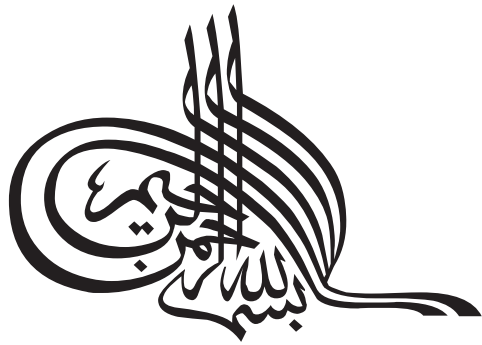


3rd QUARTER
MARCH 31 | 2019



| The Crescent Textile Mills Limited



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COMPANY INFORMATION

Board of Directors

Mr. Khalid Bashir	Chairman	Bankers
Mr. Muhammad Anwar	Chief Executive Officer	Al Baraka Bank (Pakistan) Limited
Mr. Ahmad Shafi	Director	Allied Bank Limited
Mr. Amjad Mehmood	Director	Habib Bank Limited
Mr. Anjum Muhammad Saleem	Director	MCB Bank Limited
Mr. Shaukat Shafi	Director	National Bank of Pakistan
Mr. Khurram Mazhar Karim	Director	Standard Chartered Bank (Pakistan) Limited
Mr. Muhammad Arshad (Nominee NIT)	Independent Director	The Bank of Punjab
		United Bank Limited

Audit Committee

Mr. Anjum Muhammad Saleem	Chairman
Mr. Khalid Bashir	Member
Mr. Khurram Mazhar Karim	Member

HR & R Committee

Mr. Khalid Bashir	Chairman
Mr. Ahmad Shafi	Member
Mr. Anjum Muhammad Saleem	Member

Chief Financial Officer

Mr. Asim Siddique

Corporate Secretary

Mr. Naseer Ahmad Chaudhary

Mills & Registered Office

Sargodha Road,
Faisalabad, Pakistan
T: +92-41-111-105-105
F: +92-41-8786525
E: crestex@ctm.com.pk

Head of Internal Audit

Mr. Muhammad Waqar Iqbal

Auditors

Riaz Ahmed & Company
Chartered Accountants

Legal Advisor

Syed Masroor Ahmad

Share Registrar

CorpTec Associates (Pvt) Ltd.,
503 - E, Johar Town,
Lahore, Pakistan
T: +92-42-35170336-37
F: +92-42-35170338
E: info@corptec.com.pk

Stock Exchange Listing

The Crescent Textile Mills Limited is a listed Company and its shares are traded on Pakistan Stock Exchange.

The Company's shares are quoted in leading dailies under textile composite sector.

www.crescenttextile.com

DIRECTORS' REPORT

for the Nine Months Ended March 31, 2019

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for Nine Months period ended on March 31, 2019

Industry Review

Pakistan's textile exports did not record healthy growth in current financial year. Expected increase in textile exports were not achieved due to increase in cost of raw materials and slump in the demand of textile products. Rapid fluctuation in local cotton prices created uncertain scenario due to which textile exporters were unable to compete in international market. Decline in local cotton production, which has reduced from its peak of 14-15 million bales per annum to around 10 million bales per annum, was one of the major causes of in-competitiveness of local textile industry.

Company's Performance

Financial Highlights of the Company are as follows:

Rupees in million	Nine months ended March 2019	Nine months ended March 2018	Variance	Increase/ (decrease) %
Net Sales	10,446	8,036	2,410	30
Gross Profit	1,172	769	403	52
Operating Cost	804	582	222	38
Finance Cost	374	417	(43)	(10)
Other Income	182	240	(58)	(24)
Taxation	95	(24)	119	496
Net Profit after Tax	80	34	46	137
Earnings Rs. per share	1.01	0.42	0.59	137

