

CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018
(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 & Compnay 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 first quarter ended September 30, 2018 During the period under review, your company has incurred a pre-tax loss of Rs. 6.582 Million as compared to pre-tax profit of Rs. 22.654 Million in the comparative period of last year.

Total sales revenue of the company for the first quarter stood at Rs. 1,727.487 Million, whereas, the turnover figures during the same period in year 2017 was Rs. 1,204.986 Million hence depicting an increase of almost forty three percent. The cost of sales in the period under review stood at 96.72% whereas, up to September 30, 2017 it was around 97.18%.

In spite of the hardships being faced by the textile industry during the period under review, the management of the company is continuously striving hard for better results.

Future Prospectus

The uncertain global economic situation is likely to ensure that the outlook for textile remains negative. Even though the sector is the country's largest export earner and employer, it is suffering from a lack of attention from policy makers and faces several challenges. These include continued shortfalls in cotton production due to non-existence of a crop management policy which leads to crop sizes being consistently short of the domestic requirements; high cost of doing business; unrealistically high energy pricing; high local taxes and surcharges; severe working capital shortfall due to non-issuance of income and sale tax refunds by the Government; and rising interest rates. The situation is further exacerbated by the strong government support being offered to our regional competitors in the form of subsidies and export incentives. The new Government has announced a commitment to support exporters by providing competitively priced energy, improving liquidity through issuance of stuck up refunds and allowing duty free imports of raw materials. If these policies materialize they will go a long way in improving prospects for revival of textiles in Pakistan. The Management will continue to strive to minimize the impact of the uncertain economic environment and daunting challenges facing the industry through improved efficiency and productivity and sound, low risk decision-making. However, to ensure long term success these efforts must be supported by strong growth of global economies, availability of reliable and competitively priced energy, and improved government policies especially with respect to raw materials and liquidity.

Acknowledgment

The Directors wish to express their gratitude to our valued clients, bankers and shareholders for the cooperation extended by them during the course of business activities. The Directors also wish to place on record their appreciation for the hard work and devoted services of the staff members and workers of the company.

For and on behalf of
the Board of Directors



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
October 29, 2018

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2018ء کو مختصرہ پہلی سہ ماہی کے لیے مختصرہ عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی کو 6.582 ملین کا قبل از ٹیکس نقصان اٹھانا پڑا جبکہ گزشتہ سال کی اسی مدت میں قبل از ٹیکس منافع 22.654 ملین روپے تھا۔

پہلی سہ ماہی کے لیے کمپنی کی کل فروخت کی آمدنی 1,727.487 ملین رہی جبکہ سال 2017ء میں اسی مدت کے دوران ٹرن اوور کی رقم 1,204.986 ملین روپے تھی اس طرح پچھلے سال کے مقابلہ میں تقریباً 43 فیصد اضافہ دیکھا گیا۔ زیر جائزہ مدت میں فروخت کی لاگت 96.72 فیصد رہی جبکہ 30 ستمبر 2017ء تک یہ 97.18 فیصد کے لگ بھگ تھی۔

زیر جائزہ مدت کے دوران ٹیکسٹائل انڈسٹری کو درپیش مشکلات کے باوجود کمپنی کی انتظامیہ بہتر نتائج کے لیے کوشاں ہے۔

مستقبل کے امکانات:

