CRESCENT COTTON MILLS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 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 second quarter and half year ended December 31, 2018. During the period under review, your company incurred a pre-tax loss of Rs. 49.379 Million whereas in the comparative period of last year company earned a pre-tax profit of Rs. 36.519 million.

Total sales revenue of the company for the half year stood at Rs. 3,514.377 Million, whereas, the turnover figures during the same period in year 2017 was Rs. 2,681.074 Million hence depicting an increase of thirty percent as compared to last year. However, cost of sales in the period under review stood at 97.84% whereas, up to December 31, 2017 it was around 96.18%. The first half of the financial year 2018-19 showed an overall downward trend of textile industry in Pakistan.

Future Prospectus

New Government has taken decision to supply gas to five zero rated sectors including textile, jute, carpets, leather, sports and surgical goods on a blend of domestic gas and imported RLNG on a 50:50 basis at an weighted average cost of about $6.5 per MMBTU as well as electricity at a cost of $0.075 . It will help to make the textile industry competitive in the region. The Government is also working towards solving the issue of pending refunds and bring stability to the rupee depreciation. Cotton production is estimated to fall short of its target in the current season as water shortage and pest attacks have squeezed the crop yields signaling hard time ahead for the already struggling economy that is heavily reliant on fiber. 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.

Acknowledgement

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.

For and on behalf of the Board of Directors

FAISALABAD
February 27, 2019

ABID MEHMOOD
DIRECTOR

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2018ء کو مختتمہ دوسری سہ ماہی اور پہلی ششماہی کے لیے منجمد عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی کو 49.379 ملین روپے کا قبل از ٹیکس نقصان اٹھانا پڑا جبکہ گزشتہ سال کی اسی مدت میں آپ کی کمپنی کا قبل از ٹیکس منافع 36.519 ملین روپے تھا۔

پہلی ششماہی کے لیے کمپنی کی کل فروخت کی آمدنی 3,514.377 ملین روپے رہی جبکہ سال 2017ء میں اسی مدت کے دوران ٹرن اوور کی رقم 2,681.074 ملین روپے تھی اس طرح پچھلے سال کے مقابلہ میں تقریباً 30 فیصد اضافہ دیکھا گیا۔ تاہم زیر جائزہ مدت میں فروخت کی لاگت 97.84 فیصد رہی جبکہ 31 دسمبر 2017ء تک یہ 96.18 فیصد کے لگ بھگ تھی۔ مالی سال 19-2018 کی پہلی ششماہی کے دوران پاکستان کی ٹیکسٹائل انڈسٹری میں مجموعی طور پر تنزلی کا رجحان دیکھا گیا۔

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

مستقبل کے امکانات:

نئی حکومت نے پانچ زیرو ریٹڈ شعبہ جات جن میں ٹیکسٹائل، پٹ سن، قالین، چمڑا، سپورٹس اور سرجیکل سامان شامل ہیں کو گیس کی فراہمی گھریلو گیس کے حساب سے، درآمدی RLNG نصف کے حساب سے متوقع اوسط لاگت 6.5 ڈالر فی ایم ایم بی ٹی یو پر اور بجلی 0.075 ڈالر فی یونٹ کے حساب سے فراہم کرنے کا فیصلہ کیا ہے۔ اس سے ٹیکسٹائل انڈسٹری کو علاقائی مسابقت میں مدد ملے گی۔ حکومت زیر التواء فنڈز کے اجراء کا معاملہ حل کرنے اور روپے کی قدر میں استحکام لانے کے لیے بھی روبہ عمل ہے۔ موجودہ سیزن میں کپاس کی پیداوار ہدف سے کم ہونے کی توقع ہے کیونکہ پانی کی کمی اور کیڑوں کے حملے کی وجہ سے فصل کی کم پیداوار کپاس پر بہت زیادہ انحصار کرنے والی جہد مسلسل میں مصروف معیشت کے لیے پیش آمدہ مشکل وقت کی نشاندہی کر رہی ہے۔ آپ کی کمپنی کی انتظامیہ کم قیمت پر کپاس کی خریداری کرنے کے لیے کپاس کے منظرنامے 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 ہوئے ہے۔ کمپنی 30 جون 2019ء کو ختم ہونے والے مالی سال کے باقی ماندہ عرصہ میں بہتر مالیاتی نتائج حاصل کرنے کے لیے سپننگ کی صلاحیت بڑھا کر لاگت گھٹانے اور کارکردگی بہتر کرنے پر توجہ مرکوز کیے ہوئے ہے۔