The management continued to focus on profitable avenues, maximizing efficiency in production activities and cost rationalization through various means. These steps have boosted overall sales and profit as compared to the corresponding period of previous year. Top line of the Company grew by 30% in comparison to the Same Period of Last Year (SPLY). This increase is mainly attributed to significant increase (57%) in export sale. The gross profit to sales percentage increased to 11.22% from 9.6% as a result of improvement in value added business and un-precedent rupee devaluation during last one year. Cotton and polyester prices increased by 25% and 41% respectively in comparison to the same period of last year. Operating cost increased by 38% due to significant increase in distribution cost on account of high volume of export shipments and decline in fair value of investment, classified as investment at fair value through profit or loss account, by Rs 28 million. Other income squeezed due to decrease in dividend income and exchange gain on export receivables. Finance cost decreased by 10% despite of the increase in interest rate by 400 bps in last nine months. Effective foreign currency risk management confined exchange loss on foreign currency borrowings to Rs 39 million whereas it was Rs 174 million in corresponding period. Tax provision increased due increase in export realization in current period and deferred tax credit impact in corresponding period.

Future Outlook:

Going forward, the country's economic challenges are anticipated to increase inflation and interest rates. However, the Businesses are gearing up to face these challenges and deliver positive results. The Company will remain focused on delivering enduring value for all its stakeholders by strengthening and building relationships, and proactively exploring opportunities.

For and on behalf of the Board.


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director

ڈائریکٹرز کی رپورٹ

برائے نوامی پختہ 31 مارچ 2019ء

ڈائریکٹر 31 مارچ 2019ء کو پختہ نوامی کے لیے کمپنی کے غیر آڈٹ شدہ مالیاتی بیانات اپنا جائزہ آپ کی خدمت میں پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

انڈسٹری کا جائزہ:

موجودہ مالی سال میں پاکستان کی ٹیکسٹائل برآمدات میں صحت مند اضافہ دیکھنے میں نہیں آیا۔ ٹیکسٹائل مصنوعات کی طلب کے بحران اور خام مال کی قیمتوں میں اضافہ کی وجہ سے ٹیکسٹائل برآمدات میں متوقع اضافہ حاصل نہیں کیا جاسکا۔ مقامی کاشن کی قیمتوں میں تیز رفتار اتار چڑھاؤ سے غیر یقینی منظر نامہ پیدا ہوا جس کی وجہ سے ٹیکسٹائل کے برآمد کنندگان بین الاقوامی مارکیٹ میں مقابلہ کرنے کے قابل نہیں رہے۔ مقامی کاشن کی پیداوار میں کمی، جو سالانہ 14، 15 ملین ٹکنوں کی انتہائی سطح سے سالانہ 10 لاکھ ٹکنوں کے گنگ جھگ رو گئی، مقامی ٹیکسٹائل انڈسٹری کے غیر مستقیماتی رویہ کی بڑی وجوہات میں سے ایک تھی۔

کمپنی کی کارکردگی:

کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

فرق فیصد	فرق	نوامی 2018	نوامی 2019	ملین روپے
30	2,410	8,036	10,446	خالص فروخت
52	403	769	1,172	مجموعی نفع
38	222	582	804	عملی اخراجات
(10)	(43)	417	374	مالیاتی اخراجات
(24)	(58)	240	182	دیگر آمدنی
496	119	(24)	95	محصولات
137	46	34	20	نفع بعد از محصولات
137	0.59	0.42	1.01	منافع فی حصص

