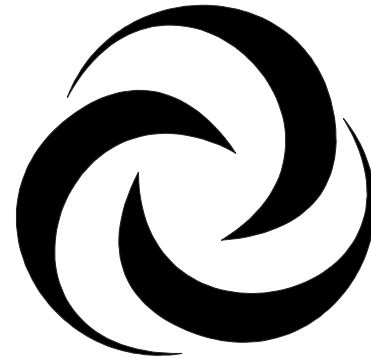


CRESCENT COTTON MILLS LIMITED



CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2023
(UN-AUDITED)

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Taimur Amjad
(Chairman)

Mr. Abid Mehmood
(Chief Executive Officer)

DIRECTORS (In alphabetical order)

Mr. Adnan Amjad
Mr. Naveed Gulzar
Ms. Nazish Arshad
Mr. Salman Rafi
Mrs. Shameen Azfar

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mrs. Shameen Azfar (Chairman)
Mr. Adnan Amjad (Member)
Ms. Nazish Arshad (Member)

COMPANY SECRETARY

Mr. Sami Ullah

BANKERS

National Bank of Pakistan

AUDITORS

Riaz Ahmad & Compnay
Chartered Accountants

COMPANY REGISTRAR

Vision Consulting Limited.
5-C, LDA Flats, 1st Floor,
Lawrance Road, Lahore.
Ph: 042-36283096-7

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 half year ended December 31, 2023. During the period under review, your company has earned a pre-tax profit of Rs. 125.042 Million as compared to pre-tax profit of Rs. 87.817 Million in the comparative period of last year.

Total sales revenue of the company for the half year stood at Rs. 3,713.213 Million, whereas, the turnover figures during the same period in year 2022 was Rs. 3,138.628 Million. The cost of sales in the period under review stood at 90.80% whereas up to December 31, 2022 it was around 91.69%.

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

Future Prospectus

The textile business in general and textile spinning business in particular is under great hardship. The continuous rise of energy tariff, increase in markup rates and implementation of minimum wages has increased the conversion cost to all time high.

The prices of raw materials and other inputs have increased manifold and have depressed the industry of any margins. The international market remains very sluggish, the demand and prices are very low and due to pressure of International Monetary Fund the Government of Pakistan is not helping the industry. The regulation of energy prices remains elusive goal to date, the inflation is not easing which means future rates are not coming down. The survival of textile industry in our country remains under a black shadow, many spinning mills are discontinuing their operations and are disposing off their plant and machinery due to economic hardships.

The forthcoming two quarters of the financial year will be very tough for the company's ongoing business, the management is exploring new strategies to mitigate the losses.

Post Balance Sheet Event

The board of directors of the company in their meeting held on February 09, 2024 have unanimously approved the sale/disposal of company's assets located at Nishatabad, Faisalabad under the powers conferred to the board of directors by the provisions of Section 183 of the Companies Act, 2017 subject to the approval of shareholders in a general meeting where required. The board has also recommended for holding of Extra Ordinary General Meeting of the company to seek approval of the members on March 14, 2024.

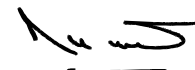
Acknowledgment

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

For and on behalf of
the Board of Directors



FAISALABAD
February 29, 2024
NAVEED GULZAR
DIRECTOR



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2023ء کو مختتمہ دوسری سہ ماہی اور پہلی ششماہی کے لیے مختمد عبوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے گزشتہ سال کی اسی مدت کے قتل از ٹیکس منافع 87.817 ملین روپے کے مقابلہ میں 125.042 ملین روپے کا قتل از ٹیکس منافع حاصل کیا۔

ششماہی کے لیے کمپنی کی کل فروخت کی آمدنی 3,713.213 ملین روپے رہی جبکہ سال 2022ء میں اسی مدت کے دوران ٹرن اور کے اعداد و شمار 3,138.628 ملین روپے تھے۔ زیر جائزہ مدت میں فروخت کی لاگت 90.80 فیصد رہی جبکہ 31 دسمبر 2022ء تک یہ 91.69 فیصد کے لگ بھگ تھی۔

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

ٹیکسٹائل کاروبار بالعموم اور ٹیکسٹائل اسپننگ کا کاروبار خاص طور پر شدید مشکلات کا شکار ہے۔ توانائی کے نرخوں میں مسلسل اضافے، مارک اپ کی شرحوں میں اضافہ اور کم اجرت کے نفاذ نے تبادلوں کی لاگت کو اب تک کی بلند ترین سطح پر پہنچا دیا ہے۔