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 شکریہ ادا کرتے ہیں۔ ہم بیش قدر اور رہنمائی پر اپنے بورڈ آف ڈائریکٹرز کے بھی ممنون ہیں۔

منجانب
بورڈ آف ڈائریکٹرز

محمد ارشد
چیف ایگزیکٹو آفیسر

عابد محمود
ڈائریکٹر

فیصل آباد
27 فروری 2019ء

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CRESCENT COTTON MILLS LIMITED

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **CRESCENT COTTON MILLS LIMITED** ("the Company") as at 31 December 2018 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as " unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the six-month period ended 31 December 2018.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Liaqat Ali Panwar.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
February 27, 2019

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	NOTE	UN-AUDITED 31 December 2018	AUDITED 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		**5,557**	192,403
Surplus on revaluation of freehold land and investment properties		**3,079,990**	3,079,990
Revenue reserves		**341,441**	262,370
TOTAL EQUITY		**3,671,085**	3,778,860
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	**154,485**	178,252
Employees' retirement benefit		**85,769**	80,592
		240,254	258,844
CURRENT LIABILITIES			
Trade and other payables		**904,560**	723,195
Unclaimed dividend		**4,137**	3,940
Accrued mark-up		**17,386**	14,561
Short term borrowings		**894,048**	528,780
Current portion of long term financing		**48,934**	47,534
Provision for taxation		**40,620**	32,595
		1,909,685	1,350,605
TOTAL LIABILITIES		**2,149,939**	1,609,449
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		**5,821,024**	5,388,309

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

CRESCENT COTTON MILLS LIMITED

	NOTE	UN-AUDITED 31 December 2018	AUDITED 30 June 2018
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**3,869,079**	3,885,036
Investment properties		**250,111**	250,111
Long term investments	6	**9,371**	9,820
Long term deposits		**3,092**	3,092
Deferred income tax asset		**13,492**	17,596
		4,145,145	4,165,655
CURRENT ASSETS			
Stores, spare parts and loose tools		**60,585**	56,888
Stock-in-trade		**833,691**	378,794
Trade debts		**193,920**	127,024
Loans and advances		**43,543**	43,735
Prepayments and balances with statutory authority		**196,669**	183,819
Other receivables		**70,420**	76,059
Short term investments		**253,672**	250,418
Cash and bank balances		**23,379**	105,917
		1,675,879	1,222,654
TOTAL ASSETS		**5,821,024**	5,388,309

ABID MEHMOOD
DIRECTOR

SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

	NOTE	Half year ended		Quarter ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		(RUPEES IN THOUSAND)			
REVENUE		**3,514,377**	2,681,074	**1,786,890**	1,476,088
COST OF SALES	7	**(3,438,777)**	(2,578,909)	**(1,767,916)**	(1,432,320)
GROSS PROFIT		**75,600**	102,165	**18,974**	43,768
DISTRIBUTION COST		**(25,417)**	(23,513)	**(13,979)**	(15,469)
ADMINISTRATIVE EXPENSES		**(91,099)**	(80,147)	**(47,842)**	(39,936)
OTHER EXPENSES		**(996)**	(178)	**(702)**	(178)
OTHER INCOME		**25,515**	59,588	**19,125**	14,012
FINANCE COST		**(32,982)**	(21,396)	**(18,373)**	(12,764)
(LOSS) / PROFIT BEFORE TAXATION		**(49,379)**	36,519	**(42,797)**	(10,567)
TAXATION		**(44,724)**	(14,845)	**(22,196)**	899
(LOSS) / PROFIT AFTER TAXATION		**(94,103)**	21,674	**(64,993)**	(9,668)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		**(4.15)**	0.96	**(2.87)**	(0.43)

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

MUHAMMAD ARSHAD	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(RUPEES IN THOUSAND)			
(LOSS) / PROFIT AFTER TAXATION	**(94,103)**	21,674	**(64,993)**	(9,668)
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	**(361)**	-	**131**	-
Items that may be reclassified subsequently to profit or loss:				
Deficit arising on remeasurement of available for sale investments to fair value	-	(84,471)	-	(126,020)
Reclassification adjustment for gain included in profit or loss	-	(46,713)	-	(43,743)
	-	(131,184)	**-**	(169,763)
Other comprehensive (loss) / income for the period	**(361)**	(131,184)	**131**	(169,763)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(94,464)**	(109,510)	**(64,862)**	(179,431)

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

MUHAMMAD ARSHAD	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

(RUPEES IN THOUSAND)