انتظامیہ نے منافع بخش راستے پر توجہ مرکوز کرنے، پیداواری سرگرمیوں میں کارکردگی بڑھانے اور مختلف ذریعوں سے لاگت پر قابو پانے کا سلسلہ جاری رکھا۔ ان اقدامات کے نتیجے میں پچھلے سال کی اسی مدت کے مقابلے میں مجموعی فروخت اور منافع میں اضافہ ہوا۔ پچھلے سال کے اسی عرصہ کے مقابلے میں کمپنی کی بالائی سطح میں 30 فیصد کا اضافہ ہوا۔ یہ اضافہ بنیادی طور پر ایکسپورٹ سیکڑ میں نمایاں اضافہ (57 فیصد) سے منسوب ہے۔ پچھلے سال کے دوران روپے کی قدر میں بے نظیر کی اور ویلیو ایڈڈ برنس میں بہتری کے نتیجے میں فروخت پر مجموعی منافع 9.6 فیصد سے بڑھ کر 11.22 فیصد بڑھا۔ پچھلے سال کے اسی عرصہ کے مقابلے میں کاشن اور پلیمسٹری قیمتیں بالترتیب 25 اور 41 فیصد بڑھیں۔ منافع یا نقصان اکاؤنٹ کے ذریعے فیئر ویلیو سٹوریج یا کاشن کی 28 ملین روپے کی وجہ بندی کے مطابق برآمدی ترسیل کے زیادہ حجم اور سرمایہ کاری کی فیئر ویلیو میں کمی کے لحاظ سے تقسیم کی لاگت میں نمایاں اضافہ کی وجہ سے عملی لاگت میں 38 فیصد اضافہ ہوا۔ ڈیویڈنڈ آمدن اور برآمدی وصولیوں پر شرح مبادلہ میں کمی کی وجہ سے دیگر آمدنی میں کمی ہوئی۔ گزشتہ نو ماہ میں شرح سود میں 400 بی بی ایس کے اضافہ کی وجہ سے مالیاتی لاگت میں 10 فیصد اضافہ ہوا۔ موثر فارن کسٹس منجمنٹ کے ذریعے فارن کسٹس پر چاؤلے کا نقصان 39 ملین روپے تک محدود رہا جبکہ گزشتہ سال اسی عرصہ میں یہ 174 ملین روپے تھا۔ موجودہ عرصہ میں برآمدی وصولی میں اضافہ اور اسی مدت میں زراعتو ایگس کرپٹ کے اثرات کی وجہ سے ٹیکس ادا کیوں میں اضافہ ہوا۔

مستقبل کے امکانات:

آگے بڑھتے ہوئے ملک کو درپیش اقتصادی چیلنجز میں افراط زر اور شرح سود میں اضافہ شامل ہیں۔ تاہم ان چیلنجز کا سامنا کرنے اور مثبت نتائج فراہم کرنے کے لیے کمرے ہوئے ہیں۔ کمپنی تعلقات قائم کرنے اور مضبوط کرنے اور مستعدی سے مواقع کی تلاش کرنے کے ذریعے اپنے تمام متعلقین کے لیے پائیدار منادات کی فراہمی پر توجہ مرکوز کرے گی۔

مناجیب: پورڈ آف ڈائریکٹرز



خالد بشیر
ڈائریکٹر



محمد انور
چیف ایگزیکٹو آفیسر

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at March 31, 2019

(Rupees in '000)	Note	Un-Audited March 31, 2019	Audited June 30, 2018
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 100 000 000 (June 30, 2018: 100 000 000) ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid up share capital		800,000	800,000
Capital reserves			
Premium on issue of right shares		200,169	200,169
Fair value reserve		642,221	1,225,974
Surplus on revaluation of operating fixed assets - net of deferred income tax		3,567,482	3,567,516
Revenue reserves		2,714,123	2,576,670
TOTAL EQUITY		7,923,995	8,370,329
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	1,127,471	845,071
CURRENT LIABILITIES			
Trade and other payables		2,106,898	1,488,144
Unclaimed dividend		9,440	9,513
Accrued mark-up		99,818	85,596
Short term borrowings		6,303,704	6,416,791
Current portion of long term financing	3	199,215	258,038
Provision for taxation		105,195	140,604
TOTAL LIABILITIES		8,824,270	8,398,686
TOTAL EQUITY AND LIABILITIES	4	17,875,736	17,614,086
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	6,623,964	6,328,138
Intangible asset		7,389	12,139
Long term investments		3,209,440	3,736,188
Long term loans and advances		171	1,082
Long term deposits and prepayments		28,664	10,276
Deferred income tax asset		129,508	127,820
		9,999,136	10,215,643
CURRENT ASSETS			
Stores, spare parts and loose tools		254,332	198,030
Stock-in-trade		2,477,206	2,588,958
Trade debts		2,859,875	2,346,338
Loans and advances		707,972	687,038
Short term deposits and prepayments		68,538	60,714
Accrued interest		4,250	3,181
Other receivables		1,425,306	1,416,322
Short term investment		66,670	94,449
Cash and bank balances		12,451	3,413
TOTAL ASSETS		17,875,736	17,614,086

