11,083 | - | - |
| Bonus shares received (Number of shares) | - | 27 580 | - | - |
| Other related parties | | | | |
| Loans received from / (repaid to) Chief Executive Officer, Directors, Executives and Sponsors - net | 23,384 | 38,609 | 5,290 | 2,314 |
| Dividend paid | 470 | - | - | - |
| Remuneration paid to Chief Executive Officer, Directors and Executives | 42,576 | 38,477 | 14,192 | 19,239 |
| | | | (Un-audited) | (Audited) |
| | | | 31 March 2019 | 30 June 2018 |
| ii) Period end balances | (RUPEES IN THOUSAND) | | | |
| Subsidiary company | | | | |
| Trade and other payables | | | 7,624 | 5,606 |
| Associated company | | | | |
| Trade and other payables | | | 2,127 | 2,319 |
| Other related parties | | | | |
| Short term borrowings | | | 280,464 | 253,686 |

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

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in this unconsolidated condensed interim financial information. 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.

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.

12. DATE OF AUTHORIZATION

This unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 29, 2019.


13. 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.

14. 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 2019 | 30 June 2018 |
| | (RUPEES IN THOUSAND) | |

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2018: 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 |
| 3,336,627 | 3,477,206 |

Total equity

| | |
|------------------|-----------|
| 3,563,228 | 3,703,807 |
|------------------|-----------|

LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits

| | |
|----------------|---------|
| 154,485 | 178,252 |
| 90,912 | 80,592 |
| 245,397 | 258,844 |

CURRENT LIABILITIES

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

| | |
|------------------|-----------|
| 840,487 | 724,879 |
| 4,137 | 3,940 |
| 45,188 | 28,163 |
| 945,745 | 533,780 |
| 47,534 | 47,534 |
| 67,965 | 33,821 |
| 1,951,056 | 1,372,117 |

TOTAL LIABILITIES

| | |
|------------------|-----------|
| 2,196,453 | 1,630,961 |
|------------------|-----------|

CONTINGENCIES AND COMMITMENTS

5


TOTAL EQUITY AND LIABILITIES

| | |
|------------------|------------------|
| 5,759,681 | 5,334,768 |
|------------------|------------------|

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 2019

| NOTE | UN-AUDITED | AUDITED |
|------|----------------------|-----------------|
| | 31 March 2019 | 30 June 2018 |
| | (RUPEES IN THOUSAND) | |

ASSETS

NON-CURRENT ASSETS

| | | | |
|-------------------------------|---|------------------|-----------|
| Property, plant and equipment | 6 | 3,853,554 | 3,885,983 |
| Investment properties | | 270,443 | 270,443 |
| Long term investments | 7 | 38,027 | 40,548 |
| Long term deposits | | 4,289 | 3,614 |
| Deferred income tax - asset | | 15,932 | 20,035 |
| | | 4,182,245 | 4,220,623 |

CURRENT ASSETS

| | | | |
|---|---|------------------|-----------|
| Stores, spare parts and loose tools | | 64,723 | 60,209 |
| Stock in trade | | 763,627 | 378,794 |
| Trade debts | | 218,469 | 127,024 |
| Loans and advances | | 80,878 | 43,735 |
| Short term deposits, prepayments and balances with statutory authorities | | 208,863 | 184,558 |
| Other receivables | | 73,562 | 79,135 |
| Short term investments | 8 | 141,055 | 131,323 |
| Cash and bank balances | | 26,259 | 109,367 |
| | | 1,577,436 | 1,114,145 |

TOTAL ASSETS

| | |
|------------------|------------------|
| 5,759,681 | 5,334,768 |
|------------------|------------------|



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER


CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2019 (UN-AUDITED)