خام مال اور دیگر اشیاء کی قیمتوں میں کئی گنا اضافہ ہوا ہے جس سے کسی بھی صنعت کے منافع دباؤ کا شکار ہو گئے ہیں۔ بین الاقوامی مارکیٹ بہت سست ہے، مانگ اور قیمتیں بہت کم ہیں اور انٹرنیشنل مانیٹری فنڈ کے دباؤ کی وجہ سے حکومت پاکستان انڈسٹری کی مدد نہیں کر رہی۔ ابھی تک کی منزل مقصود توانائی کی قیمتوں کو کسی قاعدے کے تحت لانا ہے، افراط زر کم نہیں ہو رہا ہے جس کا مطلب ہے کہ مستقبل کی قیمتیں نیچے نہیں آ رہی ہیں۔ ہمارے ملک میں ٹیکسٹائل انڈسٹری کی بقا پر مہیب سائے منڈلا رہے ہیں، بہت سی اسپننگ ملیں معاشی مشکلات کے باعث اپنا کام بند کر رہی ہیں اور اپنے پلانٹ اور مشینری کو فارغ کر رہی ہیں۔

مالی سال کی آئندہ دوسرے ماہی کمپنی کے جاری کاروبار کے لیے بہت سخت ہوں گی، انتظامیہ نقصانات کو کم کرنے کے لیے نئی حکمت عملیوں کی تلاش کر رہی ہے۔

بعدا از بیلنس شیٹ واقعات:

کمپنی کے بورڈ آف ڈائریکٹرز نے 09 فروری 2024ء کو ہونے والے اپنے اجلاس میں کمپنیز ایکٹ 2017ء کے سیکشن 183 کی دفعات کے تحت بورڈ آف ڈائریکٹرز کو حاصل اختیارات کے تحت نشاط آباد، فیصل آباد میں واقع کمپنی کے اثاثوں کی فروخت/تصرف کی، حسب ضرورت عام اجلاس میں حصص یافتگان کی منظوری سے مشروط، متفقہ طور پر منظوری دی ہے۔

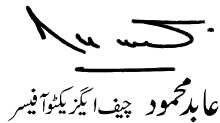
بورڈ نے ممبران سے منظوری لینے کے لیے 14 مارچ 2024ء کو کمپنی کے غیر معمولی اجلاس عام کے انعقاد کی بھی سفارش کی ہے۔ اعتراف:

ڈائریکٹرز اپنے قابل قدر صارفین، بینکرز اور حصص یافتگان سے کاروباری سرگرمیوں کے دوران تعاون پر اظہار تشکر کرتے ہیں۔ ڈائریکٹرز کمپنی کے کارکنوں اور سٹاف ممبرز کی محنت اور لگن سے بھرپور خدمات پر انہیں خراج تحسین بھی پیش کرتے ہیں۔

منجانب
بورڈ آف ڈائریکٹرز


نویڈ گلزار ڈائریکٹر

فیصل آباد
29 فروری 2024ء


عابد محمود چیف ایگزیکٹو آفیسر

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** as at 31 December 2023 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 half year 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 2023 and 31 December 2022 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 half year ended 31 December 2023.

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 review report is Mubashar Mehmood.



FAISAL AHMAD & COMPANY
Chartered Accountants

Faisalabad
February 29, 2024
UDIN: RR202310158tKcX1H0v2

UNCONSOLIDATED CONDENSED INTERIM STATEMENT

	NOTE	UN-AUDITED	AUDITED
		31 December 2023	30 June 2023
(RUPEES IN THOUSAND)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (30 June 2023: 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			
Capital reserves			
Premium on issue of shares reserve			
		5,496	5,496
Plant modernization reserve			
		12,000	12,000
Fair value reserve of investments at FVTOCI			
		77,509	62,957
Surplus on revaluation of freehold land and investment properties			
		4,926,217	4,926,217
		5,021,222	5,006,670
Revenue reserves			
		954,143	868,814
Total reserves			
		5,975,365	5,875,484
TOTAL EQUITY			
		6,201,966	6,102,085
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing			
	3	41,970	54,493
Staff retirement gratuity			
		102,930	98,386
		144,900	152,879
CURRENT LIABILITIES			
Trade and other payables			
		1,664,195	1,232,226
Unclaimed dividend			
		4,177	4,177
Accrued mark-up			
		32,438	18,541
Short term borrowings			
		889,578	560,605
Current portion of long term financing			
	3	39,801	60,768
Provision for taxation			
		45,951	79,750
		2,676,140	1,956,067
TOTAL LIABILITIES			
		2,821,040	2,108,946
CONTINGENCIES AND COMMITMENTS			
	4	9,023,006	8,211,031