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Note	Nine months ended		Quarter ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue		10,445,595	8,036,008	3,487,158	2,720,501
Cost of sales	6	(9,273,465)	(7,267,300)	(3,069,949)	(2,471,300)
Gross profit		1,172,130	768,708	417,209	249,201
Distribution cost		(500,519)	(354,804)	(160,337)	(86,970)
Administrative expenses		(264,418)	(213,984)	(89,978)	(72,430)
Other expenses		(38,927)	(13,160)	(28,941)	(6,090)
		(803,864)	(581,948)	(279,256)	(165,490)
		368,266	186,760	137,953	83,711
Other income		181,535	240,106	45,275	88,845
Profit from operations		549,801	426,866	183,228	172,556
Finance cost		(374,345)	(417,392)	(116,635)	(169,976)
Profit before taxation		175,456	9,474	66,593	2,580
Taxation		(95,037)	24,420	(41,322)	9,084
Profit after taxation		80,419	33,894	25,271	11,664
Earnings per share - basic and diluted (Rupees)		1.01	0.42	0.32	0.15

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Profit after taxation	80,419	33,894	25,271	11,664
Other comprehensive (loss) / profit				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
(Deficit) / surplus arising on remeasurement of available for sale investments to fair value	-	(1,158,612)	-	4,782
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(526,748)	-	(209,238)	-
Other comprehensive (loss) / profit for the period	(526,748)	(1,158,612)	(209,238)	4,782
Total comprehensive (loss) / profit for the period	(446,329)	(1,124,718)	(183,967)	16,446

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Share Capital	Reserves								Total	Total Equity	
		Capital Reserves					Revenue Reserves					
		Premium on issue of right shares	Fair Value	Fair value reserve of FV100 investments	Surplus on revaluation of operating fixed assets - net of deferred income tax	Sub total	General	Dividend Equalization	Unappropriated profit			Sub total
Balance as at June 30, 2017 - (Audited)	800,000	200,169	2,719,389	-	3,575,108	6,494,666	1,773,643	30,000	756,985	2,560,628	9,055,294	9,855,294
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(30)	(30)	-	-	30	30	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the nine months ended March 31, 2018	-	-	-	-	-	-	-	-	33,894	33,894	33,894	33,894
Other comprehensive loss for the nine months ended March 31, 2018	-	-	(1,158,612)	-	-	(1,158,612)	-	-	-	-	(1,158,612)	(1,158,612)
Total comprehensive loss for the nine months ended March 31, 2018	-	-	(1,158,612)	-	-	(1,158,612)	-	-	33,894	33,894	(1,124,718)	(1,124,718)
Balance as at March 31, 2018 - (Un-audited)	800,000	200,169	1,560,777	-	3,575,078	5,336,024	1,773,643	30,000	790,309	2,594,552	7,930,576	8,730,576
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(11)	(11)	-	-	11	11	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(5)	(5)	-	-	-	-	(5)	(5)
Transfer from surplus on revaluation of operating fixed assets on disposal of operating fixed assets	-	-	-	-	(7,546)	(7,546)	-	-	7,546	7,546	-	-
Loss for the quarter ended June 30, 2018	-	-	-	-	-	-	-	-	(25,439)	(25,439)	(25,439)	(25,439)
Other comprehensive loss for the Quarter ended June 30, 2018	-	-	(334,803)	-	-	(334,803)	-	-	-	-	(334,803)	(334,803)
Total comprehensive loss for the Quarter ended June 30, 2018	-	-	(334,803)	-	-	(334,803)	-	-	(25,439)	(25,439)	(360,242)	(360,242)
Balance as at June 30, 2018 - (Audited)	800,000	200,169	1,225,974	-	3,567,516	4,993,659	1,773,643	30,000	773,027	2,576,670	7,570,329	8,370,329
Adjustment on adoption of IFRS 9 (Note 2.3.)	-	-	(1,225,974)	1,168,969	-	(57,005)	-	-	57,005	57,005	-	-
Adjusted total equity as at July 01, 2018	800,000	200,169	-	1,168,969	3,567,516	4,936,654	1,773,643	30,000	830,032	2,633,675	7,570,329	8,370,329
Transfer from surplus on revaluation of operating fixed assets on account of incremental depreciation - net of deferred income tax	-	-	-	-	(29)	(29)	-	-	29	29	-	-
Transferred from dividend equalization reserve to general reserve	-	-	-	-	-	-	30,000	(30,000)	-	-	-	-
Adjustment of deferred income tax liability due to re-assessment at period end	-	-	-	-	(5)	(5)	-	-	-	-	(5)	(5)
Profit for the nine months ended March 31, 2019	-	-	-	-	-	-	-	-	80,419	80,419	80,419	80,419
Other comprehensive loss for the nine months ended March 31, 2019	-	-	-	(526,748)	-	(526,748)	-	-	-	-	(526,748)	(526,748)
Total comprehensive loss for the nine months ended March 31, 2019	-	-	-	(526,748)	-	(526,748)	-	-	80,419	80,419	(446,329)	(446,329)
Balance as at March 31, 2019 - (Un-audited)	800,000	200,169	-	642,221	3,567,482	4,409,872	1,803,643	-	910,480	2,714,123	7,123,995	7,923,995

