



COLONY TEXTILE MILLS
L I M I T E D

Condensed Interim
FINANCIAL INFORMATION
for the half year ended
December 31, 2019
(un-audited)



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COMPANY INFORMATION

Board Of Directors

Mr. Mughis A. Sheikh	(Chairman)
Mr. Fareed Mughis Sheikh	(Chief Executive Officer)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	
Mr. Muhammad Ashraf Saif	
Mr. Abdul Hakeem Khan Qasuria	
Mr. Muhammad Ikram ul Haq	

Board Committees

Audit Committee

Mr. Muhammad Ashraf Saif	(Chairman)
Mr. Muhammad Atta ullah Khan	
Mr. Abdul Hakeem Khan Qasuria	

HR & Remuneration Committee

Mr. Muhammad Ashraf Saif	(Chairman)
Mr. Muhammad Ikram ul Haq	
Mr. Abdul Hakeem Khan Qasuria	

Other Management Committees

Executive Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Muhammad Atta ullah Khan	

Technical Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Tariq	
Mr. Muhammad Shoaib Khan	

Finance Committee

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Atta Mohyuddin Khan	
Mr. Bilal Ahmad Khan Niazi	

Social Compliance & Human Resource Committees

Mr. Fareed Mughis Sheikh	(Chairman)
Mr. Muhammad Atta ullah Khan	
Mr. Atta Mohyuddin Khan	

Chief Financial Officer

Mr. Atta Mohyuddin Khan

Company Secretary

Mr. Muhammad Abid

Auditors

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

Legal Advisor

BNR
Advocates and Corporate Counsel

Tax Advisor

Riaz Ahmad & Company
Chartered Accountants

Registered Address

M. Ismail Aiwan-e-Science Building
205 Ferozpur Road, Lahore-54600
Phone : 042-35758970-2
Fax : 042-35763247
Email : corporate@colonytextiles.com
Website: www.colonytextiles.com

Share Registrar

Hameed Majeed Associates (Pvt.) Limited
HM House, 7 Bank Square
Lahore.
Phone: (042) 37235081-2, Fax: 042-37358817
Email : shares@hmaconsultants.com

Bankers

BankIslami Pakistan Limited
Meezan Bank Limited
Faysal Bank Limited
Habib Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Silk Bank Limited
The Bank of Punjab
United Bank Limited
Summit Bank Limited

DIRECTORS' REVIEW

Dear Members,

It is our pleasure to present here our interim condensed financial statements for the half year ended December 31, 2019 duly reviewed by statutory auditors.

Your company has achieved net turnover of Rs. 9,355 million for the half year (2018: Rs. 10,058 million) and earned gross profit of Rs. 721 million as compared with Rs. 706 million for the same period of the last year. The net profit for the period is Rs. 0.499 million compared with profit of Rs. 462 million for the same period of last year and consequently earnings per share is Rs. 0.01 (2018: Earnings per share Rs. 0.93).

Financial performance of the textile sector did not improve much during the first half of the current financial year as reduction in sales volume was strongly observed. The current year started with a big blow of withdrawal of textile industry's Zero Rated status. Imposition of 17% sales tax along with 3% further tax with significant increase in Interest and utility rates resulted in notable impairment in business volume and bottom line of the textile business. Various measures taken by the FBR to collect and increase tax revenue, especially the condition of National ID cards on domestic sales, caused a lot of hardship and made a significant dent in domestic sales and margins.

Continued USA/China trade tension and slowing global economy is resulting in reduced product demand . Worsened Pakistan/India relations and resultant ban on imports clubbed with domestic cotton crop failure has also resulted in import of more expensive raw materials.

Stitchrite (Pvt.) Limited, wholly owned subsidiary

Your company has incorporated an export oriented wholly owned subsidiary by the name of "Stitchrite (Private) Limited" for the manufacturing and exports of garments. We are currently in the process of importing plant and machinery and are optimistic to start commercial production by the end of this financial year. We are very hopeful that this would be a significant step towards value addition and increased exports.

Future Prospects

The epidemic of Corona virus is rapidly spreading in many countries and victims are increasing day by day. The impact of this situation is very serious and global markets are reacting strongly. If this unfortunate condition does not get controlled shortly the global demand would shrink and impact volumes and margins.

We foresee challenges ahead due to dull economic conditions, lack of good governance and policy implementation on the home front and slow-down in the global economies. The only silver lining are some positive macro-economic reports from the Government and international organizations on Pakistan's economy. Though we are unable to feel the impact as yet but strongly hope to see visible signs in months ahead.

Your management is committed towards continuous performance improvement through better marketing, product development and innovation, improved capacity utilization and better supply chain management. We are very hopeful for further improvement in the performance of the company in the times to come.

We would like to place on record our deep appreciation for our bankers for their support, our executives and officers for their untiring efforts and especially our staff and workers for their hard work and sincerity to the company.

For and on behalf of the board



Muhammad Ikram ul Haq
Director



Fareed Mughis Sheikh
Chief Executive Officer

Lahore
February 29, 2020



Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants
 71-C-3, Gulberg-III, Lahore 54660-Pakistan.

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Independent Auditor's Review Report
To the members of Colony Textile Mills Limited
Report on Review of Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Colony Textile Mills Limited** ("the company") as at December 31, 2019 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 ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial statements in accordance with approved 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 December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2019.

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 approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Shahid Mehmood**.

Tariq Abdul Ghani Maqbool

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

Dated: February 29, 2020
Lahore

Tariq Abdul Ghani Maqbool & Co., a Partnership firm registered in Pakistan and an independent member of Geneva Group International (GGI), a Swiss entity.

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**

AS AT DECEMBER 31, 2019

		31-Dec-19 (Rupees in '000')	30-Jun-19 (Rupees in '000')
	Note	Un-audited	Audited
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
530,000,000 (30 June 2019: 530,000,000)			
ordinary shares of Rs. 10 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Director's loan		385,187	385,187
General reserves		4,702	4,702
Unappropriated profit		1,198,468	1,197,969
Surplus on remeasurement of investments		1,220	986
		9,745,659	9,744,926
Non Current Liabilities			
Long term financing	6	7,463,232	7,671,380
Liabilities against assets subject to finance lease		7,574	10,787
Deferred liabilities		4,658,889	4,271,326
		12,129,695	11,953,493
Current Liabilities			
Trade and other payables		1,133,241	1,058,672
Short term borrowings	7	3,205,007	3,188,296
Accrued mark-up		205,471	309,783
Unclaimed dividend		94	94
Current portion of long term liabilities		725,235	640,975
Provision for taxation		113,478	277,024
		5,382,526	5,474,844
Contingencies and commitments	8	-	-
		27,257,880	27,173,263
ASSETS			
Non Current Assets			
Property, plant and equipment	9	18,278,955	18,461,959
Investment property		629,886	629,886
Long term investments	10	232,708	191,341
Long term deposits		51,132	51,132
		19,192,681	19,334,318
Current Assets			
Stores, spare parts and loose tools		214,308	397,346
Stock in trade	11	4,945,507	4,705,937
Trade debts		983,285	997,955
Loans and advances		720,716	502,000
Trade deposits and short term prepayments		129,287	233,660
Other financial assets	12	18	18
Tax refunds due from the government		1,036,653	964,742
Cash and bank balances		35,425	37,287
		8,065,199	7,838,945
		27,257,880	27,173,263