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	NOTE	UN-AUDITED	AUDITED
		31 December 2023	30 June 2023
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
	5	5,606,028	5,619,469
Investment properties			
		292,263	292,263
Long term investments			
		13,010	8,264
Long term deposits			
		3,383	3,383
Long term advances			
		32	124
Deferred income tax asset			
		58,109	52,217
		5,972,825	5,975,720
CURRENT ASSETS			
Stores, spare parts and loose tools			
		96,489	72,557
Stock-in-trade			
		1,167,903	636,156
Trade debts			
		600,957	477,143
Loans, advances and prepayments			
		157,156	54,932
Short term deposit and other receivables			
		652,348	569,003
Income tax			
		190,539	244,513
Short term investments			
		141,175	131,369
Cash and bank balances			
		43,614	49,638
		3,050,181	2,235,311
TOTAL ASSETS			
		9,023,006	8,211,031



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

NOTE	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	6	3,713,213	3,138,628	1,882,318
COST OF SALES	7	(3,371,690)	(2,878,024)	(1,736,780)
GROSS PROFIT		341,523	260,604	145,538
DISTRIBUTION COST		(36,923)	(43,232)	(17,241)
ADMINISTRATIVE EXPENSES		(121,938)	(109,510)	(57,883)
OTHER EXPENSES		(19,844)	(8,244)	(15,002)
OTHER INCOME		27,848	44,106	15,019
FINANCE COST		(65,624)	(55,907)	(37,388)
PROFIT BEFORE TAXATION		125,042	87,817	33,043
TAXATION		(39,713)	(36,534)	(15,487)
PROFIT AFTER TAXATION		85,329	51,283	17,556
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		3.77	2.26	0.77

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)			
PROFIT AFTER TAXATION	85,329	51,283	17,556	38,929
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss in subsequent periods:				
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	14,552	(32,401)	19,068	(25,017)
Deferred income tax relating to investments at fair value through other comprehensive income	-	6,367	-	6,367
	14,552	(26,034)	19,068	(18,650)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income / (loss) for the period - net of tax	14,552	(26,034)	19,068	(18,650)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	99,881	25,249	36,624	20,279

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR




SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)**

	(RUPEES IN THOUSAND)										
	SHARE CAPITAL	Premium on issue of shares	CAPITAL RESERVES		REVENUE RESERVES			Sub Total	TOTAL	TOTAL EQUITY	
			Plant Modernisation	Fair value adjustments at FVOCI	Fair value adjustments and investment properties	Sub Total	General reserve				unappropriated profit
Balance as at 01 July 2022 - (Audited)	226,601	5,496	12,000	86,738	4,283,308	4,387,542	100,988	659,855	759,843	5,147,385	5,373,986
Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupee 0.75 per share	-	-	-	-	-	-	-	(16,995)	(16,995)	(16,995)	(16,995)
Profit for the period	-	-	-	-	-	-	-	51,283	51,283	51,283	51,283
Other comprehensive loss for the period	-	-	-	(26,034)	-	(26,034)	-	-	-	(26,034)	(26,034)
Total comprehensive income for the period	-	-	-	(26,034)	-	(26,034)	-	51,283	51,283	25,249	25,249
Balance as at 31 December 2022 - (Un-audited)	226,601	5,496	12,000	60,704	4,283,308	4,361,508	100,988	693,143	794,131	5,155,639	5,382,240
Profit for the period	-	-	-	-	-	-	-	63,502	63,502	63,502	63,502
Other comprehensive income for the period	-	-	-	2,253	642,909	645,162	-	11,181	11,181	656,343	656,343
Total comprehensive income for the period	-	-	-	2,253	642,909	645,162	-	74,683	74,683	719,845	719,845
Balance as at 30 June 2023 - (Audited)	226,601	5,496	12,000	62,957	4,926,217	5,006,670	100,988	767,826	868,814	5,875,484	6,102,085
Profit for the period	-	-	-	-	-	-	-	85,329	85,329	85,329	85,329
Other comprehensive income for the period	-	-	-	14,552	-	14,552	-	-	-	14,552	14,552
Total comprehensive income for the period	-	-	-	14,552	-	14,552	-	85,329	85,329	99,881	99,881
Balance as at 31 December 2023 - (Un-audited)	226,601	5,496	12,000	77,509	4,926,217	5,021,222	100,988	853,155	954,143	5,975,365	6,201,966