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Note	(Nine months ended)	
		March 31, 2019	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	7	900,000	(218,871)
Finance cost paid		(360,080)	(418,934)
Income tax paid		(143,263)	(109,474)
Dividend paid		(73)	(78)
Workers' profit participation fund paid		(68)	(985)
Net decrease in long term loans and advances		2,014	413
Net increase in long term deposits and prepayments		(18,388)	(60)
Net cash generated from / (used in) operating activities		380,142	(747,989)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(546,456)	(136,665)
Proceeds from sale of property, plant and equipment		43,920	17,239
Investment made		-	(70,354)
Dividend received		20,942	43,293
Net cash used in investing activities		(481,594)	(146,487)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		436,419	39,856
Repayment of long term financing		(212,842)	(148,502)
Short term borrowings - net		(113,087)	1,006,150
Net cash from financing activities		110,490	897,504
Net increase in cash and cash equivalents		9,038	3,028
Cash and cash equivalents at the beginning of the period		3,413	3,895
Cash and cash equivalents at the end of the period		12,451	6,923

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


Muhammad Anwar
Chief Executive Officer


Khalid Bashir
Director


Asim Siddique
Chief Financial Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

1. THE COMPANY AND ITS ACTIVITIES

The Crescent Textile Mills Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017). The registered office of the Company is situated at Sargodha Road, Faisalabad, Punjab. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the business of textile manufacturing comprising of spinning, combing, weaving, dyeing, bleaching, printing, stitching, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber(s) and to generate, accumulate, distribute, supply and sale of electricity. The Company also operates a cold storage unit. Main production units are situated at Sargodha Road, Faisalabad, Punjab except weaving unit and cold storage unit which are situated at Industrial Estate, Hattar, Tehsil Khanpur, District Haripur, Khyber Pakhtunkhwa and Sargodha Road, Chiniot, Punjab respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

i) These 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
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) 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 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 this 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 condensed interim financial statements.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

2.2 Accounting estimates, judgments and financial risk management

The preparation of these 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 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 2018.

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

The Company has adopted IFRS 9 'Financial Instruments' from 01 July 2018 and IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018. The effect of change in accounting policy due to applicability of these IFRSs has been explained in detail in Note 2.3 to the condensed interim financial statements of the Company for the half year ended 31 December 2018.