غیر یقینی عالمی اقتصادی صورت حال کے مطابق ٹیکسٹائل کا مستقبل محدود نظر آتا ہے۔ اگرچہ ٹیکسٹائل سیکٹر برآمدات اور ملازمتوں کے حوالے سے ملک کا سب سے بڑا سیکٹر ہے تاہم یہ پالیسی میکروزیکٹرز کی طرف سے عدم توجہ کا شکار ہے اور بہت سے چیلنجز کا سامنا کر رہا ہے۔ اس میں کاروبار کرنے کی بڑھتی ہوئی لاگت، توانائی کی غیر حقیقی قیمتیں، نہایت زیادہ مقامی محصولات اور سرچارج، حکومت کی جانب سے انکم اور سیلز ٹیکس ری فنڈ کے عدم اجراء کی وجہ سے ورکنگ کپٹل کی شدید کمی اور بڑھتی ہوئی شرح سود کے ساتھ ساتھ کراپ پیمنٹ پالیسی کی عدم موجودگی کی وجہ سے کپاس کی پیداوار میں مسلسل قلت کا مسئلہ بھی شامل ہے جس کے باعث مقامی ضرورت کے حساب سے فصل کا حجم مسلسل گھٹ رہا ہے۔ حکومت کی جانب سے ہمارے مقامی مسابقت کنندگان کو سبسڈی اور برآمدی مراعات کی صورت میں امداد کے باعث اس صورت حال میں مزید شدت پیدا ہونے کا امکان ہے۔ نئی حکومت نے برآمد کنندگان کو سہارا دینے کے لیے نسبتاً کم قیمت توانائی کی فراہمی، پھینے ہوئے ری فنڈز کے اجراء کی صورت میں لیکویڈیٹی بہتر بنانے اور خام مال کی ڈیوٹی فری برآمدات کی اجازت کی شکل میں ایک عزم کا اظہار کیا ہے۔ اگر یہ پالیسیاں وجود میں آجاتی ہیں تو یہ پاکستان میں برآمدات کے کی بحالی کے امکانات کو بہتر بنانے میں بہت دور رس ثابت ہوں گی۔ انتظامیہ بہتر کارکردگی اور پیداوار کے ساتھ ساتھ مضبوط اور کم پرخطرہ فیصلہ سازی کے ذریعے غیر یقینی معاشی ماحول اور انڈسٹری کو درپیش مشکل چیلنجز کے اثرات کو کم کرنے کے لیے جدوجہد جاری رکھے گی۔ تاہم طویل مدتی کامیابی کے لیے ان کوششوں کو عالمی معیشت کی مضبوط بڑھوتری، کم قیمت اور قابل اعتماد توانائی کی فراہمی اور خاص طور پر خام مال اور لیکویڈیٹی کے ضمن میں بہتر حکومتی پالیسیوں کا سہارا دیا جائے۔

اعتراف:

ڈائریکٹران اس موقع پر کاروباری سرگرمیوں کے دوران قابل قدر تعاون پر اپنے معزز ممبران، بینکرز اور حصص یافتگان کے لیے اظہار تشکر کرتے ہیں۔ ڈائریکٹران محنت اور لگن سے خدمات کی انجام دہی پر یقینی سٹاف ممبرز اور کارکنان کو بھی خراج تحسین پیش کرتے ہیں۔

منجانب
بورڈ آف ڈائریکٹرز



محمد ارشد

چیف ایگزیکٹو آفیسر

فیصل آباد

129 اکتوبر 2018ء

CRESCENT COTTON
UNCONSOLIDATED CONDENSED INTERIM STATEMENT

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
	30 September	30 June
NOTE	2018	2018

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
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Issued, subscribed and paid up share capital
Reserves

	226,601	226,601
	3,502,291	3,552,259

Total equity

	3,728,892	3,778,860
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits

	166,369	178,252
	83,334	80,592
	249,703	258,844

CURRENT LIABILITIES

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

	768,222	723,195
	3,940	3,940
	11,415	14,561
	692,042	528,780
	47,534	47,534
	22,528	32,595
	1,545,681	1,350,605

TOTAL LIABILITIES

	1,795,384	1,609,449
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CONTINGENCIES AND COMMITMENTS

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TOTAL EQUITY AND LIABILITIES

	5,524,276	5,388,309
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The annexed notes form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

MILLS LIMITED
OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

(RUPEES IN THOUSAND)

	UN-AUDITED	AUDITED
	30 September	30 June
NOTE	2018	2018

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment 6 **3,864,941** 3,885,036
Investment properties **250,111** 250,111
Long term investments 7 **9,328** 9,820
Long term deposits **3,092** 3,092
Deferred income tax asset **17,596** 17,596

4,145,068 4,165,655

CURRENT ASSETS

Stores, spare parts and loose tools **55,632** 56,888
Stock in trade **536,809** 378,794
Trade debts **224,044** 127,024
Loans and advances **54,730** 43,735
Short term deposits, prepayments and balances with statutory authorities **174,828** 183,819
Other receivables **71,844** 76,059
Short term investments 8 **229,926** 250,418
Cash and bank balances **31,395** 105,917