| NOTE | Nine months ended | | Quarter ended | |
|--|----------------------|------------------|--------------------|------------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | | | |
| REVENUE | 5,382,073 | 4,262,252 | 1,867,696 | 1,581,178 |
| COST OF SALES | (5,237,260) | (4,116,632) | (1,798,483) | (1,537,723) |
| GROSS PROFIT | 144,813 | 145,620 | 69,213 | 43,455 |
| DISTRIBUTION COST | (45,576) | (39,189) | (20,159) | (15,676) |
| ADMINISTRATIVE EXPENSES | (131,395) | (118,500) | (42,471) | (40,526) |
| OTHER OPERATING EXPENSES | (370) | (186) | 626 | (8) |
| | (177,341) | (157,875) | (62,004) | (56,210) |
| | (32,528) | (12,255) | 7,209 | (12,755) |
| OTHER OPERATING INCOME | 43,052 | 60,367 | 2,587 | 9,457 |
| (LOSS)/PROFIT FROM OPERATIONS | 10,524 | 48,112 | 9,796 | (3,298) |
| FINANCE COST | (60,587) | (39,791) | (27,305) | (18,095) |
| | (50,063) | 8,321 | (17,509) | (21,393) |
| SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES | (154) | (5,976) | - | 166 |
| PROFIT/(LOSS) BEFORE TAXATION | (50,217) | 2,345 | (17,509) | (21,227) |
| TAXATION | (70,842) | (27,422) | (25,635) | (12,077) |
| PROFIT / (LOSS) AFTER TAXATION FROM | (121,059) | (25,077) | (43,144) | (33,304) |
| EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES): | (5.34) | (1.11) | (1.90) | (1.47) |

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 2019 (UN-AUDITED)

| | Nine months ended | |
|--|----------------------|------------------|
| | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | |
| PROFIT/(LOSS) AFTER TAXATION | (121,059) | (25,077) |
| 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 | 141 | (48,464) |
| Other comprehensive income / (loss) for the period | 141 | (48,464) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | (120,918) | (73,541) |

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 2019 (UN-AUDITED)

| | (RUPEES IN THOUSAND) | | | | | | | | | | | | |
|--|----------------------|----------------------------|---------------------|--------------------|-----------------------------------|-----------------------------|--------------------------------|-----------|-----------------|-----------------------|--|-----------|--------------|
| | SHARE CAPITAL | Premium on issue of shares | Plant Modernisation | Fair value reserve | Fair value reserve of investments | Reserve for issue of shares | Surplus on revaluation of land | Sub Total | General Reserve | Dividend equalization | (Accumulated loss/profit) unappropriated | Sub Total | TOTAL EQUITY |
| Balance as at 30 June 2017 - Audited (Restated) | 213,775 | 5,496 | 12,000 | 114,892 | - | - | 3,079,990 | 3,212,378 | 44,975 | 4,000 | 287,965 | 356,940 | 3,763,093 |
| Loss for the nine months ended 31 March 2018 | - | - | - | - | - | - | - | - | - | - | (25,077) | (25,077) | (25,077) |
| Other comprehensive income for the nine months ended 31 March 2018 | - | - | - | (48,464) | - | - | - | (48,464) | - | - | - | (48,464) | (48,464) |
| Total comprehensive income for the nine months ended 31 March 2018 | - | - | - | (48,464) | - | - | - | (48,464) | - | - | (25,077) | (73,541) | (73,541) |
| Balance as at 31 March 2018 - Unaudited | 213,775 | 5,496 | 12,000 | 66,428 | - | - | 3,079,990 | 3,163,914 | 44,975 | 4,000 | 262,888 | 311,863 | 3,689,552 |
| Transferred from unappropriated profit for issue of bonus shares | - | - | - | - | - | 12,826 | - | 12,826 | - | - | (12,826) | (12,826) | - |
| Transaction with owners - Issue of 6% bonus shares | 12,826 | - | - | - | - | (12,826) | - | (12,826) | - | - | - | - | - |
| Loss for the three months ended 30 June 2018 | - | - | - | - | - | - | - | - | - | - | (18,923) | (18,923) | (18,923) |
| Other comprehensive income for the three months ended 30 June 2018 | - | - | - | (4,668) | - | - | - | (4,668) | - | - | - | (4,668) | (4,668) |
| Total comprehensive income for the next quarter ended 30 June 2018 | - | - | - | (4,668) | - | - | - | (4,668) | - | - | (18,923) | (18,923) | (18,923) |
| Balance as at 30 June 2018 - Audited | 226,601 | 5,496 | 12,000 | 61,760 | - | - | 3,079,990 | 3,159,246 | 44,975 | 4,000 | 268,985 | 317,960 | 3,703,807 |
| Adjustment on adoption of IFRS 9 | - | - | - | (61,760) | 1,280 | - | - | (60,480) | - | - | 60,480 | (19,661) | (19,661) |
| Adjustment on adoption of IFRS 15 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2019 - Un-audited | 226,601 | 5,496 | 12,000 | 1,280 | - | - | 3,079,990 | 3,098,766 | 44,975 | 4,000 | 309,804 | 358,779 | 3,684,146 |
| Loss for the nine months ended 31 March 2019 | - | - | - | - | - | - | - | - | - | - | (121,059) | (121,059) | (121,059) |
| Other comprehensive income for the nine months ended 31 March 2019 | - | - | - | 141 | - | - | - | 141 | - | - | - | 141 | 141 |
| Total comprehensive income for the nine months ended 31 March 2019 | - | - | - | 141 | - | - | - | 141 | - | - | (121,059) | (120,918) | (120,918) |
| Balance as at 31 March 2019 - Un-audited | 226,601 | 5,496 | 12,000 | - | 1,421 | - | 3,079,990 | 3,098,907 | 44,975 | 4,000 | 188,745 | 237,720 | 3,563,228 |