(Rupees in '000)	Un-Audited March 31, 2019	Audited June 30, 2018
3. LONG TERM FINANCING		
Financing from banking companies - secured		
Opening balance	1,103,109	1,253,629
Add: Obtained during the period / year	436,419	39,856
Less: Repaid during the period / year	212,842	190,376
	1,326,686	1,103,109
Less: Current portion shown under current liabilities	199,215	258,038
	1,127,471	845,071

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) Guarantees of Rupees 199.073 million (30 June 2018: Rupees 199.764 million) are given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and Faisalabad Electric Supply Company Limited against electricity connections.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

- ii) Guarantee of Rupees 2.000 million (30 June 2018: Rupees 2.000 million) is given by the bank of the Company to Total Parco Pakistan Limited against fuel cards.
 - iii) Post dated cheques of Rupees 319.065 million (30 June 2018: Rupees 260.840 million) are issued to custom authorities in respect of duties on imported materials availed on the basis of consumption and export plans. If documents of exports are not provided on due dates, cheques issued as security shall be encashable.
 - iv) Commissioner Inland Revenue has filed appeal vide writ petition no. CA 662/2013 filed on 13 June 2013 with Honorable Supreme Court of Pakistan for the recovery of sales tax liabilities on account of various provisions of Sales Tax Act, 1990. In case of adverse decision, the Company may face tax liability of Rupees 9.606 million (30 June 2018: Rupees 9.606 million). The Company's management is confident that appeals are likely to be dismissed.
 - v) The Honorable Sindh High Court in the case of 'Kasim Textile' in its order of 07 May 2013 has held that benefit of carry forward of minimum tax under section 113 of the Income Tax Ordinance, 2001 is only available if tax payable in a tax year is less than minimum tax paid. If in a tax year, no tax is payable by a company due to assessed losses, the company forgoes the right to carry forward minimum tax paid in that year. In the light of this order, the Company is not entitled to carry forward minimum tax of Rupees 77.549 million (30 June 2018: Rupees 77.191 million). However, the management is of the view that the verdict has been challenged in the Honorable Supreme Court of Pakistan and that they are confident of favorable final outcome based on legal advice.
 - vi) The Company filed PRA reference No. 111963-2017 dated 28 December 2017 in the Honorable Lahore High Court, Lahore against the order of learned Appellate Tribunal of Punjab Revenue Authority (PRA) for the collection of PRA withholding tax amounting to Rupees 23.348 million (30 June 2018: Rupees 23.348 million). Appeal is pending for adjudication. Management of the Company is confident that the ultimate outcome of this case will be in Company's favor.
- b) Commitments
- i) Contracts for capital expenditure are of Rupees 410.042 million (30 June 2018: Rupees 789.011 million).
 - ii) Letters of credit other than for capital expenditure are of Rupees 243.456 million (30 June 2018: Rupees 120.823 million).
 - iii) Ijarah (operating lease) commitments are of Rupees 75.141 million (30 June 2018: Rupees Nil).

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Un-Audited March 31, 2019	Audited June 30, 2018
5	PROPERTY, PLANT AND EQUIPMENT	
Operating fixed assets - Owned (Note 5.1)	6,323,968	6,253,403
Capital work-in-progress (Note 5.2)	299,996	74,735
	6,623,964	6,328,138
5.1	Operating fixed assets - Owned	
Opening book value	6,253,403	6,396,065
Add: Cost of additions during the period / year (Note 5.1.1)	321,195	176,036
	6,574,598	6,572,101
Less:		
Book value of deletions during the period / year (Note 5.1.2)	33,279	22,340
Depreciation charged for the period / year	217,351	296,358
	250,630	318,698
Book value at the end of the period / year	6,323,968	6,253,403
5.1.1	Cost of additions during the period / year	
Buildings on leasehold land	-	18,747
Plant and machinery	282,854	126,059
Factory tools and equipment	-	4,476
Gas and electric installations	1,803	1,434
Vehicles	30,430	20,948
Office equipment	6,108	4,372
	321,195	176,036
5.1.2	Book value of deletions during the period / year	
Land - Freehold	-	8,024
Buildings on freehold land	143	-
Plant and machinery	30,360	13,816
Vehicles	2,776	500
	33,279	22,340