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)**

	NOTE	31 December 2023	31 December 2022
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	8	(191,839)	(67,837)
Finance cost paid		(51,727)	(51,792)
Staff retirement gratuity paid		(9,707)	(16,613)
Income tax paid		(25,430)	(55,132)
Net decrease / (increase) in long term advances		93	(153)
Net cash used in operating activities		(278,610)	(191,527)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(22,897)	(4,789)
Net cash used in investing activities		(22,897)	(4,789)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(33,490)	(55,071)
Short term borrowings - net		328,973	248,565
Dividend paid		-	(16,788)
Net cash from financing activities		295,483	176,706
NET DECREASE IN CASH AND CASH EQUIVALENTS		(6,024)	(19,610)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		49,638	43,637
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		43,614	24,027

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (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 is 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, home textile and hosiery items along with buying, selling and otherwise dealing in cloth and made-ups.

2. BASIS OF PREPARATION AND STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Statement of compliance

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.

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures as required for unconsolidated annual financial statement and should be read in conjunction with the unconsolidated annual audited financial statements of the Company for the year ended 30 June 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the change in the Company's financial position and performance since the last unconsolidated annual audited financial statements.

2.3 Statement of material accounting policy information

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements of the Company for the year ended 30 June 2023.

2.4 Critical accounting estimates and judgments

The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting and reporting standards requires management to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements and estimates made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the unconsolidated annual audited financial statements of the Company for the year ended 30 June 2023.

UN-AUDITED	AUDITED
31 December 2023	30 June 2023

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING

Financing from banking company - secured

Opening balance	115,261	202,671
Add: Amortization during the period / year	-	298
	115,261	202,969
Less: Repaid during the period / year	33,490	87,708
	81,771	115,261
Less: Current portion shown under current liabilities	39,801	60,768
	41,970	54,493

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies:

There has been no significant change during the period in the status of contingencies as disclosed in unconsolidated annual audited financial statements of the Company for the year ended 30 June 2023.

b) Commitments:

'There was no commitment for capital expenditure as at 31 December 2023 (30 June 2023: Rupees Nil).

'Letters of credit other than for capital expenditure are of Rupees 38.853 million (30 June 2023: Rupees Nil).

UN-AUDITED	AUDITED
31 December	30 June
2023	2023

(RUPEES IN THOUSAND)

5. PROPERTY, PLANT AND EQUIPMENT

Opening book value	5,619,469	5,051,753
Add:		
Cost of additions during the period / year (Note 5.1.1)	22,897	4,789
Surplus on revaluation during the period / year	-	642,909
	5,642,366	5,699,451
Less: Book value of deletions during the period / year	-	337
	5,642,366	5,699,114
Less: Depreciation charged during the period / year	36,338	79,645
	5,606,028	5,619,469

5.1 Cost of additions during the period / year

Stand-by equipment	22,897	-
Vehicles	-	4,789
	22,897	4,789

6. REVENUE FROM CONTRACTS WITH CONTRACT WITH CUSTOMERS

(Un-audited)

Half year ended		Quarter ended	
31 December	31 December	31 December	31 December
2023	2022	2023	2022

(RUPEES IN THOUSAND)

6.1 Product wise segregation

Yarn	3,076,005	2,851,778	1,581,567	1,426,696
Hosiery	93,148	72,954	23,586	38,665
Home Textiles	513,904	195,926	263,595	117,556
Waste	30,156	17,970	13,570	8,266
	3,713,213	3,138,628	1,882,318	1,591,183

6.2 Geographical location wise segregation

Pakistan	2,631,783	2,759,225	1,369,560	1,455,016
Yarn sale to customers having Duty and Tax Remission for Exports (DTRE)	484,142	117,295	230,778	12,319
Africa	60,458	47,830	35,470	20,088
Europe	453,446	144,417	228,125	68,131
North America	83,384	69,861	18,385	35,629
	3,713,213	3,138,628	1,882,318	1,591,183

(Un-audited)

Half year ended		Quarter ended	
31 December	31 December	31 December	31 December
2023	2022	2023	2022

(RUPEES IN THOUSAND)