1,379,208 1,222,654

TOTAL ASSETS

5,524,276 5,388,309



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
	NOTE	30 September 2018	30 September 2017
SALES		1,727,487	1,204,986
COST OF SALES	9	(1,670,861)	(1,171,021)
GROSS PROFIT		56,626	33,965
DISTRIBUTION COST		(11,438)	(8,044)
ADMINISTRATIVE EXPENSES		(43,257)	(40,211)
OTHER OPERATING EXPENSES		(294)	-
		(54,989)	(48,255)
		1,637	(14,290)
OTHER OPERATING INCOME	10	6,390	45,576
PROFIT/(LOSS) FROM OPERATIONS		8,027	31,286
FINANCE COST		(14,609)	(8,632)
PROFIT/(LOSS) BEFORE TAXATION		(6,582)	22,654
TAXATION		(22,528)	(15,744)
PROFIT/(LOSS) AFTER TAXATION		(29,110)	6,910
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		(1.28)	0.30

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR


SAMI ULLAH CH.
 CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2018	30 September 2017
PROFIT/(LOSS) AFTER TAXATION		(29,110)	6,910
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss:			
Surplus on remeasurement of available for sale investments		(20,858)	(50,860)
Other comprehensive income for the period		(20,858)	(50,860)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(49,968)	(43,950)

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


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR


SAMI ULLAH CH.
 CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

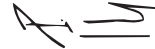
(RUPEES IN THOUSAND)

	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	CAPITAL RESERVES				REVENUE RESERVES				TOTAL EQUITY
				Fair value reserve	Reserve for issue of bonus shares	Surplus on revaluation of freehold land	Sub Total	General	Dividend equalization	(Accumulated loss) / unappropriated profit	Sub Total	
Balance as at 30 June 2017 - Audited (Restated)	213,775	5,496	12,000	358,282	-	3,079,990	3,455,768	96,988	4,000	170,639	271,627	3,941,170
Profit for the first quarter ended 30 September 2017	-	-	-	-	-	-	-	-	-	6,910	6,910	6,910
Other comprehensive income for the first quarter ended 30 September 2017	-	-	-	(50,860)	-	-	(50,860)	-	-	-	-	(50,860)
Total comprehensive income for the first quarter ended 30 September 2017	-	-	-	(50,860)	-	-	(50,860)	-	-	6,910	6,910	(43,950)
Balance as at 30 September 2017 - Un-audited	213,775	5,496	12,000	307,422	-	3,079,990	3,404,908	96,988	4,000	177,549	278,537	3,897,220
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)	-	-	-	-	-
Profit for the next three quarters ended 30 June 2018	-	-	-	-	-	-	-	-	-	(3,341)	(3,341)	(3,341)
Other comprehensive income for the next three quarters ended 30 June 2018	-	-	-	(115,019)	-	-	(115,019)	-	-	-	-	(115,019)
Total comprehensive income for the next three quarters ended 30 June 2018	-	-	-	(115,019)	-	-	(115,019)	-	-	(3,341)	(3,341)	(118,360)
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	3,778,860
Loss for the first quarter ended 30 September 2018	-	-	-	-	-	-	-	-	-	(29,110)	(29,110)	(29,110)
Other comprehensive income for the first quarter ended 30 September 2018	-	-	-	(20,858)	-	-	(20,858)	-	-	-	-	(20,858)
Total comprehensive income for the first quarter ended 30 September 2018	-	-	-	(20,858)	-	-	(20,858)	-	-	(29,110)	(29,110)	(49,968)
Balance as at 30 September 2018 - Un-audited	226,601	5,496	12,000	171,545	-	3,079,990	3,269,031	96,988	4,000	132,272	233,260	3,728,892

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER


CRESCENT COTTON MILLS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

	(RUPEES IN THOUSAND)	
NOTE	30 September 2018	30 September 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilized in) / generated from operations	11 (191,177)	(44,479)
Finance cost paid	(17,755)	(11,054)
Staff retirement gratuity paid	(6,009)	(12,803)
Income tax paid	(11,337)	(9,312)
Dividend paid	-	-
Long term deposits	-	-
Net cash (utilized in) / generated from operating activities	(226,278)	(77,648)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(1,357)	(73,658)
Proceeds from sale of property, plant and equipment	303	1,194
Proceeds from sale of investments	1,431	43,565
Net cash from investing activities	377	(28,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(11,883)	-
Short term borrowings - net	163,262	81,044
Net cash (used in) / from financing activities	151,379	81,044
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(74,522)	(25,503)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	105,917	41,477
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	31,395	15,974