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 2019 (UN-AUDITED)

| | | (Nine months ended) | |
|---|----|---------------------|---------------|
| | | 31 March 2019 | 31 March 2018 |
| (RUPEES IN THOUSAND) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash (utilized in) / generated from operations | 10 | (352,965) | (82,450) |
| Finance cost paid | | (43,562) | (22,225) |
| Staff retirement gratuity paid | | (15,933) | (17,710) |
| Income tax paid | | (35,499) | (22,588) |
| Dividend paid | | (2,069) | - |
| | | (97,063) | (62,523) |
| Net cash (utilized in) / generated from operating activities | | (450,028) | (144,973) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (33,551) | (147,496) |
| Proceeds from sale of property, plant and equipment | | 1,969 | 2,747 |
| Proceeds from sale of investments | | 10,304 | 49,881 |
| Net cash from investing activities | | (21,278) | (94,868) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long term financing | | (23,767) | - |
| Short term borrowings - net | | 411,965 | 220,247 |
| Net cash (used in) / from financing activities | | 388,198 | 220,247 |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | | (83,108) | (19,594) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 109,367 | 44,907 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 26,259 | 25,313 |

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 2019 (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.

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 2018.

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 2018.

3.2 Basis of Consolidation

a) **Subsidiary**

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

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

Intragroup balances and transactions have been eliminated

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

b) **Associates**

Associates are the entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or by way of common directorship. Investments in these associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associate includes goodwill identified on acquisition, net of accumulated impairment loss, if any.

The Group's share of its associate's post-acquisition profits or losses, movement in other comprehensive income, and its share of post-acquisition movements in reserves is recognized in the consolidated profit and loss account, consolidated statement of comprehensive income and reserves respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions received from an associate reduce the carrying amount of the investment.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this consolidated condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

5. CONTINGENCIES AND COMMITMENTS

Contingencies:

Holding Company

Certain additions have been made by the assessing officers in tax years 1993, 2002, 2004, 2006 and 2010 on various grounds and have created demand of Rupees 7.013 million (30 June 2018: Rupees 7.013 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, 23 May 2012, 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.

- The Holding Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2018: 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 47.480 million (30 June 2018: Rupees 47.480 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited against gas connections.

- Cheques of Rupees 31.085 million (30 June 2018: Rupees 26.444 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 2018: 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. 0.413 million (30 June 2018: Rupees 13.034 million).

- Letters of credit for other than capital expenditure are of Rupees 73.812 million (30 June 2018: Rupees Nil).

| UN-AUDITED | AUDITED |
|------------|---------|
| 31 March | 30 June |
| 2019 | 2018 |

(RUPEES IN THOUSAND)

6. PROPERTY, PLANT AND EQUIPMENT

| | | |
|-----------------------------------|-------------------------|------------------|
| Operating fixed assets (Note 6.1) | 3,852,696 | 3,881,267 |
| Capital work-in-progress | 858 | 4,716 |
| | <u>3,853,554</u> | <u>3,885,983</u> |

6.1 Operating fixed assets

| | | |
|---|-------------------------|------------------|
| Opening book value | 3,881,267 | 3,300,037 |
| Add : Cost of additions during the period / year (Note 6.1.1) | 37,409 | 669,482 |
| | <u>3,918,676</u> | <u>3,969,519</u> |

Less:

| | | |
|---|----------------------|---------------|
| Book value of deletions during the period / year (Note 6.1.2) | 1,765 | 5,594 |
| Depreciation charged during the period / year | 64,215 | 82,658 |
| | <u>65,980</u> | <u>88,252</u> |

| | | |
|--|-------------------------|------------------|
| Book value at the end of the period / year | <u>3,852,696</u> | <u>3,881,267</u> |
|--|-------------------------|------------------|

| UN-AUDITED | AUDITED |
|------------|---------|
| 31 March | 30 June |
| 2019 | 2018 |

(RUPEES IN THOUSAND)