7. COST OF SALES

Raw materials consumed	2,325,430	2,102,053	1,205,480	1,066,185
Cost of raw materials sold	-	38,970	-	38,970
Salaries, wages and other benefits	183,796	185,858	77,729	105,548
Stores, spare parts and loose tools consumed	150,652	111,488	76,481	49,065
Fuel and power	1,012,030	546,587	522,678	285,455
Outside weaving / processing / stitching charges	136,641	31,089	75,936	22,835
Other manufacturing overheads	16,314	14,261	7,717	6,715
Insurance	7,506	5,788	1,244	2,893
Repair and maintenance	4,763	2,059	1,349	946
Depreciation	34,830	38,809	17,369	19,404
	3,871,962	3,076,962	1,985,983	1,598,016
Work-in-process				
Opening stock	66,011	77,012	85,330	66,386
Closing stock	(95,970)	(57,208)	(95,970)	(57,208)
	(29,959)	19,804	(10,640)	9,178
Cost of goods manufactured	3,842,003	3,096,766	1,975,343	1,607,194
Finished goods				
Opening stock	341,006	264,109	590,233	350,522
Closing stock	(828,796)	(482,851)	(828,796)	(482,851)
	(487,790)	(218,742)	(238,563)	(132,329)
	3,354,213	2,878,024	1,736,780	1,474,865
Cost of goods purchased for resale	17,477	-	-	-
	3,371,690	2,878,024	1,736,780	1,474,865

	UN-AUDITED	
	31 December 2023	31 December 2022
8. CASH USED IN OPERATIONS	(RUPEES IN THOUSAND)	
Profit before taxation	125,042	87,817
Adjustments for non-cash charges and other items:		
Depreciation	36,338	40,192
Provision for staff retirement gratuity	14,250	26,697
Finance cost	65,624	55,907
Amortization of deferred grant	-	(298)
Provision for doubtful loans and advances - net	1,859	1,766
Allowance for expected credit losses - net	2,150	146
Working capital changes (Note 8.1)	(437,102)	(280,064)
	(191,839)	(67,837)
8.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(23,932)	10,160
Stock-in-trade	(531,747)	(144,282)
Trade debts	(125,964)	(14,780)
Loans, advances and prepayments	(104,083)	(123,901)
Short term deposit and other receivables	(83,345)	(5,078)
	(869,071)	(277,881)
Increase / (decrease) in trade and other payables	431,969	(2,183)
	(437,102)	(280,064)

9. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with subsidiary company, associated companies, other related parties and key management personnel. Detail of transactions and balances with related parties is as follows:

31 December 2023	(Un-audited)		31 December 2022
	Half year ended 31 December 2023	Quarter ended 31 December 2023	
(RUPEES IN THOUSAND)			

i) Transactions
Subsidiary company

Purchase of goods	143,206	99,152	84,813	53,457
Expenses paid on behalf of subsidiary company	-	6	-	-

Associated companies

Insurance premium	15,287	15,280	4,739	10,429
Expenses paid on behalf of associated company	309	449	-	447
Dividend paid	-	159	-	159

Other related parties

Loans received from / (repaid to) Chief Executive Officer, directors and executives - net	4,717	10,976	(3,591)	4,426
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	42,419	32,921	22,376	16,420
Dividend paid to Chief Executive Officer, directors, spouses and executives	-	7,252	-	7,252

(Un-audited) 31 December 2023	(Audited) 30 June 2023
(RUPEES IN THOUSAND)	

ii) Period end balances
Subsidiary company

Trade and other payables	13,147	1,089
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Associated companies

Trade and other payables	7,846	1,997
Short term deposit and other receivables	224	-

Other related parties

Short term borrowings	305,534	300,817
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10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS
10.1 Fair value hierarchy

The judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these unconsolidated condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

	Level 1	Level 2	Level 3	Total
	(RUPEES IN THOUSAND)			
Financial assets - recurring fair value measurement				
At 31 December 2023 - (Un-audited)				
At fair value through other comprehensive income	152,914	-	1,271	154,185
At 30 June 2023 - (Audited)				
At fair value through other comprehensive income	137,133	-	2,500	139,633

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize 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 is based on quoted market prices at the reporting date. The quoted market price used for the financial assets held by the Company is the current bid price. A market is regarded as active market where transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

Level 3: Inputs for the asset and liability which are not based on observable market data (i.e. unobservable inputs). This is the case for unlisted equity securities.

11. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

UN-AUDITED	
31 December 2023	31 December 2022
(RUPEES IN THOUSAND)	

Shariah compliant bank deposits and bank balances

Bank balances **8,440** 15,225

Loans / advances obtained as per Islamic mode

Contract liabilities - unsecured **643,181** 308,699
Short term borrowings **305,534** 300,817

	UN-AUDITED	
	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)	
Revenue earned from shariah compliant business	3,713,213	3,138,628
Exchange gain	-	21,330
Loss or dividend earned from shariah compliant investments		
Dividend income	4,025	-
Unrealized gain / (loss) on remeasurement of investments measured at FVTOCI	11,032	(119)
Interest paid on any conventional loan / advance		
Mark-up on long term financing	8,585	12,155
Mark-up on short term borrowings	53,912	40,610

Relationship with shariah compliant banks

Name	Relationship
Meezan Bank Limited	Bank balances
Faysal Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance
Bank Al-Habib Limited	Bank balance
Bank Alfalah Limited	Bank balance
Askari Bank Limited	Bank balance

There is no profit earned from shariah compliant bank balances as all the bank balances are in current accounts. Moreover there was no mark-up on Islamic mode of financing as all loans / advances were interest free.

12. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual audited financial statements of the Company for the year ended 30 June 2023.

13. EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period on 09 February 2024, the Board of Directors of the Company has decided to dispose of the freehold land situated at the New Lahore Road, Nishatabad, Faisalabad, along with buildings thereon which also include the investment properties of the Company. This decision is subject to approval by the members of the Company in the forthcoming Extraordinary General Meeting to be held on 14 March 2024. However, this event has been considered as non-adjusting event under IAS-10 'Events after the Reporting Period' and has not been recognized in these unconsolidated condensed interim financial statements.

14. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been approved by the Board of Directors and authorized for issue on February 29, 2024.

15. CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-measurement has been made in these unconsolidated interim financial statements except following:

PARTICULARS	RECLASSIFICATION		RUPEES IN THOUSAND
	FROM	TO	
Gas Infrastructure Development Cess (GIDC) payable	Current portion of non-current liabilities	Trade and other payables	59,017

16. GENERAL

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

CRESCENT COTTON MILLS LIMITED AND ITS SUBSIDIARY



CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
FOR THE HALF YEAR ENDED
31 DECEMBER 2023
(UN-AUDITED)



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT

	UN-AUDITED 31 December 2023	AUDITED 30 June 2023
NOTE		
	(RUPEES IN THOUSAND)	

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized share capital

30 000 000 (30 June 2023: 30 000 000)
ordinary shares of Rupees 10 each

300,000	300,000
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Issued, subscribed and paid up share capital
Reserves

226,601	226,601
6,486,664	6,410,128

Total equity

6,713,265	6,636,729
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LIABILITIES

NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits

41,970	54,493
108,398	100,726
150,368	155,219

CURRENT LIABILITIES

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

1,569,232	1,181,068
4,177	4,177
32,438	18,541
898,121	560,605
39,801	119,785
55,892	87,171
2,599,661	1,971,347

TOTAL LIABILITIES

2,750,029	2,126,566
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CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

9,463,294	8,763,295
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The annexed notes form an integral part of this unconsolidated condensed interim financial information.



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	UN-AUDITED 31 December 2023	AUDITED 30 June 2023
NOTE		
	(RUPEES IN THOUSAND)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment
Investment properties
Long term investments
Long term deposits
Long term advances
Deferred income tax - asset

6	5,630,592	5,646,537
	650,091	650,091
7	9,268	7,265
	8,646	3,905
	32	124
	58,109	52,574
	6,356,738	6,360,496

CURRENT ASSETS

Stores, spare parts and loose tools

96,489	72,557
---------------	--------

Stock in trade

1,167,903	665,626
------------------	---------

Trade debts

613,015	477,453
----------------	---------

Loans and advances

162,914	58,269
----------------	--------

Deposits, prepayments and other receivables

660,816	581,545
----------------	---------

Income tax

205,584	254,287
----------------	---------

Short term investments

8	141,176	131,487
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Cash and bank balances

58,659	161,575
---------------	---------

3,106,556	2,402,799
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TOTAL ASSETS

9,463,294	8,763,295
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NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