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED
**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)**
1. THE COMPANY AND ITS OPERATIONS

Crescent Cotton Mills Limited 'the Company' is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Act, 2017). Shares of the Company are quoted on all the stock exchanges of 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 situated at New Lahore Road, Nishatabad, Faisalabad.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 237 of the Companies Act, 2017. This condensed interim financial information of the Company for the first quarter ended 30 September 2018 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2018.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

5. CONTINGENCIES AND COMMITMENTS
Contingencies:

- Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 7.013 million (30 June 2018: Rupees 7.013 million). The Company, being aggrieved, has filed appeals with the Honourable High Court which are still pending. No provision has been made in the books of account against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

- The Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 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.

- Guarantees 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.

Commitments:

- Letters of credit for capital expenditure are of Rs. 8.585 million (30 June 2018: Rupees 13.034 million).

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

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2018	2018

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,860,225	3,880,320
Capital work-in-progress	4,716	4,716
	<u>3,864,941</u>	<u>3,885,036</u>

6.1 Operating fixed assets

Opening book value	3,880,320	3,298,983
Add : Cost of additions during the period / year (Note 6.1.1)	1,357	669,482
	<u>3,881,677</u>	<u>3,968,465</u>

Less:

Book value of deletions during the period / year (Note 6.1.2)	266	5,594
Depreciation charged during the period / year	21,186	82,551
	<u>21,452</u>	<u>88,145</u>
Book value at the end of the period / year	<u>3,860,225</u>	<u>3,880,320</u>

6.1.1 Cost of additions during the period / year

Land - Freehold	-	87,905
Buildings on free hold land	37	148,251
Plant and machinery	1,136	381,604
Electric installations	-	37,965
Tools and equipment	-	4,600
Furniture and fixtures	83	1,129
Vehicles	-	6,065
Office equipment	101	1,963
	<u>1,357</u>	<u>669,482</u>

6.1.2 Book value of deletions during the period / year

Plant and machinery	266	4,173
Vehicles	-	1,421
	<u>266</u>	<u>5,594</u>

	(RUPEES IN THOUSAND)	
	UN-AUDITED	AUDITED
	30 September 2018	30 June 2018
7. LONG TERM INVESTMENTS - Available for sale		
Unquoted - Subsidiary company	-	-
Quoted - Associated companies	502	602
Unquoted - Associated companies	2,500	2,500
Quoted - Others	616	616
Unquoted - Others	284	456
	3,902	4,174
Less: Impairment loss charged to profit and loss account	-	(272)
Add: Fair value adjustment	5,426	5,918
	<u>9,328</u>	<u>9,820</u>
8. SHORT TERM INVESTMENTS – Available for sale		
Quoted - Associated companies	10,500	10,626
Quoted - Others	53,307	53,307
	63,807	63,933
	166,119	186,485
Add: Fair value adjustment	229,926	250,418
	<u>229,926</u>	<u>250,418</u>
	(UN-AUDITED)	
	30 September 2018	30 September 2017
9. COST OF SALES		
Raw material consumed	1,420,533	862,282
Salaries, wages and other benefits	132,454	106,744
Stores, spare parts and loose tools consumed	38,466	31,935
Fuel and power	184,400	152,301
Outside weaving charges	208	-
Other manufacturing overheads	3,136	2,419
Insurance	2,181	1,803
Repair and maintenance	1,106	1,660
Depreciation	19,885	14,932
	1,802,369	1,174,076
Work-in-process:		
Opening stock	29,916	27,068
Closing stock	(34,552)	(25,417)
	(4,636)	1,651
Cost of goods manufactured	1,797,733	1,175,727
Finished goods:		
Opening stock	136,958	167,744
Closing stock	(263,830)	(172,450)
	(126,872)	(4,706)
	1,670,861	1,171,021
Cost of goods - purchased for resale	-	-
	<u>1,670,861</u>	<u>1,171,021</u>