	SHARE CAPITAL	CAPITAL RESERVES							REVENUE RESERVES				TOTAL	TOTAL EQUITY
		Premium on issue of shares	Plant Moderni-sation	Fair value reserve	Fair value reserve of FVTOCI investments	Reserve for issue of bonus shares	Surplus on revaluation of freehold land	Sub Total	General	Dividend equalization	unappro-priated profit	Sub Total		
Balance as at 30 June 2017 - (Audited)	213,775	5,496	12,000	358,282	-	-	3,079,990	3,455,768	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	-	-	(12,826)	(12,826)	-	-
Transaction with owners:														
Issue of 6% bonus shares	12,826	-	-	-	-	(12,826)	-	(12,826)	-	-	-	-	(12,826)	-
Profit for the half year ended 31 December 2017	-	-	-	-	-	-	-	-	-	-	21,674	21,674	21,674	21,674
Other comprehensive loss for the half year ended 31 December 2017	-	-	-	(131,184)	-	-	-	(131,184)	-	-	-	-	(131,184)	(131,184)
Total comprehensive loss for the half year ended 31 December 2017	-	-	-	(131,184)	-	-	-	(131,184)	-	-	21,674	21,674	(109,510)	(109,510)
Balance as at 31 December 2017 - (Un-audited)	226,601	5,496	12,000	227,098	-	-	3,079,990	3,324,584	96,988	4,000	179,487	280,475	3,605,059	3,831,660
Loss for the half year ended 30 June 2018	-	-	-	-	-	-	-	-	-	-	(15,791)	(15,791)	(15,791)	(15,791)
Other comprehensive loss for the half year ended 30 June 2018	-	-	-	(34,695)	-	-	-	(34,695)	-	-	(2,314)	(2,314)	(37,009)	(37,009)
Total comprehensive loss for the half year ended 30 June 2018	-	-	-	(34,695)	-	-	-	(34,695)	-	-	(18,105)	(18,105)	(52,800)	(52,800)
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
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
Transaction with owners:														
Dividend for the year ended 30 June 2018 @ Rupee 0.10 per share	-	-	-	-	-	-	-	-	-	-	(2,266)	(2,266)	(2,266)	(2,266)
Loss for the half year ended 31 December 2018	-	-	-	-	-	-	-	-	-	-	(94,103)	(94,103)	(94,103)	(94,103)
Other comprehensive loss for the half year ended 31 December 2018	-	-	-	-	(361)	-	-	(361)	-	-	-	-	(361)	(361)
Total comprehensive loss for the half year ended 31 December 2018	-	-	-	-	(361)	-	-	(361)	-	-	(94,103)	(94,103)	(94,464)	(94,464)
Balance as at 31 December 2018 - (Un-audited)	226,601	5,496	12,000	-	5,557	-	3,079,990	3,103,043	96,988	4,000	240,453	341,441	3,444,484	3,671,085

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

MUHAMMAD ARSHAD	**ABID MEHMOOD**	**SAMI ULLAH CH.**
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

	NOTE	31 December 2018	31 December 2017
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	8	**(341,602)**	(82,507)
Finance cost paid		**(30,157)**	(22,225)
Employees' retirement benefit paid		**(11,750)**	(17,710)
Income tax paid		**(23,788)**	(22,531)
Dividend paid		**(2,069)**	-
Net cash used in operating activities		**(409,366)**	(144,973)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(28,329)**	(147,496)
Proceeds from sale of property, plant and equipment		**1,952**	2,747
Proceeds from sale of investments		**10,304**	49,881
Net cash used in investing activities		**(16,073)**	(94,868)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(22,367)**	-
Short term borrowings - net		**365,268**	220,247
Net cash from financing activities		**342,901**	220,247
Net decrease in cash and cash equivalents		**(82,538)**	(19,594)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**105,917**	41,477
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**23,379**	21,883

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

MUHAMMAD ARSHAD	**ABID MEHMOOD**	**SAMI ULLAH CH.**
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 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 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.

iii) These unconsolidated condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and section 237 of the Companies Act, 2017. The figures of unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the quarters ended 31 December 2018 and 31 December 2017 have not been reviewed by the statuary auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2018 and 31 December 2017.

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 2018.

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.

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 amortised 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	187,470

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 (IAS 39)	New (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 31 December 2018	AUDITED 30 June 2018
3. LONG TERM FINANCING	(RUPEES IN THOUSAND)	
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 2018: 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.