The annexed notes from 01 to 21 form an integral part of these unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Note	Half year ended 31-Dec		Quarter ended 31-Dec	
		2019	2018	2019	2018
		(Rupees in '000')		(Rupees in '000')	
Sales - net	13	9,355,355	10,057,557	5,540,440	5,405,032
Cost of sales	14	(8,634,650)	(9,351,557)	(4,862,978)	(5,051,523)
Gross profit		720,705	706,000	677,462	353,509
Operating expenses:					
Distribution cost		(120,528)	(121,586)	(79,875)	(70,842)
Administrative expenses		(194,933)	(180,421)	(134,570)	(134,085)
		(315,461)	(302,007)	(214,445)	(204,927)
Operating profit		405,244	403,993	463,017	148,582
Finance cost		(501,467)	(570,962)	(281,955)	(379,309)
Other operating charges	15	-	(79,897)	-	(78,209)
		(501,467)	(650,859)	(281,955)	(457,518)
Other income	16	150,844	784,886	51,528	773,939
Profit before taxation		54,621	538,020	232,590	465,003
Taxation		(54,122)	(76,194)	(6,962)	(19,034)
Net profit for the period		499	461,826	225,628	445,969
Earnings per share - basic and diluted (Rupees)		0.01	0.93	0.45	0.90

The annexed notes from 01 to 21 form an integral part of these unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

Note	Half year ended 31-Dec		Quarter ended 31-Dec	
	2019	2018	2019	2018
	(Rupees in '000')		(Rupees in '000')	
Profit for the period	499	461,826	225,628	445,969
Other comprehensive income:				
Items that may be reclassified to profit or loss statement:				
- Surplus on revaluation of investment property	-	6,950	-	-
- Net fair value gain / (loss) on investment measured at FVTOCI	234	(94)	234	(94)
Total comprehensive income for the period	733	468,682	225,862	445,875

The annexed notes from 01 to 21 form an integral part of these unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')
	Un-audited	Un-audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	54,621	538,020
Adjustments for:		
Provision for staff retirement benefits	78,000	30,003
Depreciation on operating assets	428,207	422,996
Finance cost	501,467	570,962
(Profit) / loss from investment in IMSL	(40,133)	78,204
Gain on settlement with banks	(91,165)	(774,016)
(Profit) / loss on remeasurement of investments	(1)	5
Gain on disposal of property, plant and equipment	(3,506)	(2,223)
	872,869	325,931
Operating cash flows before working capital changes	927,490	863,951
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	183,038	65,245
Stock in trade	(239,570)	(31,697)
Trade debts	14,670	(82,733)
Loans, advances, deposits and other receivables	(114,343)	(69,104)
Increase / (decrease) in current liabilities:		
Trade and other payables	(140,372)	(73,645)
	(296,577)	(191,934)
Cash generated from operating activities	630,913	672,017
Finance cost paid	(169,514)	(61,994)
Staff retirement benefits paid	(35,537)	(23,004)
Income tax paid	(74,637)	(59,045)
	(279,688)	(144,043)
Net cash generated from operating activities	351,225	527,974
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(248,144)	(349,293)
Proceeds from disposal of property, plant and equipment	6,447	5,175
Long term investment	(1,000)	-
Net cash used in investing activities	(242,697)	(344,118)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances repaid	(117,603)	(125,958)
Lease finance - net	(9,498)	(4,059)
Short term borrowings - net	16,711	(52,892)
Net cash used in financing activities	(110,390)	(182,909)
Net (decrease) / increase in cash and cash equivalents	(1,862)	947
Cash and cash equivalents at beginning of the period	37,287	38,412
Cash and cash equivalents at end of the period	35,425	39,359

The annexed notes from 01 to 21 form an integral part of these unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**UNCONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Ordinary share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Director's loan	Revenue reserves		Surplus/Deficit on remeasurement of investments	Total
					General reserves	Unappropriated profit / (loss)		

Rupees in ('000')

Balance as at 01 July 2018 (audited) 4,980,100 3,156,388 12,644 120,000 4,702 (228,300) 1,080 8,046,614

Total comprehensive income:

Profit for the half year ended 31 December 2018

-	-	-	-	-	-	461,826	-	461,826
-	-	6,950	-	-	-	-	-	6,950
-	-	-	-	-	-	-	(94)	(94)

Other comprehensive income:

- Surplus on revaluation of investment property

- Net fair value gain on investment measured at FVTOCI

Total comprehensive income for the period

- - 6,950 - - 461,826 (94) 468,682

Balance as at 31 December 2018 (un-audited)

4,980,100 3,156,388 19,594 120,000 4,702 233,526 986 8,515,296

Total comprehensive income:

Profit for the half year ended 30 June 2019

-	-	-	-	-	-	973,959	-	973,959
-	-	-	-	-	-	(9,516)	-	(9,516)

Other comprehensive income:

- Remeasurement of defined benefit obligation

Total comprehensive income for the period

- - - - - 964,443 - 964,443

Director's loan received during the period

- - - 265,187 - - - 265,187

Balance as at 01 July 2019 (audited)

4,980,100 3,156,388 19,594 385,187 4,702 1,197,969 986 9,744,926

Total comprehensive income:

Profit for the half year ended 31 December 2019

-	-	-	-	-	-	499	-	499
-	-	-	-	-	-	-	234	234

Other comprehensive income:

- Net fair value gain on investment measured at FVTOCI

Total comprehensive income for the period

- - - - - 499 234 733

Balance as at 31 December 2019 (un-audited)

4,980,100 3,156,388 19,594 385,187 4,702 1,198,468 1,220 9,745,659

The annexed notes from 01 to 21 form an integral part of these unconsolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.01** Colony Textile Mills Limited ("the Company") is a public company limited by shares incorporated in Pakistan on 12 January 2011. The Company is listed on Pakistan Stock Exchange Limited. The company's registered office is located at M. Ismail Aiwan-i-Science Building, Ferozepur Road, Lahore, Pakistan. The principal activity of the company is manufacturing and sale of yarn, fabrics, garments made ups and trading in real estate.

Geographical location and addresses of major business units including mills/plants of the Company are as under:

Location	Purpose
M. Ismail Aiwan-i-Science Building, Ferozepur Road, Lahore.	Head Office
4km Raiwind Manga Road, Raiwind, District Kasur.	Weaving unit
Sher Shah Road Ismailabad, Multan.	Spinning unit

- 1.02** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary has been accounted for at cost less accumulated impairment losses, if any.