6.1.1 Cost of additions during the period / year

| | | |
|-----------------------------|----------------------|----------------|
| Land - Freehold | - | 87,905 |
| Buildings on free hold land | 124 | 148,251 |
| Plant and machinery | 35,660 | 381,604 |
| Electric installations | 1,039 | 37,965 |
| Tools and equipments | - | 4,600 |
| Furniture and fixtures | 107 | 1,129 |
| Vehicles | 126 | 6,065 |
| Office equipment | 306 | 1,963 |
| Service equipment | 47 | - |
| | <u>37,409</u> | <u>669,482</u> |

6.2 Book value of deletions during the period / year

| | | |
|---------------------|---------------------|--------------|
| Plant and machinery | 1,751 | 4,173 |
| Vehicles | 14 | 1,421 |
| | <u>1,765</u> | <u>5,594</u> |

7. LONG TERM INVESTMENTS

In associates:

| | | |
|---|----------------------|---------------|
| Cost | 19,884 | 21,626 |
| Share of post acquisition profit: | | |
| At the beginning of the period / year | 16,533 | 30,299 |
| Share of profit/(loss) during the period / year | (1,571) | (13,766) |
| | <u>14,962</u> | <u>16,533</u> |
| | <u>34,846</u> | <u>38,159</u> |

Available for sale:

| | | |
|--|----------------------|---------------|
| Quoted - Others | 616 | 616 |
| Unquoted - Others | 493 | 664 |
| | <u>1,109</u> | <u>1,280</u> |
| Less: Impairment loss charged to profit and loss account | (88) | (171) |
| Add: Fair value adjustment | 2,160 | 1,280 |
| | <u>3,181</u> | <u>2,389</u> |
| | <u>38,027</u> | <u>40,548</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.

8. SHORT TERM INVESTMENTS - Available for sale

| | | |
|-----------------------------|-----------------------|----------------|
| Quoted - Others | 89,925 | 89,937 |
| Add : Fair value adjustment | 51,130 | 41,386 |
| | <u>141,055</u> | <u>131,323</u> |

| | (Un-audited) | | | |
|--|----------------------|------------------|------------------|------------------|
| | Nine months ended | | Quarter ended | |
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | | | |
| 9. COST OF SALES | | | | |
| Raw material consumed | 4,132,867 | 3,129,659 | 1,324,381 | 1,168,630 |
| Salaries, wages and other benefits | 400,845 | 355,272 | 132,097 | 127,420 |
| Stores, spare parts and loose tools consumed | 110,752 | 105,634 | 37,199 | 35,328 |
| Fuel and power | 544,545 | 513,700 | 176,523 | 180,420 |
| Outside weaving charges | 14,293 | 16,341 | 12,114 | 8,495 |
| Other manufacturing overheads | 9,506 | 7,217 | 3,001 | 2,355 |
| Insurance | 6,572 | 5,974 | 2,161 | 2,101 |
| Repair and maintenance | 4,331 | 4,985 | 1,368 | 1,437 |
| Depreciation | 60,194 | 55,418 | 20,291 | 19,842 |
| | 5,283,905 | 4,194,200 | 1,709,135 | 1,546,028 |
| Work-in-process: | | | | |
| Opening stock | 29,916 | 21,293 | 36,625 | 30,214 |
| Closing stock | (37,599) | (30,890) | (37,599) | (30,890) |
| | (7,683) | (9,597) | (974) | (676) |
| Cost of goods manufactured | 5,276,222 | 4,184,603 | 1,708,161 | 1,545,352 |
| Finished goods: | | | | |
| Opening stock | 136,958 | 149,087 | 266,242 | 209,429 |
| Closing stock | (175,920) | (217,058) | (175,920) | (217,058) |
| | (38,962) | (67,971) | 90,322 | (7,629) |
| Cost of goods purchased | 5,237,260 | 4,116,632 | 1,798,483 | 1,537,723 |
| | 5,237,260 | 4,116,632 | 1,798,483 | 1,537,723 |