Commitments:

i) Letters of credit for capital expenditure as at 31 December 2018 are of Rupees 9.306 million (30 June 2018: Rupees 13.034 million).

) Letters of credit other than for capital expenditure as at 31 December 2018 are of Rupees 151.003 million (30 June 2018: Rupees Nil).

	UN-AUDITED 31 December 2018	AUDITED 30 June 2018
5. PROPERTY, PLANT AND EQUIPMENT	(RUPEES IN THOUSAND)	
Operating fixed assets (Note 5.1)	**3,868,879**	3,880,320
Capital work-in-progress (Note 5.2)	**200**	4,716
	3,869,079	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)	**32,845**	669,482
	3,913,165	3,968,465
Less:		
Book value of deletions during the period / year (Note 5.1.2)	**1,751**	5,594
Depreciation charged during the period / year	**42,535**	82,551
	44,286	88,145
	3,868,879	3,880,320
5.1.1 Cost of additions during the period / year		
Freehold land	**-**	87,905
Buildings and roads on freehold land	**57**	148,251
Plant and machinery	**32,172**	381,604
Electric installations	**30**	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**	-
	32,845	669,482
5.1.2 Book value of deletions during the period / year		
Plant and machinery	**1,751**	4,173
Vehicles	**-**	1,421
	1,751	5,594

	UN-AUDITED 31 December 2018	AUDITED 30 June 2018
5.2 Capital work-in-progress	(RUPEES IN THOUSAND)	
Plant and machinery	**200**	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	**(88)**	(272)
Add: Fair value adjustment	**5,557**	5,918
	9,371	9,820

(Un-audited)

	Half year ended 31 December 2018	Half year ended 31 December 2017	Quarter ended 31 December 2018	Quarter ended 31 December 2017
7. COST OF SALES	(RUPEES IN THOUSAND)			
Raw materials consumed	**2,808,486**	1,961,029	**1,387,953**	1,098,747
Salaries, wages and other benefits	**268,748**	227,852	**136,294**	121,108
Stores, spare parts and loose tools consumed	**73,553**	70,306	**35,087**	38,371
Fuel and power	**368,022**	333,280	**183,622**	180,979
Outside weaving / other charges	**2,179**	7,846	**1,971**	7,846
Other manufacturing overheads	**6,505**	4,862	**3,369**	2,443
Insurance	**4,411**	3,873	**2,230**	2,070
Repair and maintenance	**2,963**	3,548	**1,857**	1,888
Depreciation	**39,903**	35,576	**20,018**	20,644
	3,574,770	2,648,172	**1,772,401**	1,474,096
Work-in-process				
Opening stock	**29,916**	21,293	**34,552**	25,417
Closing stock	**(36,625)**	(30,214)	**(36,625)**	(30,214)
	(6,709)	(8,921)	**(2,073)**	(4,797)
Cost of goods manufactured	**3,568,061**	2,639,251	**1,770,328**	1,469,299
Finished goods				
Opening stock	**136,958**	149,087	**263,830**	172,450
Closing stock	**(266,242)**	(209,429)	**(266,242)**	(209,429)
	(129,284)	(60,342)	**(2,412)**	(36,979)
	3,438,777	2,578,909	**1,767,916**	1,432,320

	UN-AUDITED 31 December 2018	UN-AUDITED 31 December 2017
	(RUPEES IN THOUSAND)	
8. CASH USED IN OPERATIONS		
(Loss) / profit before taxation	**(49,379)**	36,519
Adjustments for non-cash charges and other items:		
Depreciation	**42,535**	38,323
Provision for employees' retirement benefit	**16,927**	12,622
Gain on sale of property, plant and equipment	**(201)**	(249)
Loss / (gain) on sale of investments	**896**	(46,452)
Fair value gain on FVTPL investments	**(14,455)**	-
Impairment loss on long term investments	**88**	171
Finance cost	**32,982**	21,396
Working capital changes (Note 8.1)	**(370,995)**	(144,837)
	(341,602)	(82,507)
8.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	**(3,697)**	(10,806)
Stock-in-trade	**(438,350)**	(310,410)
Trade debts	**(89,382)**	(146,645)
Loans and advances	**192**	(13,132)
Prepayments and balances with statutory authority	**(20,851)**	(31,419)
Other receivables	**5,639**	(4,014)
	(546,449)	(516,426)
Increase in trade and other payables	**175,454**	371,589
	(370,995)	(144,837)

9. SEGMENT INFORMATION

(UN-AUDITED)