The Company has the following wholly-owned subsidiary company:

- Stitchrite (Private) Limited	Effective shareholding % 100.00
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2. BASIS OF PREPARATION

2.01 Statement of Compliance

- (a) 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- (b) These unconsolidated condensed interim financial statements comprise the unconsolidated condensed interim statement of financial position of the company as at December 31, 2019 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 together with notes forming part thereof.
- (c) These unconsolidated condensed interim financial statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- (d) These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended June 30, 2019. Comparative unconsolidated condensed interim statement of financial position has been extracted from annual financial statements for the year ended June 30, 2019, whereas comparatives for unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows and related notes for the half year ended December 31, 2018 have been subjected to review but not audited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the preceding year ended 30 June 2019 except those that stated in note 3.01(a) and 3.01(b) below.

3.01 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

- (a) The Company has initially adopted IFRS 16 – “Leases” from July 01, 2019. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result the Company, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at July 01, 2019. Accordingly, the comparative information presented has not been restated.

IFRS 16 establishes principle for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that leases provide relevant information that faithfully represents those transaction. The standard provides a single accounting model, requiring lessee to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value and also the distinction between operating and finance leases is removed.

Under IFRS 16, assets leased by the company are being recognized on the statement of financial position of the company with a corresponding liability. As a rule, lease expenses are no longer recorded in the statement of profit or loss from July 01, 2019. Instead, depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities.

However, the application of IFRS 16 does not have any material impact on the Company's books of account.

- (b) During the period company incorporated wholly owned subsidiary, the investments in subsidiary company are stated at cost less impairment loss, if any, in accordance with the provision of IAS 27 "Separate Financial Statements". In making an estimates of recoverable amount of company's investment in subsidiary the management considers future cashflows.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this unconsolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this unconsolidated condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2019.

5. PRESENTATION AND FUNCTIONAL CURRENCY

The unconsolidated condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

		31-Dec-19 (Rupees in '000')	30-Jun-19 (Rupees in '000')
6. LONG TERM FINANCING	Note	Un-audited	Audited
From banking companies - Secured		8,151,820	8,269,424
Current portion shown under current liabilities		(688,588)	(598,044)
		<u>7,463,232</u>	<u>7,671,380</u>

7. SHORT TERM BORROWINGS - SECURED

Short term finances availed from various banking companies / other financial institutions under mark-up arrangements aggregate to Rs. 3,205 million (30 June 2019: Rs. 3,188 million).

8. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments as reported in the audited annual financial statements for the year ended 30 June 2019.

		31-Dec-19 (Rupees in '000')	30-Jun-19 (Rupees in '000')
	Note	Un-audited	Audited
9. PROPERTY, PLANT AND EQUIPMENT			
Operating assets - owned	9.01	18,049,120	18,211,616
Right of use assets	9.02	115,717	118,684
Capital work in progress	9.03	114,118	131,659
		<u>18,278,955</u>	<u>18,461,959</u>
9.01 Operating assets - owned			
Opening book value		18,211,616	18,271,453
Additions during the period / year:			
Building on freehold land		664	21,306
Plant, machinery and equipment		154,319	492,586
Factory tools and equipment		154	1,633
Furniture and fixtures		1,726	2,389
Office and hospital equipment		1,604	3,558
Vehicles		7,081	46,108
		165,548	567,580
Transfer from capital work in progress during the period / year		100,137	344,766
Book value of assets transferred from right of use assets		-	2,509
Book value of assets disposed off during the period / year		(2,941)	(131,468)
Depreciation charge for the period / year		(425,240)	(843,224)
Closing book value		<u>18,049,120</u>	<u>18,211,616</u>
9.02 Right-of-use assets			
Opening net book value (NBV)		118,684	127,439
Transferred to operating assets		-	(2,509)
Depreciation charge for the period / year		(2,967)	(6,246)
Closing net book value (NBV)		<u>115,717</u>	<u>118,684</u>
9.03 Capital work-in-progress			
Balance at the beginning		131,659	96,428
Addition during the period / year		82,596	379,997
		214,255	476,425
Transfer to operating assets			
- Building on freehold land		(30,105)	(45,407)
- Plant, machinery and equipment		(70,032)	(299,359)
		<u>114,118</u>	<u>131,659</u>
Breakup of the closing balance of capital work-in-progress			
The details are as under:			
Plant and machinery		98,955	40,991
Civil work		15,163	90,668
		<u>114,118</u>	<u>131,659</u>
10. LONG TERM INVESTMENTS			
At fair value through statement of profit or loss designated on initial recognition			
- Investment in Imperial Sugar Limited		230,013	189,880
At fair value through other comprehensive income		1,695	1,461
Investment in wholly owned subsidiary			
- Investment in Stitchrite (Private) Limited	10.01	1,000	-
		<u>232,708</u>	<u>191,341</u>

10.01 Stitchrite (Private) Limited is a private company incorporated in Pakistan. As of the statement of financial position date the company owns 100 percent shareholding of Stitchrite (Private) Limited.

11. STOCK IN TRADE		31-Dec-19 (Rupees in '000')	30-Jun-19 (Rupees in '000')
	Textile	Un-audited	Audited
	Raw material	1,822,293	2,000,067
	Work in process	549,809	450,135
	Finished goods	2,408,405	2,090,735
		4,780,507	4,540,937
	Real Estate Business		
	Land held for development and resale	165,000	165,000
		4,945,507	4,705,937

12. OTHER FINANCIAL ASSETS

Other financial assets	12.01	18	18
------------------------	-------	----	----

12.01 These include shares of listed companies classified at fair value through statement of profit or loss.

31-Dec-19	30-Jun-19	Quoted - at fair value		
No. of shares				
89	89	Oil and Gas Development Company Limited	12	12
250	250	Maple Leaf Cement Factory Limited	6	6
339	339		18	18

13. SALES - NET	Note	Half year ended		Quarter ended	
		31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')
Local		7,941,296	9,053,813	4,962,166	4,853,209
Export		1,437,620	1,031,224	587,546	566,019
		9,378,916	10,085,037	5,549,712	5,419,228
Commission		(23,561)	(27,480)	(9,272)	(14,196)
		9,355,355	10,057,557	5,540,440	5,405,032