NOTE	Half year ended		Quarter ended		
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	
	(RUPEES IN THOUSAND)				
REVENUE FROM CONTRACTS WITH CUSTOMERS	9	3,771,643	3,233,137	1,916,236	1,633,117
COST OF SALES		(3,431,328)	(2,978,528)	(1,771,658)	(1,519,637)
GROSS PROFIT		<u>340,315</u>	<u>254,609</u>	<u>144,578</u>	<u>113,480</u>
DISTRIBUTION COST		(37,150)	(43,484)	(17,342)	(1,850)
ADMINISTRATIVE EXPENSES		(144,495)	(125,248)	(68,594)	(64,214)
OTHER OPERATING EXPENSES		(19,844)	(8,244)	(15,002)	(7,203)
		<u>(201,489)</u>	<u>(176,976)</u>	<u>(100,938)</u>	<u>(73,267)</u>
		<u>138,826</u>	<u>77,633</u>	<u>43,640</u>	<u>40,213</u>
OTHER OPERATING INCOME		38,623	53,056	20,475	39,643
(LOSS)/PROFIT FROM OPERATIONS		<u>177,449</u>	<u>130,689</u>	<u>64,115</u>	<u>79,856</u>
FINANCE COST		(70,286)	(56,848)	(38,187)	(29,760)
		<u>107,163</u>	<u>73,841</u>	<u>25,928</u>	<u>50,096</u>
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES		(229)	294	-	-
PROFIT/(LOSS) BEFORE TAXATION		<u>106,934</u>	<u>74,135</u>	<u>25,928</u>	<u>50,096</u>
TAXATION		(42,233)	(39,165)	(16,797)	(18,423)
PROFIT / (LOSS) AFTER TAXATION		<u><u>64,701</u></u>	<u><u>34,970</u></u>	<u><u>9,131</u></u>	<u><u>31,673</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED		<u>2.86</u>	<u>1.54</u>	<u>0.40</u>	<u>1.40</u>

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

	Half year ended		Quarter ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	(RUPEES IN THOUSAND)			
PROFIT/(LOSS) AFTER TAXATION	64,701	34,970	9,131	31,673
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Surplus / (deficit) on remeasurement of available for sale investments	11,835	(14,586)	21,424	(7,209)
Other comprehensive income / (loss) for the period	11,835	(14,586)	21,424	(7,209)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u><u>76,536</u></u>	<u><u>20,384</u></u>	<u><u>30,555</u></u>	<u><u>24,464</u></u>

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)**

	CAPITAL RESERVES		REVENUE RESERVES		TOTAL EQUITY					
	SHARE CAPITAL	Premium on issue of shares	Plant Modernisation	Fair value reserve of investments at FVTOCI	Surplus on revaluation of land	Share of Associates reserve	General Reserve	Sub Total	Sub Total	TOTAL EQUITY
Balance as at 30 June 2022 - Audited	226,601	5,496	12,000	15,761	4,283,308	4,316,565	48,975	5,126	1,272,095	5,869,302
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Profit for the half year ended 31 December 2022	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the half year ended 31 December 2022	-	-	-	(14,586)	-	(14,586)	-	(10,629)	-	(25,215)
Total comprehensive income for the half year ended 31 December 2022	-	-	-	(14,586)	-	(14,586)	-	(10,629)	-	9,755
Balance as at 31 December 2022 - Unaudited	226,601	5,496	12,000	1,175	4,283,308	4,301,979	48,975	(5,503)	1,307,005	5,879,057
Loss for the next half year ended 30 June 2023	-	-	-	(5,954)	642,909	636,955	-	10,718	109,999	109,999
Other comprehensive income for the next half year ended 30 June 2023	-	-	-	(5,954)	642,909	636,955	-	10,718	109,999	647,673
Total comprehensive income for the next half year ended 30 June 2023	-	-	-	(5,954)	642,909	636,955	-	10,718	109,999	757,672
Balance as at 30 June 2023 - Audited	226,601	5,496	12,000	(4,779)	4,926,217	4,938,934	48,975	5,215	1,417,004	6,636,729
Loss for the half year ended 31 December 2023	-	-	-	7,056	4,926,217	4,950,769	48,975	5,215	1,481,705	6,713,265
Other comprehensive income for the half year ended 31 December 2023	-	-	-	11,835	-	11,835	-	-	64,701	64,701
Total comprehensive income for the half year ended 31 December 2023	-	-	-	11,835	-	11,835	-	-	64,701	76,536
Balance as at 31 December 2023 - Unaudited	226,601	5,496	12,000	7,056	4,926,217	4,950,769	48,975	5,215	1,535,895	6,713,265