9.1

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(RUPEES IN THOUSAND)							
Revenue	**3,512,984**	2,669,260	**38,892**	56,375	**(37,499)**	(44,561)	**3,514,377**	2,681,074
Cost of sales	**(3,436,551)**	(2,578,909)	**(39,725)**	(44,561)	**37,499**	44,561	**(3,438,777)**	(2,578,909)
Gross profit/ (loss)	**76,433**	90,351	**(833)**	11,814	**-**	-	**75,600**	102,165
Distribution cost	**(24,561)**	(21,916)	**(856)**	(1,597)	**-**	-	**(25,417)**	(23,513)
Administrative expenses	**(91,076)**	(79,740)	**(23)**	(407)	**-**	-	**(91,099)**	(80,147)
Other income	**25,515**	59,588	**-**	-	**-**	-	**25,515**	59,588
Finance cost	**(32,950)**	(21,346)	**(32)**	(50)	**-**	-	**(32,982)**	(21,396)
(Loss) /Profit before taxation and unallocated expenses	**(46,639)**	26,937	**(1,744)**	9,760	**-**	-	**(48,383)**	36,697
Unallocated expenses:								
Other expenses							**(996)**	(178)
Taxation							**(44,724)**	(14,845)
(Loss) /Profit after taxation							**(94,103)**	21,674

9.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 December 2018	30 June 2018	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	**5,806,192**	5,362,629	**1,340**	8,084	**5,807,532**	5,370,713
Unallocated asset:						
Deferred income tax asset					**13,492**	17,596
Total assets as per unconsolidated statement of financial position					**5,821,024**	5,388,309
Total liabilities for reportable segments	**2,104,308**	1,576,854	**5,011**	-	**2,109,319**	1,576,854
Unallocated liability:						
Provision for taxation					**40,620**	32,595
Total liabilities as per unconsolidated statement of financial position					**2,149,939**	1,609,449

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)

	Half year ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
i) Transactions	(RUPEES IN THOUSAND)			
Subsidiary company				
Rental expense	**2,250**	2,250	**1,125**	1,125
Stores consumed by the Company	**12**	4	**6**	4
Associated companies				
Dividend paid	**33**	-	**33**	-
Service and accrued charges	**11,253**	11,083	**1,300**	1,206
Bonus shares received (Number of shares)	**-**	27 580	**-**	27 580
Other related parties				
Loans received from / (repaid to) Chief Executive Officer, Directors, Executives and Sponsors - net	**18,094**	31,997	**11,793**	(74)
Dividend paid	**470**	-	**470**	-
Remuneration paid to Chief Executive Officer, Directors and Executives	**28,384**	26,203	**14,332**	12,812

	(Un-audited)	(Audited)
ii) Period end balances	31 December 2018	30 June 2018
	(RUPEES IN THOUSAND)	
Subsidiary company		
Trade and other payables	**7,680**	5,606
Associated companies		
Trade and other payables	**5,149**	2,319
Other related parties		
Short term borrowings	**271,780**	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 interm 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

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 27, 2018.

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	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	NOTE	UN-AUDITED 31 December 2018	AUDITED 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
Reserves		**3,380,300**	3,477,206
Total equity		**3,606,901**	3,703,807
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing		**154,485**	178,252
Employees' retirement benefits		**85,769**	80,592
		240,254	258,844
CURRENT LIABILITIES			
Trade and other payables		**904,089**	724,879
Unclaimed dividend		**4,137**	3,940
Accrued markup		**31,288**	28,163
Short term borrowings		**899,048**	533,780
Current portion of long term financing		**48,934**	47,534
Provision for taxation		**42,329**	33,821
		1,929,825	1,372,117
TOTAL LIABILITIES		**2,170,079**	1,630,961
CONTINGENCIES AND COMMITMENTS	5		
TOTAL EQUITY AND LIABILITIES		**5,776,980**	5,334,768

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

MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

	NOTE	UN-AUDITED 31 December 2018	AUDITED 30 June 2018
		(RUPEES IN THOUSAND)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**3,869,979**	3,885,983
Investment properties		**270,443**	270,443
Long term investments	7	**37,817**	40,548
Long term deposits		**3,614**	3,614
Deferred income tax - asset		**15,932**	20,035
		4,197,785	4,220,623
CURRENT ASSETS			
Stores, spare parts and loose tools		**63,897**	60,209
Stock in trade		**833,691**	378,794
Trade debts		**193,920**	127,024
Loans and advances		**43,543**	43,735
Short term deposits, prepayments and balances with statutory authorities		**197,488**	184,558
Other receivables		**73,496**	79,135
Short term investments	8	**146,331**	131,323
Cash and bank balances		**26,829**	109,367
		1,579,195	1,114,145
TOTAL ASSETS		**5,776,980**	5,334,768