14. COST OF SALES

Raw material consumed	5,668,357	6,378,166	1,894,622	3,442,075
Stores consumed	411,350	359,602	224,196	209,794
Staff salaries, wages and benefits	1,027,730	857,480	549,159	544,807
Power and fuel	1,414,841	1,257,946	785,326	605,073
Insurance	38,355	29,148	19,268	16,830
Depreciation	421,254	416,122	210,697	208,072
Other factory overheads	70,107	27,867	42,916	19,936
	9,051,994	9,326,331	3,726,184	5,046,587
Work in process:				
Opening	450,135	453,260	433,863	448,200
Closing	(549,809)	(451,250)	(549,809)	(451,250)
	(99,674)	2,010	(115,946)	(3,050)
Cost of goods manufactured	8,952,320	9,328,341	3,610,238	5,043,537
Finished goods:				
Opening	2,090,735	3,815,935	3,661,145	3,800,705
Closing	(2,408,405)	(4,002,935)	(2,408,405)	(4,002,935)
	(317,670)	(187,000)	1,252,740	(202,230)
Real estate				
Opening	165,000	496,747	165,000	496,747
Closing	(165,000)	(286,531)	(165,000)	(286,531)
	-	210,216	-	210,216
Cost of sales	8,634,650	9,351,557	4,862,978	5,051,523

	Half year ended		Quarter ended	
	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')
15. OTHER OPERATING CHARGES				
Loss on remeasurement of investments in IMSL	-	78,204	-	78,204
Exchange loss - realised	-	1,688	-	-
Loss on remeasurement of investments	-	5	-	5
	-	79,897	-	78,209
16. OTHER INCOME				
Income from financial assets:				
Profit on deposits with banks	3,146	2,410	2,169	1,597
Gain on remeasurement of investments	40,134	-	40,134	-
Exchange gain realised	2,133	-	1,439	632
Income from other than financial assets:				
Gain on disposal of property, plant and equipment	3,506	2,223	1,275	1,655
Gain on settlement with banks	91,165	774,016	-	774,016
Miscellaneous income / (loss)	10,760	6,237	6,511	(3,961)
	150,844	784,886	51,528	773,939

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary, associated companies, other related companies, key management personnel, and provident fund trust. The Company in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:

Related parties	Half year ended		Quarter ended	
	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')
Subsidiary:				
- Advances to subsidiary	1,701	-	1,701	-
- Investment in subsidiary	1,000	-	1,000	-
Provident Fund Trust:				
- Contribution to Provident Fund Trust	12,341	10,088	7,340	5,087

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The unconsolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended 30 June 2019.

The carrying value of all financial assets and liabilities reflected in the unconsolidated condensed interim financial information approximate their fair value.

18.01 Fair value hierarchy

Following are three levels in fair value hierarchy that reflect the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has financial assets at fair value of Rs. 232 million (June 30, 2019: 190.67 million) which is valued under level 1 valuation method. The Company does not have any investment in level 2 and 3 category.

19. SEGMENT INFORMATION

The Company has two reportable business segments. The following summary describes the operation in each of the company's reportable segments:

- Spinning: Production of different qualities of yarn using cotton and man-made fibres.
- Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.

Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.

Spinning		Half year ended		Total Company	
		Weaving			
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18

----- Rupees in '000' -----

Sales:

Total sales	7,217,199	8,070,496	2,360,582	1,761,331	9,577,781	9,831,827
Inter segment	(222,426)	(116,620)	-	-	(222,426)	(116,620)
External sales	6,994,773	7,953,876	2,360,582	1,761,331	9,355,355	9,715,207
Cost of sales	(6,430,790)	(7,520,718)	(2,203,860)	(1,620,623)	(8,634,650)	(9,141,341)
Gross profit	563,983	433,158	156,722	140,708	720,705	573,866
Distribution cost	(72,317)	(72,952)	(48,211)	(48,634)	(120,528)	(121,586)
Administrative expenses	(116,960)	(110,252)	(77,973)	(70,168)	(194,933)	(180,420)
	(189,277)	(183,204)	(126,184)	(118,802)	(315,461)	(302,006)
	374,706	249,954	30,538	21,906	405,244	271,860
Finance cost	(300,880)	(342,577)	(200,587)	(228,385)	(501,467)	(570,962)
	73,826	(92,623)	(170,049)	(206,479)	(96,223)	(299,102)

Unallocated income and expenses:

Gain on sale of real estate inventory					-	132,134
Other operating charges					-	(79,897)
Other income					150,844	784,886
Profit / (loss) before tax					54,621	538,021
Taxation					(54,122)	(76,194)
Profit / (loss) for the period					499	461,827
Other comprehensive income:						
Surplus on revaluation of investment property					-	6,950
Profit / (loss) on remeasurement of investments					234	(94)
Total comprehensive profit for the period					733	468,683

Spinning		Quarter ended		Total Company	
		Weaving			
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18

----- Rupees in '000' -----

Sales:

Total sales	4,507,944	4,260,758	1,161,125	862,543	5,669,069	5,123,301
Inter segment	(128,629)	(60,619)	-	-	(128,629)	(60,619)
External sales	4,379,315	4,200,139	1,161,125	862,543	5,540,440	5,062,682
Cost of sales	(3,847,787)	(4,040,691)	(1,015,191)	(800,616)	(4,862,978)	(4,841,307)
Gross profit	531,528	159,448	145,934	61,927	677,462	221,375
Distribution cost	(47,925)	(38,431)	(31,950)	(32,411)	(79,875)	(70,842)
Administrative expenses	(80,742)	(77,817)	(53,828)	(56,267)	(134,570)	(134,084)
	(128,667)	(116,248)	(85,778)	(88,678)	(214,445)	(204,926)
	402,861	43,200	60,156	(26,751)	463,017	16,449
Finance cost	(169,173)	(214,169)	(112,782)	(165,140)	(281,955)	(379,309)
	233,688	(170,969)	(52,626)	(191,891)	181,062	(362,860)

Unallocated income and expenses:

Gain on sale of real estate inventory					-	132,134
Other operating charges					-	(79,897)
Other income					51,528	775,627
Profit / (loss) before tax					232,590	465,004
Taxation					(6,962)	(19,034)
Profit / (loss) for the period					225,628	445,970
Other comprehensive income:						
Profit / (loss) on remeasurement of investments					234	(94)
Total comprehensive profit for the period					225,862	445,876

Reconciliation of reportable segment assets and liabilities

Spinning		Weaving		Total Company	
31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19

----- Rupees in '000' -----

Total assets for reportable segments	10,053,425	10,266,809	8,225,530	8,195,150	18,278,955	18,461,959
Unallocated assets:						
Investment property					629,886	629,886
Long term investments					232,708	191,341
Cash and bank balances					35,425	37,287
Other corporate assets					8,080,906	7,852,790
Total assets as per balance sheet					<u>27,257,880</u>	<u>27,173,263</u>
Unallocated liabilities:						
Directors' subordinated loan					385,187	385,187
Provision for taxation					113,478	277,024
Other corporate liabilities					26,759,215	26,511,052
Total liabilities as per balance sheet					<u>27,257,880</u>	<u>27,173,263</u>

20. DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial statements was authorized for issue on February 29, 2020 by the Board of Directors of the Company.

21. GENERAL

The figures of unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the half year ended 31 December 2019 and 2018 were subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

- Corresponding figures have been re-arranged, wherever necessary, to the facilitation of comparison.
- Figures in this unconsolidated condensed interim financial information have been rounded-off to the nearest rupee in thousand except where stated otherwise.