| | UN-AUDITED | |
|---|----------------------|------------------|
| | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | |
| 10. CASH UTILIZED IN OPERATIONS | | |
| Profit before taxation | (50,217) | 23,572 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 64,215 | 38,374 |
| Provision for staff retirement gratuity | 26,252 | 12,622 |
| Gain on sale of property, plant and equipment | (204) | (249) |
| Gain on sale of investments | (7,133) | (37,774) |
| Fair value gain on FVTPL investments | (32,048) | - |
| Share of (profit) / loss from associated companies | 1,571 | 6,142 |
| Finance cost | 60,587 | 21,696 |
| Impairment loss on investments | 88 | 171 |
| Working capital changes (Note 11.1) | (416,076) | (147,004) |
| | (352,965) | (82,450) |
| 10.1 Working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores, spare parts and loose tools | (4,514) | (10,801) |
| Stock in trade | (384,833) | (310,410) |
| Trade debts | (91,445) | (146,645) |
| Loans and advances | (37,143) | (13,132) |
| Prepayments and balances with statutory authorities | (21,391) | (31,419) |
| Other receivables | 5,573 | (4,013) |
| | (533,753) | (516,420) |
| (Decrease) / increase in trade and other payables | 117,677 | 369,416 |
| | (416,076) | (147,004) |

11. SEGMENT INFORMATION

11.1

| | (UN-AUDITED) | | (RUPEES IN THOUSAND) | | (UN-AUDITED) | |
|---|-------------------|---------------|---|---------------|-------------------|---------------|
| | TOTAL | | Elimination of Inter-segment transactions | | Trading | |
| | Nine months ended | 31 March 2018 | Nine months ended | 31 March 2018 | Nine months ended | 31 March 2018 |
| Revenue | 5,366,428 | 4,272,404 | 106,115 | 108,732 | 142,082 | 145,620 |
| Cost of sales | (5,235,648) | (4,130,322) | (92,082) | (105,194) | (35,991) | (39,189) |
| Gross profit | 130,780 | 1,142,082 | 14,033 | 3,538 | 106,091 | 106,431 |
| Distribution cost | (39,992) | (35,991) | (5,584) | (3,198) | (118,446) | (118,500) |
| Administrative expenses | (131,361) | (118,446) | (34) | (54) | (186) | (186) |
| Other operating expenses | (370) | (154,623) | (5,618) | (3,252) | - | (157,875) |
| Other operating income | 42,059 | 58,185 | 8,415 | 286 | - | - |
| Profit from operations | 1,116 | 45,644 | 9,408 | 2,468 | 9,408 | 48,112 |
| Finance cost | (60,299) | (39,717) | (288) | (74) | - | (39,791) |
| Profit/(loss) before taxation and unallocated income and expenses | (59,183) | 5,927 | 9,120 | 2,394 | - | 8,321 |
| Unallocated income and expenses: | | | | | | |
| Share of profit / (loss) from associated companies | | | | | (154) | (5,976) |
| Taxation | | | | | (70,842) | (27,422) |
| Profit/(loss) after taxation | | | | | (121,059) | (25,077) |

11.2 Reconciliation of reportable segment assets and liabilities:

| | Textiles | | Trading | | TOTAL | |
|---|----------------------|--------------|---------------|--------------|---------------|--------------|
| | (UN-AUDITED) | (AUDITED) | (UN-AUDITED) | (AUDITED) | (UN-AUDITED) | (AUDITED) |
| | 31 March 2019 | 30 June 2018 | 31 March 2019 | 30 June 2018 | 31 March 2019 | 30 June 2018 |
| | (RUPEES IN THOUSAND) | | | | | |
| Total assets for reportable segments | 5,742,437 | 5,306,649 | 1,312 | 8,084 | 5,743,749 | 5,314,733 |
| Unallocated assets : | | | | | 15,932 | 20,035 |
| Deferred income tax - asset | | | | | | 15,932 |
| Total assets as per balance sheet | | | | | 5,759,681 | 5,334,768 |
| Total liabilities for reportable segments | 2,124,702 | 1,597,140 | 3,786 | - | 2,128,488 | 1,597,140 |
| Unallocated liabilities: | | | | | 67,965 | 33,821 |
| Provision for taxation | | | | | | 67,965 |
| Total liabilities as per balance sheet | | | | | 2,196,453 | 1,630,961 |

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 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | (RUPEES IN THOUSAND) | | | |
| i) Transactions | | | | |
| Associated companies | | | | |
| Dividend paid | 33 | - | - | - |
| Service charges | 11,253 | 11,083 | - | - |
| Bonus shares received (Shares) | - | 27,580 | - | - |
| Other related parties | | | | |
| Loans received from/(repaid to) Chief Executive Officer, Directors, Executives and Sponsors -net | 23,384 | 38,609 | 5,290 | 2,314 |
| Dividend paid | 470 | - | - | - |
| Remuneration paid to Chief Executive Officer, Directors and Executives | 42,576 | 38,477 | 14,192 | 19,239 |

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 2018.

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on April 29, 2018 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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