	(UN-AUDITED)	
	30 September 2018	30 September 2017
	(RUPEES IN THOUSAND)	
10. OTHER OPERATING INCOME		
Exchange gain	-	93
Gain on sale of investments	1,305	40,630
Dividend income	-	4
Rental income	4,949	4,509
Scrape sales	99	302
Gain on sale of property, plant and equipment	37	38
	<u>6,390</u>	<u>45,576</u>
11. CASH UTILIZED IN OPERATIONS		
Profit before taxation	(6,582)	22,654
Adjustments for non-cash charges and other items:		
Depreciation	21,186	16,210
Provision for staff retirement gratuity	8,751	6,097
Gain on sale of property, plant and equipment	(37)	(38)
Gain on sale of investments	(1,305)	(40,630)
Finance cost	14,609	8,632
Working capital changes (Note 11.1)	(227,799)	(57,404)
	<u>(191,177)</u>	<u>(44,479)</u>
11.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	1,256	1,291
Stock in trade	(158,015)	(99,968)
Trade debts	(97,020)	(83,854)
Loans and advances	(10,995)	(3,072)
Prepayments and balances with statutory authorities	(12,267)	(15,244)
Other receivables	4,215	(14,017)
	(272,826)	(214,864)
(Decrease) / increase in trade and other payables	45,027	157,460
	<u>(227,799)</u>	<u>(57,404)</u>

12. SEGMENT INFORMATION - UNCONSOLIDATED

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	First Quarter Ended		First Quarter Ended		First Quarter Ended		First Quarter Ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017
..... (RUPEES IN THOUSAND)								
Sales	1,728,608	1,205,315	1,313	8,537	(2,434)	(8,866)	1,727,487	1,204,986
Cost of sales	(1,672,495)	(1,171,662)	(800)	(8,225)	2,434	8,866	(1,670,861)	(1,171,021)
Gross profit	56,113	33,653	513	312	-	-	56,626	33,965
Distribution cost	(11,273)	(7,872)	(165)	(172)	-	-	(11,438)	(8,044)
Administrative expenses	(43,257)	(40,209)	-	(2)	-	-	(43,257)	(40,211)
Other operating expenses	(294)	-	-	-	-	-	(294)	-
	(54,824)	(48,081)	(165)	(174)	-	-	(54,989)	(48,255)
Other operating income	1,289	(14,428)	348	138	-	-	1,637	(14,290)
	6,390	45,576	-	-	-	-	6,390	45,576
Profit/(loss) from operations	7,679	31,148	348	138	-	-	8,027	31,286
Finance cost	(14,265)	(8,632)	(344)	-	-	-	(14,609)	(8,632)
Profit/(loss) before taxation	(6,586)	22,516	4	138	-	-	(6,582)	22,654
Taxation							(22,528)	(15,744)
Profit/(loss) after taxation							(29,110)	6,910

13. TRANSACTIONS WITH RELATED PARTIES

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

DESCRIPTION	(UN-AUDITED)	
	QUARTER ENDED	
	30 September 2018	30 September 2017
	(RUPEES IN THOUSAND)	

i) Transactions
Subsidiary company

Rental expense	1,125	1,125
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Associated companies

Service charges	9,953	9,852
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14. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

15. DATE OF AUTHORIZATION

This condensed interim financial information was approved and authorized for issue on October 29, 2018 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES

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

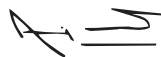
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

17. GENERAL

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



CRESCENT COTTON MILLS

CONSOLIDATED CONDENSED INTERIM STATEMENT

(RUPEES IN THOUSAND)

	UN-AUDITED 30 September 2018	AUDITED 30 June 2018
NOTE		

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
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Issued, subscribed and paid up share capital
Reserves

226,601	226,601
3,455,192	3,477,206

Total equity

3,681,793	3,703,807
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits

166,369	178,252
83,334	80,592
249,703	258,844

CURRENT LIABILITIES

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

768,780	724,879
3,940	3,940
25,167	28,163
697,042	533,780
47,534	47,534
23,996	33,821
1,566,459	1,372,117

TOTAL LIABILITIES

1,816,162	1,630,961
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

5,497,955	5,334,768
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The annexed notes form an integral part of this condensed interim financial information.