Chief Financial Officer



Director



Chief Executive Officer

COLONY TEXTILE MILLS LIMITED

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2019**

	Note	31-Dec-19 (Rupees in '000') Un-audited	30-Jun-19 (Rupees in '000') Audited
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
530,000,000 (30 June 2019: 530,000,000)			
ordinary shares of Rs. 10 each		5,300,000	5,300,000
Issued, subscribed and paid up capital		4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
Revaluation surplus on property, plant and equipment		19,594	19,594
Director's loan		385,187	385,187
General reserves		4,702	4,702
Unappropriated profit		1,198,440	1,197,969
Surplus on remeasurement of investments		1,220	986
		9,745,631	9,744,926
Non Current Liabilities			
Long term financing	6	7,463,232	7,671,380
Liabilities against assets subject to finance lease		7,574	10,787
Deferred liabilities		4,658,889	4,271,326
		12,129,695	11,953,493
Current Liabilities			
Trade and other payables		1,133,241	1,058,672
Short term borrowings	7	3,205,007	3,188,296
Accrued mark-up		205,471	309,783
Unclaimed dividend		94	94
Current portion of long term liabilities		725,235	640,975
Provision for taxation		113,478	277,024
		5,382,526	5,474,844
Contingencies and commitments	8	-	-
		27,257,852	27,173,263
ASSETS			
Non Current Assets			
Property, plant and equipment	9	18,278,955	18,461,959
Investment property		629,886	629,886
Long term investments	10	231,708	191,341
Long term deposits		51,132	51,132
		19,191,681	19,334,318
Current Assets			
Stores, spare parts and loose tools		214,308	397,346
Stock in trade	11	4,945,507	4,705,937
Trade debts		983,285	997,955
Loans and advances		720,688	502,000
Trade deposits and short term prepayments		129,287	233,660
Other financial assets	12	18	18
Tax refunds due from the government		1,036,657	964,742
Cash and bank balances		36,421	37,287
		8,066,171	7,838,945
		27,257,852	27,173,263

The annexed notes from 01 to 21 form an integral part of these consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Note	Half year ended 31-Dec		Quarter ended 31-Dec	
		2019	2018	2019	2018
		(Rupees in '000')		(Rupees in '000')	
Sales - net	13	9,355,355	10,057,557	5,540,440	5,405,032
Cost of sales	14	(8,634,650)	(9,351,557)	(4,862,978)	(5,051,523)
Gross profit		720,705	706,000	677,462	353,509
Operating expenses:					
Distribution cost		(120,528)	(121,586)	(79,875)	(70,842)
Administrative expenses		(194,960)	(180,421)	(134,597)	(134,085)
		(315,488)	(302,007)	(214,472)	(204,927)
Operating profit		405,217	403,993	462,990	148,582
Finance cost		(501,468)	(570,962)	(281,956)	(379,309)
Other operating charges	15	-	(79,897)	-	(78,209)
		(501,468)	(650,859)	(281,956)	(457,518)
Other income	16	150,844	784,886	51,528	773,939
Profit before taxation		54,593	538,020	232,562	465,003
Taxation		(54,122)	(76,194)	(6,962)	(19,034)
Net profit for the period		471	461,826	225,600	445,969
Earnings per share - basic and diluted (Rupees)		0.01	0.93	0.45	0.90

The annexed notes from 01 to 21 form an integral part of these consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

Note	Half year ended 31-Dec		Quarter ended 31-Dec	
	2019	2018	2019	2018
	(Rupees in '000')		(Rupees in '000')	
Profit for the period	471	461,826	225,600	445,969
Other comprehensive income:				
Items that may be reclassified to profit or loss statement:				
- Surplus on revaluation of investment property	-	6,950	-	-
- Net fair value gain / (loss) on investment measured at FVTOCI	234	(94)	234	(94)
Total comprehensive income for the period	705	468,682	225,834	445,875

The annexed notes from 01 to 21 form an integral part of these consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')
	Un-audited	Un-audited
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	54,593	538,020
Adjustments for:		
Provision for staff retirement benefits	78,000	30,003
Depreciation on operating assets	428,207	422,996
Finance cost	501,468	570,962
(Profit) / loss from investment in IMSL	(40,133)	78,204
Gain on settlement with banks	(91,165)	(774,016)
(Profit) / loss on remeasurement of investments	(1)	5
Gain on disposal of property, plant and equipment	(3,506)	(2,223)
	872,870	325,931
Operating cash flows before working capital changes	927,463	863,951
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	183,038	65,245
Stock in trade	(239,570)	(31,697)
Trade debts	14,670	(82,733)
Loans, advances, deposits and other receivables	(114,315)	(69,104)
Increase / (decrease) in current liabilities:		
Trade and other payables	(140,372)	(73,645)
	(296,549)	(191,934)
Cash generated from operating activities	630,914	672,017
Finance cost paid	(169,514)	(61,994)
Staff retirement benefits paid	(35,537)	(23,004)
Income tax paid	(74,642)	(59,045)
	(279,693)	(144,043)
Net cash generated from operating activities	351,221	527,974
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(165,548)	(349,293)
Proceeds from disposal of property, plant and equipment	(76,149)	5,175
Net cash used in investing activities	(241,697)	(344,118)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances repaid	(117,603)	(125,958)
Lease finance - net	(9,498)	(4,059)
Short term borrowings - net	16,711	(52,892)
Net cash used in financing activities	(110,390)	(182,909)
Net (decrease) / increase in cash and cash equivalents	(866)	947
Cash and cash equivalents at beginning of the period	37,287	38,412
Cash and cash equivalents at end of the period	36,421	39,359

The annexed notes from 01 to 21 form an integral part of these consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Ordinary share capital	Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment	Director's loan	Revenue reserves		Surplus/Deficit on remeasurement of investments	Total
					General reserves	Unappropriated profit / (loss)		
Rupees in ('000')								
Balance as at 01 July 2018 (audited)	4,980,100	3,156,388	12,644	120,000	4,702	(228,300)	1,080	8,046,614
Total comprehensive income:								
Profit for the half year ended 31 December 2018	-	-	-	-	-	461,826	-	461,826
Other comprehensive income:								
- Surplus on revaluation of investment property	-	-	6,950	-	-	-	-	6,950
- Net fair value gain on investment measured at FVTOCI	-	-	-	-	-	-	(94)	(94)
Total comprehensive income for the period	-	-	6,950	-	-	461,826	(94)	468,682
Balance as at 31 December 2018 (un-audited)	4,980,100	3,156,388	19,594	120,000	4,702	233,526	986	8,515,296
Total comprehensive income:								
Profit for the half year ended 30 June 2019	-	-	-	-	-	973,959	-	973,959
Other comprehensive income:								
- Remeasurement of defined benefit obligation	-	-	-	-	-	(9,516)	-	(9,516)
Total comprehensive income for the period	-	-	-	-	-	964,443	-	964,443
Director's loan received during the period	-	-	-	265,187	-	-	-	265,187
Balance as at 01 July 2019 (audited)	4,980,100	3,156,388	19,594	385,187	4,702	1,197,969	986	9,744,926
Total comprehensive income:								
Profit for the half year ended 31 December 2019	-	-	-	-	-	471	-	471
Other comprehensive income:								
- Net fair value gain on investment measured at FVTOCI	-	-	-	-	-	-	234	234
Total comprehensive income for the period	-	-	-	-	-	471	234	705
Balance as at 31 December 2019 (un-audited)	4,980,100	3,156,388	19,594	385,187	4,702	1,198,440	1,220	9,745,631

The annexed notes from 01 to 21 form an integral part of these consolidated condensed interim financial information.