ABID MEHMOOD
DIRECTOR

SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

	NOTE	Half year ended		Quarter ended	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
		(RUPEES IN THOUSAND)			
REVENUE		**3,514,377**	2,681,074	**1,786,890**	1,476,088
COST OF SALES	9	**(3,438,777)**	(2,578,909)	**(1,767,916)**	(1,432,320)
GROSS PROFIT		**75,600**	102,165	**18,974**	43,768
DISTRIBUTION COST		**(25,417)**	(23,513)	**(13,979)**	(15,469)
ADMINISTRATIVE EXPENSES		**(88,924)**	(77,974)	**(46,768)**	(38,861)
OTHER OPERATING EXPENSES		**(996)**	(178)	**(702)**	(178)
		(115,337)	(101,665)	**(61,449)**	(54,508)
		(39,737)	500	**(42,475)**	(10,740)
OTHER OPERATING INCOME		**40,465**	50,910	**34,349**	45,964
(LOSS)/PROFIT FROM OPERATIONS		**728**	51,410	**(8,126)**	35,224
FINANCE COST		**(33,282)**	(21,696)	**(18,523)**	(12,914)
		(32,554)	29,714	**(26,649)**	22,310
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		**(154)**	(6,142)	**(126)**	(3,307)
PROFIT/(LOSS) BEFORE TAXATION		**(32,708)**	23,572	**(26,775)**	19,003
TAXATION		**(45,207)**	(15,345)	**(22,437)**	399
PROFIT / (LOSS) AFTER TAXATION FROM		**(77,915)**	8,227	**(49,212)**	19,402
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED (RUPEES):		**(3.44)**	0.36	**(2.17)**	0.86

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

MUHAMMAD ARSHAD	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

	31 December 2018	31 December 2017
	(RUPEES IN THOUSAND)	
PROFIT/(LOSS) AFTER TAXATION	**(77,915)**	8,227
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	**670**	(34,284)
Other comprehensive income / (loss) for the period	**670**	(34,284)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**(77,245)**	(26,057)

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

MUHAMMAD ARSHAD	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

(RUPEES IN THOUSAND)

		CAPITAL RESERVES							REVENUE RESERVES				
	SHARE CAPITAL	Premium on issue of shares	Plant Moderni-sation	Fair value reserve	Fair value reserve of FVTOCI investments	Reserve for issue of bonus shares	Surplus on revaluation of freehold land	Sub Total	General Reserve	Dividend equalization	(Accumulated loss)/ unappropriated profit	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	336,940	3,763,093
Loss for the half year ended 31 December 2017	-	-	-	-	-	-	-	-	-	-	8,227	8,227	8,227
Other comprehensive income for the half year ended 31 December 2017	-	-	-	(34,284)	-	-	-	(34,284)	-	-	-	-	(34,284)
Total comprehensive income for the first quarter ended 30 September 2017	-	-	-	(34,284)	-	-	-	(34,284)	-	-	8,227	8,227	(26,057)
Balance as at 30 September 2017 - Unaudited	213,775	5,496	12,000	80,608	-	-	3,079,990	3,178,094	44,975	4,000	296,192	345,167	3,737,036
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 half year ended 30 June 2018	-	-	-	-	-	-	-	-	-	-	(14,381)	(14,381)	(14,381)
Other comprehensive income for the half year ended 30 June 2018	-	-	-	(18,848)	-	-	-	(18,848)	-	-	-	-	(18,848)
Total comprehensive income for the next two quarters ended 30 June 2018	-	-	-	(18,848)	-	-	-	(18,848)	-	-	(14,381)	(14,381)	(33,229)
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	60,480	-
Adjustment on adoption of IFRS 15	-	-	-	-	-	-	-	-	-	-	(19,661)	(19,661)	(19,661)
	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 half year ended 31 December 2018	-	-	-	-	-	-	-	-	-	-	(77,915)	(77,915)	(77,915)
Other comprehensive income for the half year ended 31 December 2018	-	-	-	-	670	-	-	670	-	-	-	-	670
Total comprehensive income for the half year ended 31 December 2018	-	-	-	-	670	-	-	670	-	-	(77,915)	(77,915)	(77,245)
Balance as at 31 December 2018 - Un-audited	226,601	5,496	12,000	-	1,950	-	3,079,990	3,099,436	44,975	4,000	231,889	280,864	3,606,901