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



LIMITED AND ITS SUBSIDIARY

OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

(RUPEES IN THOUSAND)

	UN-AUDITED 30 September 2018	AUDITED 30 June 2018
NOTE		

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	6	3,865,864	3,885,983
Investment properties		270,443	270,443
Long term investments	7	40,016	40,548
Long term deposits		3,614	3,614
Deferred income tax - asset		20,035	20,035
		4,199,972	4,220,623

CURRENT ASSETS

Stores, spare parts and loose tools		58,954	60,209
Stock in trade		536,809	378,794
Trade debts		224,044	127,024
Loans and advances		54,730	43,735
Short term deposits, prepayments and balances with statutory authorities		175,567	184,558
Other receivables		74,920	79,135
Short term investments	8	138,114	131,323
Cash and bank balances		34,845	109,367
		1,297,983	1,114,145

TOTAL ASSETS

5,497,955	5,334,768
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ABID MEHMOOD
DIRECTOR

SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
NOTE		30 September 2018	30 September 2017
SALES		1,727,487	1,204,986
COST OF SALES	9	(1,670,861)	(1,171,021)
GROSS PROFIT		56,626	33,965
DISTRIBUTION COST		(11,438)	(8,044)
ADMINISTRATIVE EXPENSES		(42,156)	(39,113)
OTHER OPERATING EXPENSES		(294)	-
		(53,888)	(47,157)
		2,738	(13,192)
OTHER OPERATING INCOME	10	6,116	4,946
(LOSS)/PROFIT FROM OPERATIONS		8,854	(8,246)
FINANCE COST		(14,759)	(8,782)
		(5,905)	(17,028)
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		(28)	(2,835)
PROFIT/(LOSS) BEFORE TAXATION		(5,933)	(19,863)
TAXATION		(22,770)	(15,744)
PROFIT / (LOSS) AFTER TAXATION FROM		(28,703)	(35,607)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		(1.27)	(1.57)

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

		(RUPEES IN THOUSAND)	
		30 September 2018	30 September 2017
PROFIT/(LOSS) AFTER TAXATION		(28,703)	(35,607)
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		19,095	63,205
Surplus / (deficit) on remeasurement of available for sale investments		(12,406)	24,675
Other comprehensive income / (loss) for the period		6,689	87,880
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(41,109)	(10,932)

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


MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
DIRECTOR


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CHIEF FINANCIAL OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

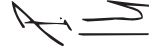
(RUPEES IN THOUSAND)

	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	CAPITAL RESERVES			REVENUE RESERVES				TOTAL EQUITY	
				Fair value reserve	Reserve for issue of bonus shares	Surplus on revaluation of freehold land	Sub Total	General	Dividend equalization	(Accumulated loss) / unappropriated profit		Sub Total
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	336,940	3,763,093
Loss for the first quarter ended 30 September 2017	-	-	-	-	-	-	-	-	-	(35,607)	(35,607)	(35,607)
Other comprehensive income for the first quarter ended 30 September 2017	-	-	-	87,880	-	-	87,880	-	-	-	-	87,880
Total comprehensive income for the first quarter ended 30 September 2017	-	-	-	87,880	-	-	87,880	-	-	(35,607)	(35,607)	52,273
Balance as at 30 September 2017 - Unaudited	213,775	5,496	12,000	202,772	-	3,079,990	3,300,258	44,975	4,000	252,358	301,333	3,815,366
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 next three quarters ended 30 June 2018	-	-	-	-	-	-	-	-	-	29,453	29,453	29,453
Other comprehensive income for the next three quarters ended 30 June 2018	-	-	-	(141,012)	-	-	(141,012)	-	-	-	-	(141,012)
Total comprehensive income for the next two quarters ended 30 June 2018	-	-	-	(141,012)	-	-	(141,012)	-	-	29,453	29,453	(111,559)
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
Loss for the first quarter ended 30 September 2018	-	-	-	-	-	-	-	-	-	(28,703)	(28,703)	(28,703)
Other comprehensive income for the first quarter ended 30 September 2018	-	-	-	6,689	-	-	6,689	-	-	-	-	6,689
Total comprehensive income for the first quarter ended 30 September 2018	-	-	-	6,689	-	-	6,689	-	-	(28,703)	(28,703)	(22,014)
Balance as at 30 September 2018 - Un-audited	226,601	5,496	12,000	68,449	-	3,079,990	3,165,935	44,975	4,000	240,282	289,257	3,681,793