Chief Financial Officer



Director



Chief Executive Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

1. THE GROUP AND ITS OPERATIONS

The group consists of Colony Textile Mills Limited ("the Holding Company") and its subsidiary company Stitchrite (Private) Limited. Brief profile of the Holding Company and its Subsidiary Company are as follows:

1.01 COLONY TEXTILE MILLS LIMITED

Colony Textile Mills Limited ("the Holding Company") is a public company limited by shares incorporated in Pakistan on 12 January 2011. The Company is listed on Pakistan Stock Exchange Limited. The Holding Company's registered office is located at M. Ismail Aiwan-i-Science Building, Ferozpur Road, Lahore, Pakistan. The principal activity of the Holding Company is manufacturing and sale of yarn, fabrics, garments made ups and trading in real estate.

1.02 STITCHRITE (PRIVATE) LIMITED

Stitchrite (Private) Limited was incorporated in Pakistan as on 11 October 2019 under Companies Act, 2017 (XIX of 2017) limited by shares. The registered office of the Company is located at 221-2nd Floor, Karachi Cotton Association Building, I.I. Chundrigar Road, Karachi, North Karachi Town Sindh 74000. The Company is principally engaged in general trading and manufacturing of textile products.

- Stitchrite (Private) Limited

Effective Shareholding %
100

2. BASIS OF PREPARATION

2.01 Statement of Compliance

- (a) These consolidated 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 applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
 - Provisions of and directives issued under Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- (b) These consolidated condensed interim financial statements comprise the consolidated condensed interim statement of financial position of the company as at December 31, 2019 and the related consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows together with notes forming part thereof.
- (c) These consolidated condensed interim financial statements are un-audited but subject to limited scope review by the external auditors and being submitted to the shareholders as required by the Listing Regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- (d) These consolidated condensed interim financial statements do not include all the information required in an annual financial statements. Comparative consolidated condensed interim statement of financial position has been extracted from annual financial statements of the Holding Company for the year ended June 30, 2019, whereas, comparatives for consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows and related notes for the half year ended December 31, 2018 have been extracted from financial statement of Holding company. Due to incorporation of subsidiary Company during current period, comparative figures consist of financial information of Holding Company "Colony Textile Mills Limited" only.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods/basis of computation which have been used in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the preceding year ended 30 June 2019 except those that stated in note 3.01 below.

3.01 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

The Group has initially adopted IFRS 16 – “Leases” from July 01, 2019. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result the Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at July 01, 2019. Accordingly, the comparative information presented has not been restated.

IFRS 16 establishes principle for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that leases provide relevant information that faithfully represents those transaction. The standard provides a single accounting model, requiring lessee to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value and also the distinction between operating and finance leases is removed.

Under IFRS 16, assets leased by the group are being recognized on the statement of financial position of the group with a corresponding liability. As a rule, lease expenses are no longer recorded in the statement of profit or loss from July 01, 2019. Instead, depreciation and interest expenses are recorded stemming from the newly recognized lease assets and lease liabilities.

However, the application of IFRS 16 does not have any material impact on the Group's books of account.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this consolidated condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this consolidated condensed interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2019.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2019.

5. PRESENTATION AND FUNCTIONAL CURRENCY

The consolidated condensed interim financial information is presented in Pak Rupees, which is the Group's functional and presentation currency.

	Note	31-Dec-19	30-Jun-19
		(Rupees in '000')	(Rupees in '000')
		Un-audited	Audited
6. LONG TERM FINANCING			
From banking companies - Secured		8,151,820	8,269,424
Current portion shown under current liabilities		(688,588)	(598,044)
		<u>7,463,232</u>	<u>7,671,380</u>
7. SHORT TERM BORROWINGS - SECURED			
Short term finances availed from various banking companies / other financial institutions under mark-up arrangements aggregate to Rs. 3,205 million (30 June 2019: Rs. 3,188 million).			
8. CONTINGENCIES AND COMMITMENTS			
There is no significant change in the status of contingencies and commitments as reported in the audited annual financial statements for the year ended 30 June 2019.			
9. PROPERTY, PLANT AND EQUIPMENT			
Operating assets - owned	9.01	18,049,120	18,211,616
Right of use assets	9.02	115,717	118,684
Capital work in progress	9.03	114,118	131,659
		<u>18,278,955</u>	<u>18,461,959</u>

9.01 Operating assets - owned

Opening book value 18,211,616 18,271,453

Additions during the period / year:

Building on freehold land	664	21,306
Plant, machinery and equipment	154,319	492,586
Factory tools and equipment	154	1,633
Furniture and fixtures	1,726	2,389
Office and hospital equipment	1,604	3,558
Vehicles	7,081	46,108

165,548 567,580

Transfer from capital work in progress during the period / year 100,137 344,766

Book value of assets transferred from right of use assets - 2,509

Book value of assets disposed off during the period / year (2,941) (131,468)

Depreciation charge for the period / year (425,240) (843,224)

Closing book value 18,049,120 18,211,616

9.02 Right-of-use assets

Opening net book value (NBV) 118,684 127,439

Transferred to operating assets - (2,509)

Depreciation charge for the period / year (2,967) (6,246)

Closing net book value (NBV) 115,717 118,684

9.03 Capital work-in-progress

Balance at the beginning 131,659 96,428

Addition during the period / year 82,596 379,997

214,255 476,425

Transfer to operating assets

- Building on freehold land (30,105) (45,407)

- Plant, machinery and equipment (70,032) (299,359)

114,118 131,659

Breakup of the closing balance of capital work-in-progress

The details are as under:

Plant and machinery 98,955 40,991

Civil work 15,163 90,668

114,118 131,659

10. LONG TERM INVESTMENTS

At fair value through statement of profit or loss designated on initial recognition