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

MUHAMMAD ARSHAD	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

	NOTE	31 December 2018	31 December 2017
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	10	**(341,531)**	(82,450)
Finance cost paid		**(30,157)**	(22,225)
Staff retirement gratuity paid		**(11,750)**	(17,710)
Income tax paid		**(23,859)**	(22,588)
Dividend paid		**(2,069)**	-
		(67,835)	(62,523)
Net cash (utilized in) / generated from operating activities		**(409,366)**	(144,973)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		**(28,329)**	(147,496)
Proceeds from sale of property, plant and equipment		**1,952**	2,747
Proceeds from sale of investments		**10,304**	49,881
Net cash from investing activities		**(16,073)**	(94,868)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		**(22,367)**	-
Short term borrowings - net		**365,268**	220,247
Net cash (used in) / from financing activities		**342,901**	220,247
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(82,538)**	(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		**26,829**	25,313

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

MUHAMMAD ARSHAD	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2018 (UN-AUDITED)

1. THE GROUPS AND ITS OPERATIONS

The Group consist of:

Holding Company
Crescent Cotton Mills Limited

Subsidiary Company
crescot Mills Limited

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

Crescot Mills Limited

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

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

2. BASIS OF PREPARATION

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

(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.

- 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 impunged 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. 9.306 million (30 June 2018: Rupees 13.034 million).

- Letters of credit for other than capital expenditure are of Rupees 151.003 million (30 June 2018: Rupees Nil).

	UN-AUDITED 31 December 2018	AUDITED 30 June 2018
	(RUPEES IN THOUSAND)	
6. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 6.1)	**3,869,779**	3,881,267
Capital work-in-progress	**200**	4,716
	3,869,979	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)	**32,845**	669,482
	3,914,112	3,969,519
Less:		
Book value of deletions during the period / year (Note 6.1.2)	**1,751**	5,594
Depreciation charged during the period / year	**42,582**	82,658
	44,333	88,252
Book value at the end of the period / year	**3,869,779**	3,881,267

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY

	UN-AUDITED 31 December 2018	AUDITED 30 June 2018
	(RUPEES IN THOUSAND)	
6.1.1 Cost of additions during the period / year		
Land - Freehold	**-**	87,905
Buildings on free hold land	**57**	148,251
Plant and machinery	**32,172**	381,604
Electric installations	**30**	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**	-
	32,845	669,482
6.1.2 Book value of deletions during the period / year		
Plant and machinery	**1,751**	4,173
Vehicles	**-**	1,421
	1,751	5,594
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)
	14,962	16,533
	34,846	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	**(88)**	(171)
Add: Fair value adjustment	**1,950**	1,280
	2,971	2,389
	37,817	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	**89,925**	89,937
Add : Fair value adjustment	**56,406**	41,386
	146,331	131,323

(Un-audited)

	Half year ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(RUPEES IN THOUSAND)			
9. COST OF SALES				
Raw material consumed	**2,808,486**	1,961,029	**1,387,953**	1,098,747
Salaries, wages and other benefits	**268,748**	227,852	**136,294**	121,108
Stores, spare parts and loose tools consumed	**73,553**	70,306	**35,087**	38,371
Fuel and power	**368,022**	333,280	**183,622**	180,979
Outside weaving charges	**2,179**	7,846	**1,971**	7,846
Other manufacturing overheads	**6,505**	4,862	**3,369**	2,443
Insurance	**4,411**	3,873	**2,230**	2,070
Repair and maintenance	**2,963**	3,548	**1,857**	1,888
Depreciation	**39,903**	35,576	**20,018**	20,644
	3,574,770	2,648,172	**1,772,401**	1,474,096
Work-in-process:				
Opening stock	**29,916**	21,293	**34,552**	25,417
Closing stock	**(36,625)**	(30,214)	**(36,625)**	(30,214)
	(6,709)	(8,921)	**(2,073)**	(4,797)
Cost of goods manufactured	**3,568,061**	2,639,251	**1,770,328**	1,469,299
Finished goods:				
Opening stock	**136,958**	149,087	**263,830**	172,450
Closing stock	**(266,242)**	(209,429)	**(266,242)**	(209,429)
	(129,284)	(60,342)	**(2,412)**	(36,979)
	3,438,777	2,578,909	**1,767,916**	1,432,320
Cost of goods purchased	**-**	-	**-**	-
	3,438,777	2,578,909	**1,767,916**	1,432,320