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



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

(RUPEES IN THOUSAND)

NOTE	30 September 2018	30 September 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilized in) / generated from operations	11 (191,177)	(44,478)
Finance cost paid	(17,755)	(11,054)
Staff retirement gratuity paid	(6,009)	(12,803)
Income tax paid	(11,337)	(9,313)
Dividend paid	-	-
	(35,101)	(33,170)
Net cash (utilized in) / generated from operating activities	(226,278)	(77,648)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(1,357)	(73,658)
Proceeds from sale of property, plant and equipment	303	1,194
Proceeds from sale of investments	1,431	43,565
Net cash from investing activities	377	(28,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(11,883)	-
Short term borrowings - net	163,262	81,044
Net cash (used in) / from financing activities	151,379	81,044
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(74,522)	(25,503)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	109,367	44,907
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	34,845	19,404

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY
SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018 (UN-AUDITED)

1. THE GROUP AND ITS OPERATIONS

The Group consists of:

Holding Company

Crescent Cotton Mills Limited

Subsidiary Company

Crescot Mills Limited

Crescent Cotton Mills Limited

Crescent Cotton Mills Limited (formerly Crescent Sugar Mills and Distillery Limited) 'the Company' is a public limited company incorporated in March 1959 in Pakistan under the provisions of Companies Act, 1913 (Now Companies Act, 2017). Shares of the Company are quoted on Pakistan Stock Exchange in Pakistan. The Company is engaged in manufacturing and sale of yarn and hosiery items along with buying, selling and otherwise dealing in cloth. The Company also operates an embroidery unit. The registered office of the Company is located at New Lahore Road, Nishatabad, Faisalabad.

Crescot Mills Limited

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

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

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange. This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and International Accounting Standard-27 "Consolidated and Separate Financial Statements" and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed. This consolidated condensed interim financial information should be read in conjunction with the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 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 consolidated financial statements of the Group for the year ended 30 June 2018.

**5. CONTINGENCIES AND COMMITMENTS****Contingencies:**

- Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 7.013 million (30 June 2018: Rupees 7.013 million). The Company, being aggrieved, has filed appeals with the Honourable High Court 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 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. 8.585 million (30 June 2018: Rupees 13.034 million).

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

(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2018	2018

6. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 6.1)	3,861,148	3,881,267
Capital work-in-progress	4,716	4,716
	3,865,864	3,885,983

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)	1,357	669,482
	3,882,624	3,969,519

Less:

Book value of deletions during the period / year (Note 6.1.2)	266	5,594
Depreciation charged during the period / year	21,210	82,658
	21,476	88,252

Book value at the end of the period / year	3,861,148	3,881,267
--	------------------	-----------



(RUPEES IN THOUSAND)

UN-AUDITED	AUDITED
30 September	30 June
2018	2018

6.1.1 Cost of additions during the period / year

Land - Freehold	-	87,905
Buildings on free hold land	37	148,251
Plant and machinery	1,136	381,604
Electric installations	-	37,965
Tools and equipments	-	4,600
Furniture and fixtures	83	1,129
Vehicles	-	6,065
Office equipment	101	1,963
	1,357	669,482

6.1.2 Book value of deletions during the period / year

Plant and machinery	266	4,173
Vehicles	-	1,421
	266	5,594

7. LONG TERM INVESTMENTS

In associates:

Cost	21,226	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	(29)	(13,766)
	16,504	16,533
	37,730	38,159

Available for sale:

Quoted - Others	616	616
Unquoted - Others	493	664
	1,109	1,280
Less: Impairment loss charged to profit and loss account	-	(171)
Add: Fair value adjustment	1,177	1,280
	2,286	2,389
	40,016	40,548

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	89,937	89,937
Add: Fair value adjustment	48,177	41,386
	138,114	131,323