- Investment in Imperial Sugar Limited 230,013 189,880

At fair value through other comprehensive income 1,695 1,461

231,708 191,341

11. STOCK IN TRADE

Textile

Raw material 1,822,293 2,000,067

Work in process 549,809 450,135

Finished goods 2,408,405 2,090,735

4,780,507 4,540,937

Real Estate Business

Land held for development and resale 165,000 165,000

4,945,507 4,705,937

		31-Dec-19 (Rupees in '000') Un-audited	30-Jun-19 (Rupees in '000') Audited
12. OTHER FINANCIAL ASSETS			
Other financial assets	12.01	18	18
12.01 These include shares of listed companies classified at fair value through statement of profit or loss.			
31-Dec-19	30-Jun-19	Quoted - at fair value	
No. of shares			
89	89	Oil and Gas Development Company Limited	12
250	250	Maple Leaf Cement Factory Limited	6
<u>339</u>	<u>339</u>		<u>18</u>
			<u>18</u>
		Half year ended	Quarter ended
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
(Rupees in '000')		(Rupees in '000')	
13. SALES - NET	Note		
Local		7,941,296	9,053,813
Export		1,437,620	1,031,224
		9,378,916	10,085,037
Commission		(23,561)	(27,480)
		<u>9,355,355</u>	<u>10,057,557</u>
			<u>5,540,440</u>
			<u>5,405,032</u>
14. COST OF SALES			
Raw material consumed		5,668,357	6,378,166
Stores consumed		411,350	359,602
Staff salaries, wages and benefits		1,027,730	857,480
Power and fuel		1,414,841	1,257,946
Insurance		38,355	29,148
Depreciation		421,254	416,122
Other factory overheads		70,107	27,867
		9,051,994	9,326,331
Work in process:			
Opening		450,135	453,260
Closing		(549,809)	(451,250)
		(99,674)	2,010
			(115,946)
			(3,050)
Cost of goods manufactured		8,952,320	9,328,341
Finished goods:			
Opening stock		2,090,735	3,815,935
Closing stock		(2,408,405)	(4,002,935)
		(317,670)	(187,000)
			1,252,740
			(202,230)
Real estate			
Opening		165,000	496,747
Closing		(165,000)	(286,531)
		-	210,216
			-
Cost of sales		8,634,650	9,351,557
			4,862,978
			5,051,523
		Half year ended	Quarter ended
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
(Rupees in '000')		(Rupees in '000')	
15. OTHER OPERATING CHARGES			
Loss on remeasurement of investments in IMSL		-	78,204
Exchange loss - realised		-	1,688
Loss on remeasurement of investments		-	5
		<u>-</u>	<u>79,897</u>
			<u>-</u>
			<u>78,209</u>

16. OTHER INCOME	Half year ended		Quarter ended	
	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')
Income from financial assets:				
Profit on deposits with banks	3,146	2,410	2,169	1,597
Gain on remeasurement of investments	40,134	-	40,134	-
Exchange gain realised	2,133	-	1,439	632
Income from other than financial assets:				
Gain on disposal of property, plant and equipment	3,506	2,223	1,275	1,655
Gain on settlement with banks	91,165	774,016	-	774,016
Miscellaneous income / (loss)	10,760	6,237	6,511	(3,961)
	<u>150,844</u>	<u>784,886</u>	<u>51,528</u>	<u>773,939</u>

17. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary, other related companies, key management personnel, and provident fund trust. The Group in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:

Related parties	Half year ended		Quarter ended	
	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')	31-Dec-19 (Rupees in '000')	31-Dec-18 (Rupees in '000')
Contribution to Provident Fund Trust	12,341	10,088	7,340	5,087

18. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The consolidated condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited annual financial statements for the year ended 30 June 2019.

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Holding Company as at and for the year ended 30 June 2019.

The carrying value of all financial assets and liabilities reflected in the consolidated condensed interim financial information approximate their fair value.

18.01 Fair value hierarchy

Following are three levels in fair value hierarchy that reflect the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Group has financial assets at fair value of Rs. 231 million (June 30, 2019: 190.67 million) which is valued under level 1 valuation method. The Group does not have any investment in level 2 and 3 category.

19. SEGMENT INFORMATION

The Group has two reportable business segments. The following summary describes the operation in each of the company's reportable segments:

- Spinning: Production of different qualities of yarn using cotton and man-made fibres.

- Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.

Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.

Half year ended					
Spinning		Weaving		Total Company	
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18

Rupees in '000'

Sales:

Total sales	7,217,199	8,070,496	2,360,582	1,761,331	9,577,781	9,831,827
Inter segment	(222,426)	(116,620)	-	-	(222,426)	(116,620)
External sales	6,994,773	7,953,876	2,360,582	1,761,331	9,355,355	9,715,207
Cost of sales	(6,430,790)	(7,520,718)	(2,203,860)	(1,620,623)	(8,634,650)	(9,141,341)
Gross profit	563,983	433,158	156,722	140,708	720,705	573,866
Distribution cost	(72,317)	(72,952)	(48,211)	(48,634)	(120,528)	(121,586)
Administrative expenses	(116,976)	(110,252)	(77,984)	(70,168)	(194,960)	(180,420)
	(189,293)	(183,204)	(126,195)	(118,802)	(315,488)	(302,006)
	374,690	249,954	30,527	21,906	405,217	271,860
Finance cost	(300,881)	(342,577)	(200,587)	(228,385)	(501,468)	(570,962)
	73,809	(92,623)	(170,060)	(206,479)	(96,251)	(299,102)

Unallocated income and expenses:

Gain on sale of real estate inventory	-	132,134
Other operating charges	-	(79,897)
Other income	150,844	784,886
Profit / (loss) before tax	54,593	538,021
Taxation	(54,122)	(76,194)
Profit / (loss) for the period	471	461,827
Other comprehensive income:		
Surplus on revaluation of investment property	-	6,950
Profit / (loss) on remeasurement of investments	234	(94)
Total comprehensive profit for the period	705	468,683

Quarter ended					
Spinning		Weaving		Total Company	
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18

Rupees in '000'

Sales:

Total sales	4,507,944	4,260,758	1,161,125	862,543	5,669,069	5,123,301
Inter segment	(128,629)	(60,619)	-	-	(128,629)	(60,619)
External sales	4,379,315	4,200,139	1,161,125	862,543	5,540,440	5,062,682
Cost of sales	(3,847,787)	(4,040,691)	(1,015,191)	(800,616)	(4,862,978)	(4,841,307)
Gross profit	531,528	159,448	145,934	61,927	677,462	221,375
Distribution cost	(47,925)	(38,431)	(31,950)	(32,411)	(79,875)	(70,842)
Administrative expenses	(80,758)	(77,817)	(53,839)	(56,267)	(134,597)	(134,084)
	(128,683)	(116,248)	(85,789)	(88,678)	(214,472)	(204,926)
	402,845	43,200	60,145	(26,751)	462,990	16,449
Finance cost	(169,174)	(214,169)	(112,782)	(165,140)	(281,956)	(379,309)
	233,671	(170,969)	(52,637)	(191,891)	181,034	(362,860)