UN-AUDITED

	31 December 2018	31 December 2017
	(RUPEES IN THOUSAND)	
10. CASH UTILIZED IN OPERATIONS		
Profit before taxation	**(32,708)**	23,572
Adjustments for non-cash charges and other items:		
Depreciation	**42,582**	38,374
Provision for staff retirement gratuity	**16,927**	12,622
Gain on sale of property, plant and equipment	**(201)**	(249)
Gain on sale of investments	**(7,133)**	(37,774)
Fair value gain on FVTPL investments	**(35,912)**	-
Share of (profit) / loss from associated companies	**1,571**	6,142
Finance cost	**33,282**	21,696
Impairment loss on investments	**88**	171
Working capital changes (Note 11.1)	**(360,027)**	(147,004)
	(341,531)	(82,450)
10.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	**(3,688)**	(10,801)
Stock in trade	**(454,897)**	(310,410)
Trade debts	**(66,896)**	(146,645)
Loans and advances	**192**	(13,132)
Prepayments and balances with statutory authorities	**(21,656)**	(31,419)
Other receivables	**5,639**	(4,013)
	(541,306)	(516,420)
(Decrease) / increase in trade and other payables	**181,279**	369,416
	(360,027)	(147,004)

11. SEGMENT INFORMATION

11.1

(UN-AUDITED)

	Textiles		Trading		Elimination of Inter-segment transactions		TOTAL	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(RUPEES IN THOUSAND)							
Sales	3,512,984	2,669,260	38,892	56,375	(37,499)	(44,561)	3,514,377	2,681,074
Cost of sales	(3,436,551)	(2,578,909)	(39,725)	(44,561)	37,499	44,561	(3,438,777)	(2,578,909)
Gross profit	76,433	90,351	(833)	11,814	-	-	75,600	102,165
Distribution cost	(24,561)	(21,916)	(856)	(1,597)	-	-	(25,417)	(23,513)
Administrative expenses	(88,901)	(77,567)	(23)	(407)	-	-	(88,924)	(77,974)
Other operating expenses	(996)	(178)	-	-	-	-	(996)	(178)
	(114,458)	(99,661)	(879)	(2,004)	-	-	(115,337)	(101,665)
	(38,025)	(9,310)	(1,712)	9,810	-	-	(39,737)	500
Other operating income	40,465	50,910	-	-	-	-	40,465	50,910
Profit from operations	2,440	41,600	(1,712)	9,810	-	-	728	51,410
Finance cost	(33,250)	(21,646)	(32)	(50)	-	-	(33,282)	(21,696)
Profit/(loss) before taxation and unallocated income and expenses	(30,810)	19,954	(1,744)	9,760	-	-	(32,554)	29,714
Unallocated income and expenses:								
Share of profit / (loss) from associated companies							(154)	(6,142)
Taxation							(45,207)	(15,345)
Profit/(loss) after taxation							(77,915)	8,227

11.2 Reconciliation of reportable segment assets and liabilities:

(RUPEES IN THOUSAND)

	Textiles		Trading		CONSOLIDATED	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 December 2018	30 June 2018	31 December 2018	30 June 2018	31 December 2018	30 June 2018
Total assets for reportable segments	**5,759,708**	5,306,649	**1,340**	8,084	**5,761,048**	5,314,733
Unallocated assets :						
Deferred income tax - asset					**15,932**	20,035
Total assets as per balance sheet					**5,776,980**	5,334,768
Total liabilities for reportable segments	**2,122,739**	1,597,140	**5,011**	-	**2,127,750**	1,597,140
Unallocated liabilities:						
Provision for taxation					**42,329**	33,821
Total liabilities as per balance sheet					**2,170,079**	1,630,961

12. TRANSACTIONS WITH RELATED PARTIES

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

(Un-audited)

	Half year ended		Quarter ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	(RUPEES IN THOUSAND)			
i) Transactions				
Associated companies				
Dividend paid	**33**	-	**33**	-
Service charges	**11,253**	11,083	**1,300**	1,206
Bonus shares received (Shares)	**-**	27,580	**-**	27,580
Other related parties				
Loans received from/(repaid to) Chief Executive Officer, Directors, Executives and Sponsors -net	**18,094**	31,997	**11,793**	(74)
Dividend paid	**470**	-	**470**	-
Remuneration paid to Chief Executive Officer, Directors and Executives	**28,384**	26,203	**14,332**	12,812

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

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on February 27, 2019 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	ABID MEHMOOD	SAMI ULLAH CH.
CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

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