	(UN-AUDITED)	
	30 September 2018	30 September 2017
9. COST OF SALES	(RUPEES IN THOUSAND)	
Raw material consumed	1,420,533	862,282
Salaries, wages and other benefits	132,454	106,744
Stores, spare parts and loose tools consumed	38,466	31,935
Fuel and power	184,400	152,301
Outside weaving charges	208	-
Other manufacturing overheads	3,136	2,419
Insurance	2,181	1,803
Repair and maintenance	1,106	1,660
Depreciation	19,885	14,932
	1,802,369	1,174,076
Work-in-process:		
Opening stock	29,916	27,068
Closing stock	(34,552)	(25,417)
	(4,636)	1,651
Cost of goods manufactured	1,797,733	1,175,727
Finished goods:		
Opening stock	136,958	167,744
Closing stock	(263,830)	(172,450)
	(126,872)	(4,706)
	1,670,861	1,171,021
Cost of goods purchased	-	-
	1,670,861	1,171,021
10. OTHER OPERATING INCOME		
Exchange gain	-	93
Gain on sale of investments	1,031	-
Dividend income	-	4
Rental income	4,949	4,509
Scrape sale	99	302
Gain on sale of property, plant and equipment	37	38
	6,116	4,946



	(UN-AUDITED)	
	30 September 2018	30 September 2017
11. CASH UTILIZED IN OPERATIONS	(RUPEES IN THOUSAND)	
Profit before taxation	(5,933)	(19,863)
Adjustments for non-cash charges and other items:		
Depreciation	21,210	16,237
Provision for staff retirement gratuity	8,751	6,097
Gain on sale of property, plant and equipment	(37)	(38)
Credit balances written back	(1,031)	-
Share of (profit) / loss from associated companies	29	2,836
Finance cost	14,759	8,782
Working capital changes (Note 11.1)	(228,925)	(58,529)
	(191,177)	(44,478)
11.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	1,255	1,291
Stock in trade	(158,015)	(99,968)
Trade debts	(97,020)	(83,854)
Loans and advances	(10,995)	(3,072)
Prepayments and balances with statutory authorities	(12,266)	(15,244)
Other receivables	4,215	(14,017)
	(272,826)	(214,864)
(Decrease) / increase in trade and other payables	43,901	156,335
	(228,925)	(58,529)

12. SEGMENT INFORMATION - CONSOLIDATED

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	First Quarter Ended		First Quarter Ended		First Quarter Ended		First Quarter Ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017
 (RUPEES IN THOUSAND)							
Sales	1,728,608	1,205,315	1,313	8,537	(2,434)	(8,866)	1,727,487	1,204,986
Cost of sales	(1,672,495)	(1,171,662)	(800)	(8,225)	2,434	8,866	(1,670,861)	(1,171,021)
Gross profit	56,113	33,653	513	312	-	-	56,626	33,965
Distribution cost	(11,273)	(7,872)	(165)	(172)	-	-	(11,438)	(8,044)
Administrative expenses	(42,156)	(39,111)	-	(2)	-	-	(42,156)	(39,113)
Other operating expenses	(294)	-	-	-	-	-	(294)	-
	(53,723)	(46,983)	(165)	(174)	-	-	(53,888)	(47,157)
	2,390	(13,330)	348	138	-	-	2,738	(13,192)
Other operating income	6,116	4,946	-	-	-	-	6,116	4,946
Profit from operations	8,506	(8,384)	348	138	-	-	8,854	(8,246)
Finance cost	(14,415)	(8,782)	(344)	-	-	-	(14,759)	(8,782)
Profit/(loss) before taxation and unallocated income and expenses	(5,909)	(17,166)	4	138	-	-	(5,905)	(17,028)
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							(28)	(2,835)
Taxation							(22,770)	(15,744)
Profit/(loss) after taxation							(28,703)	(35,607)

**13. TRANSACTIONS WITH RELATED PARTIES**

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

DESCRIPTION	UN-AUDITED	
	QUARTER ENDED	
	30 September 2018	30 September 2017

(RUPEES IN THOUSAND)

i) Transactions**Associated companies**

Service charges	9,953	9,852
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14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2018.

15. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on October 29, 2018 by the Board of Directors of the Group.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the consolidated condensed interim balance sheet 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 profit and loss account, consolidated condensed interim statement of profit or loss and other comprehensive income and consolidated 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.

17. GENERAL

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

ABID MEHMOOD
DIRECTOR

SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

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