Unallocated income and expenses:

Gain on sale of real estate inventory	-	132,134
Other operating charges	-	(79,897)
Other income	51,528	775,627
Profit / (loss) before tax	232,562	465,004
Taxation	(6,962)	(19,034)
Profit / (loss) for the period	225,600	445,970
Other comprehensive income:		
Profit / (loss) on remeasurement of investments	234	(94)
Total comprehensive profit for the period	225,834	445,876

Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Total Company	
	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19
	----- Rupees in '000' -----					
Total assets for reportable segments	10,053,425	10,266,809	8,225,530	8,195,150	18,278,955	18,461,959
Unallocated assets:						
Investment property					629,886	629,886
Long term investments					231,708	191,341
Cash and bank balances					36,421	37,287
Other corporate assets					8,080,882	7,852,790
Total assets as per balance sheet					<u>27,257,852</u>	<u>27,173,263</u>
Unallocated liabilities:						
Directors' subordinated loan					385,187	385,187
Provision for taxation					113,478	277,024
Other corporate liabilities					26,759,187	26,511,052
Total liabilities as per balance sheet					<u>27,257,852</u>	<u>27,173,263</u>

20. DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial statements was authorized for issue on February 29, 2020 by the Board of Directors of the Holding Company.

21. GENERAL

The figures of consolidated condensed interim profit and loss account and consolidated condensed interim statement of comprehensive income for the half year ended 31 December 2019 and 2018 were subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

- Corresponding figures have been re-arranged, wherever necessary, to the facilitation of comparison.
- Figures in this consolidated condensed interim financial information have been rounded-off to the nearest rupee in thousand except where stated otherwise.



Chief Financial Officer



Director



Chief Executive Officer

ڈائریکٹرز رپورٹ

کمپنی کی ڈائریکٹران ششماہی مالی حسابات تختہ 31 دسمبر 2019ء بمع محاسب کی جائزہ شدہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔ آپ کی کمپنی کا کاروباری حجم اس ششماہی میں مبلغ 9,355 ملین روپے رہا (2018: مبلغ 10,058 ملین روپے) اور خام منافع مبلغ 721 ملین روپے رہا جبکہ یہ پچھلے سال اسی عرصہ میں مبلغ 706 ملین روپے تھا۔ اس عرصہ کا خالص منافع مبلغ 0.499 ملین روپے ہے جبکہ پچھلے سال اسی عرصہ میں خالص منافع مبلغ 462 ملین روپے تھا چنانچہ آمدن فی حصہ 0.01 روپے رہی جو کہ پچھلے سال اسی ششماہی میں 0.93 روپے فی حصہ منافع تھا۔

رواں مالی سال کی پہلی ششماہی کے دوران ٹیکسٹائل کے شعبے کی مالی کارکردگی میں فروختگی کے حجم میں کمی کی وجہ سے بہتری نہیں آئی۔ موجودہ سال کا آغاز ٹیکسٹائل انڈسٹری کو صفر کی درجہ بندی کی حیثیت سے دسمبر داری کے ایک بڑے دھچکے کے ساتھ ہوا۔ بڑھتی ہوئی شرح سود اور سیلز ٹیکس کی شرح 17 فیصد تک ہونے کے ساتھ 3 فیصد مزید ٹیکس کے نفاذ کے نتیجے میں کاروباری حجم اور ٹیکسٹائل کے کاروبار خالص منافع میں نمایاں کمی آئی ہے۔ ایف بی آر کے ٹیکس کی وصولی اور اضافہ کیلئے مختلف اقدامات خاص طور پر مقامی فروخت پر قومی شناختی کارڈ کی شرط کی وجہ سے کافی مشکلات پیدا ہوئی ہیں۔ امریکا اور چین میں تجارتی جنگ اور عالمی معیشت میں سست روی کی وجہ سے ٹیکسٹائل مصنوعات کی طلب میں کمی ہو رہی ہے۔ پاکستان اور بھارت کے خراب تعلقات اور کپاس کی مقامی فصل میں کمی کی وجہ سے خام مال مہنگے داموں درآمد ہو رہا ہے۔

سچ رائٹ (پرائیویٹ) لمیٹڈ، مکمل ملکیتی ماتحت کمپنی

آپ کی کمپنی نے گارمنٹس کی تیاری اور برآمدات کے لئے "سچ رائٹ (پرائیویٹ) لمیٹڈ" کے نام سے ایک مکمل ملکیتی ماتحت کمپنی بنائی ہے۔ فی الحال پلانٹ اور مشینری کی درآمد زیر عمل ہے اور رواں مالی سال کے آخر تک تجارتی پیداوار شروع کرنے کے لئے پرامید ہیں جس کے ساتھ برآمدات میں اضافہ بھی متوقع ہے۔

مستقبل کا نقطہ نظر

کئی ممالک میں کرونا وائرس کی وبا تیزی سے پھیل رہی ہے۔ اور متاثرین میں روز بروز اضافہ ہو رہا ہے۔ اس سنگین صورتحال میں عالمی منڈیوں میں شدید ردعمل کا اظہار کیا جا رہا ہے۔ اگر جلد ہی اس پر قابو نہ پایا گیا تو عالمی منڈی میں طلب کے حجم میں کمی واقع ہوگی جو فروختگی کے حجم اور شرح منافع میں کمی کا باعث بنے گی۔ ہم بگڑتے ہوئے معاشی حالات، پالیسیوں پر عدم عمل درآمد، ایتر طرز حکمرانی اور عالمی معیشت میں سست روی کی وجہ سے درپیش چیلنج دیکھ رہے ہیں۔ پاکستان کی معیشت سے متعلق حکومت اور بین الاقوامی تنظیموں کی طرف سے کچھ مثبت معاشی رپورٹس ہیں۔ جسکے اثرات فی الحال معدوم ہیں مگر اگلے چند مہینوں میں بہتری کے امکانات ہیں۔

آپ کی کمپنی کی انتظامیہ اپنی صلاحیتوں کا استعمال کرتے ہوئے بہتر مارکیٹنگ، مصنوعات میں جدت کے ساتھ بہتری، بہتر سپلائی چین مینجمنٹ کو تسلسل کے ساتھ آگے بڑھا رہی ہے۔ ہم آنے والے وقت میں کمپنی کی کارکردگی میں مزید بہتری کی امید رکھتے ہیں۔

ہم دل کی گہرائیوں سے اپنے بیٹوں کے شکرگزار ہیں اور افران اور دیگر ملازمین بشمول کارکنان کی کمپنی کے لئے سخت محنت، تعاون اور خلوص کے لئے تہ دل سے شکرگزار ہیں۔

منجانب بورڈ

M. Iqbal ul Haq

محمد اکرام الحق

ڈائریکٹر

شیخ فرید معیث

چیف ایگزیکٹو آفیسر

لاہور: 29 فروری 2020ء

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