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Un-Audited March 31, 2019	Audited June 30, 2018
5.2 Capital work-in-progress		
Buildings on freehold land	22,992	19,145
Plant and machinery	218,308	164
Advance against purchase of vehicles	-	2,470
Office equipment	752	630
Advance against purchase of land	49,911	49,911
Advance against Enterprise Resource Planning (ERP) implementation	8,033	2,415
	299,996	74,735

(Rupees in '000)	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
6. COST OF SALES				
Raw materials consumed	3,578,653	2,952,655	1,185,599	1,058,392
Cloth and yarn purchased	1,840,889	982,003	571,711	463,359
Stores, spare parts and loose tools consumed	601,189	427,015	209,717	156,037
Packing materials consumed	550,601	406,145	179,630	136,321
Processing and weaving charges	614,373	368,951	199,238	154,305
Salaries, wages and other benefits	781,136	719,086	268,658	238,209
Fuel and power	1,049,152	950,757	303,626	341,538
Repair and maintenance	26,949	21,593	10,094	7,736
Insurance	15,133	9,186	4,036	2,899
Depreciation	205,894	212,282	72,043	72,349
Other factory overheads	35,619	27,677	12,143	8,631
	9,299,588	7,077,350	3,016,495	2,639,776
Work-in-process				
Opening stock	159,243	131,695	187,623	140,567
Closing stock	(144,456)	(156,050)	(144,456)	(156,050)
	14,787	(24,355)	43,167	(15,483)
Cost of goods manufactured	9,314,375	7,052,995	3,059,662	2,624,293
Finished goods				
Opening stock	1,479,432	1,417,844	1,530,629	1,050,546
Closing stock	(1,520,342)	(1,203,539)	(1,520,342)	(1,203,539)
	(40,910)	214,305	10,287	(152,993)
	9,273,465	7,267,300	3,069,949	2,471,300

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Un-Audited Nine months ended	
	March 31, 2019	March 31, 2018
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	175,456	9,474
Adjustments for non-cash charges and other items:		
Depreciation	217,351	220,174
Amortization	4,750	4,750
Provision for workers' profit participation fund	4,104	-
(Gain) / loss on disposal of operating fixed assets	(10,641)	2,598
Fair value loss on short term investment at FVTPL	27,779	-
Dividend income	(84,650)	(117,393)
Finance cost	374,345	417,392
Working capital changes (Note 7.1)	191,506	(755,866)
	900,000	(218,871)
7.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(56,302)	(59,277)
Stock-in-trade	111,752	(751,548)
Trade debts	(513,537)	(200,130)
Loans and advances	(10,913)	1,950
Short term deposits and prepayments	(7,824)	4,875
Accrued interest	(1,069)	21
Other receivables	54,724	(22,739)
	(423,169)	(1,026,848)
Increase in trade and other payables	614,675	270,982
	191,506	(755,866)

8. 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 is as follows:

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

(Rupees in '000)	Un-Audited			
	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
i) Transactions				
Associated companies				
Purchase of goods	104,655	10,365	33,765	3,971
Sale of goods and services	94,502	17,416	8,126	3,759
Insurance premium charged	18,356	10,773	5,211	1,300
Insurance claim received	-	755	-	78
Dividend income	1,909	11,275	-	11,275
Right shares subscribed (Number of shares)	-	1 082 362	-	-
Bonus shares received (Number of shares)	-	12 870	-	-
Other related parties				
Company's contribution to Employees' Provident Fund Trust	18,698	17,111	6,329	5,699
Remuneration paid to Chief Executive Officer, directors and executives	128,070	109,504	43,344	37,784

(Rupees in '000)	Un-Audited	
	March 31, 2019	June 30, 2018
ii) Period end balances		
Associated companies and other related parties		
Trade and other payables	8,428	18,760
Trade debts	200	1,547
Other receivables	255	-

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

9. SEGMENT INFORMATION

(Rupees in '000)	Spinning		Weaving	
	(Un-audited)		(Un-audited)	
	Nine month ended		Nine month ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue				
External	3,857,981	3,679,598	208,825	260,553
Intersegment	1,384,891	928,251	4,882,408	3,089,478
	5,242,872	4,607,849	5,091,233	3,350,031
Cost of sales	(4,986,372)	(4,445,713)	(5,019,681)	(3,291,475)
Gross profit	256,500	162,136	71,552	58,556
Distribution cost	(37,728)	(30,353)	(9,799)	(11,094)
Administrative expenses	(76,174)	(61,730)	(23,765)	(19,260)
	(113,902)	(92,083)	(33,564)	(30,354)
Profit before taxation and unallocated income and expenses	142,598	70,053	37,988	28,202
Unallocated income and expenses:				
Other expenses				
Other income				
Finance cost				
Taxation				
Profit after taxation				

9.1 Reconciliation of reportable segment assets and liabilities:

(Rupees in '000)	Spinning		Weaving	
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018
	Total assets for reportable segments	3,113,710	3,012,326	1,530,273
Unallocated assets				
Total assets as per statement of financial position				
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.				
Total liabilities for reportable segments	3,931,530	4,179,892	1,327,100	1,373,551
Unallocated liabilities				
Total liabilities as per statement of financial position				

All segment liabilities are allocated to reportable segments other than major portion of trade and other payables

9.2 Due to heavy repair and maintenance requirements, management has decided to discontinue operations of cold storage and dispose of its assets accordingly.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

Processing & Home Textile		Power Generation		Cold Storage		Elimination of Inter - Segment transactions		Total - Company	
(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)		(Un-audited)	
Nine month ended		Nine month ended		Nine month ended		Nine month ended		Nine month ended	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
6,374,773	4,086,959	-	-	4,016	8,898	-	-	10,445,595	8,036,008
-	-	808,297	783,821	-	-	(7,075,596)	(4,801,550)	-	-
6,374,773	4,086,959	808,297	783,821	4,016	8,898	(7,075,596)	(4,801,550)	10,445,595	8,036,008
(5,549,825)	(3,555,278)	(789,845)	(769,666)	(3,338)	(6,718)	7,075,596	4,801,550	(9,273,465)	(7,267,300)
824,948	531,681	18,452	14,155	678	2,180	-	-	1,172,130	768,708
(450,062)	(311,200)	(2,930)	(2,157)	-	-	-	-	(500,519)	(354,804)
(150,460)	(121,512)	(13,383)	(10,845)	(636)	(637)	-	-	(264,418)	(213,984)
(600,522)	(432,712)	(16,313)	(13,002)	(636)	(637)	-	-	(764,937)	(568,788)
224,426	98,969	2,139	1,153	42	1,543	-	-	407,193	199,920
								(38,927)	(13,160)
								181,535	240,106
								(374,345)	(417,392)
								(95,037)	24,420
								80,419	33,894

Processing & Home Textile		Power Generation		Cold Storage		Total - Company	
(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018
3,346,186	2,623,947	241,681	272,676	13,932	20,141	8,245,782	7,450,422
						9,629,954	10,163,664
						17,875,736	17,614,086
2,416,647	1,998,076	54,931	56,481	17	564	7,730,225	7,608,564
						2,221,516	1,635,193
						9,951,741	9,243,757

and current tax liabilities.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

for the Nine Months Ended March 31, 2019

10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

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

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

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

11. DATE OF AUTHORIZATION FOR ISSUE

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

12. CORRESPONDING FIGURES

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

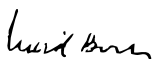
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

13. GENERAL

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



Muhammad Anwar
Chief Executive Officer



Khalid Bashir
Director



Asim Siddique
Chief Financial Officer

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