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)**

	NOTE	31 December 2023	31 December 2022
(RUPEES IN THOUSAND)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	10	(274,685)	(73,683)
Finance cost paid		(56,389)	(53,089)
Staff retirement gratuity paid		(9,707)	(16,613)
Income tax paid		(38,468)	(58,084)
Long term deposits		(4,741)	(268)
Long term advances		92	(120)
		(109,213)	(128,174)
Net cash (utilized in) / generated from operating activities		(383,898)	(201,857)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(23,044)	(4,789)
Proceeds from sale of property, plant and equipment		-	10,256
Net cash from investing activities		(23,044)	5,467
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(33,490)	(55,071)
Short term borrowings - net		337,516	248,565
Dividend paid		-	(16,788)
Net cash (used in) / from financing activities		304,026	176,706
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(102,916)	(19,684)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		161,575	162,724
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		58,659	143,040

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

**SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (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 and made-ups. 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 disposed of entire plant and machinery and investment properties. However, the management of CML decided to start its business and also started investing in real estate activities.

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 2023.

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 2023.

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2023.

5. CONTINGENCIES AND COMMITMENTS

Contingencies:

Holding Company

There has been no significant change during the period in the status of contingencies as disclosed in consolidated annual audited financial statements of the company for the year ended June 30, 2023.

Subsidiary Company

There is no contingency as at 31 December 2023 (30 June 2023 Rs. Nil)

Commitments:

¹- Letters of credit for capital expenditure are of Rs. Nil (30 June 2023: Rupees Nil).

¹- Letters of credit for other than capital expenditure are of Rupees 38.853 Mln (30 June 2023: Rupees 14.355 million).

6. PROPERTY, PLANT AND EQUIPMENT

UN-AUDITED 31 December 2023	AUDITED 30 June 2023
(RUPEES IN THOUSAND)	

Operating fixed assets (Note 6.1)	5,630,592	5,646,537
Capital work-in-progress	-	-
	<u>5,630,592</u>	<u>5,646,537</u>

6.1 Operating fixed assets

Opening book value	5,646,537	5,071,133
Add : Effects on surplus on revaluation	-	642,909
Add : Cost of additions during the period / year (Note 6.1.1)	23,044	25,009
	5,669,581	5,739,051

Less:

Book value of deletions during the period / year (Note 6.1.2)	-	9,378
Depreciation charged during the period / year	38,989	83,136
Transferred to investment property	-	-
	38,989	92,514

Book value at the end of the period / year	<u>5,630,592</u>	<u>5,646,537</u>
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6.1.1 Cost of additions during the period / year

Stand-by equipment	22,897	-
Vehicles	-	24,967
Office equipment	147	42
	<u>23,044</u>	<u>25,009</u>

6.1.2 Book value of deletions during the period / year

Plant and machinery	-	203
Vehicles	-	9,175
	<u>-</u>	<u>9,378</u>

UN-AUDITED 31 December 2023	AUDITED 30 June 2023
(RUPEES IN THOUSAND)	

(RUPEES IN THOUSAND)

7. LONG TERM INVESTMENTS

In associates:

Cost	502	502
Share of post acquisition profit:		
At the beginning of the period / year	3,098	3,098
Share of profit/(loss) during the period / year	(229)	(315)
Share of other comprehensive (loss)/income	-	89
	<u>2,869</u>	<u>2,872</u>
Available for sale:	3,371	3,374
Quoted - Others	616	616
Unquoted - Others	1,158	1,158
	1,774	1,774
Add :- Deposit for shares	-	-
Add: Fair value adjustment	4,123	2,117
	5,897	3,891
	<u>9,268</u>	<u>7,265</u>

7.1 The investments in associates were not acquired for disposal purposes, therefore equity method of accounting has been applied and as per the requirement of IAS 28 the same have been shown under long term investments. In addition paragraph 2 (B)(d) of Part II of the Fourth Schedule to the Companies Act, 2017 requires that the investments accounted for under equity method should be classified as long term investments.

UN-AUDITED 31 December 2023	AUDITED 30 June 2023
(RUPEES IN THOUSAND)	

(RUPEES IN THOUSAND)

8. SHORT TERM INVESTMENTS – Available for sale

Quoted - Others	138,243	138,243
Add: At fair value through profit or loss	-	118
Add/(Less): Fair value adjustment	2,933	(6,874)
	<u>141,176</u>	<u>131,487</u>

(Un-audited)

Half year ended		Quarter ended	
31 December 2023	31 December 2022	31 December 2023	31 December 2022

(RUPEES IN THOUSAND)

9. COST OF SALES

Raw material consumed	2,385,068	2,102,053	1,074,613	950,942
Cost of raw material sold	-	38,970	-	38,970
Salaries, wages and other benefits	183,796	185,858	77,729	105,548
Stores, spare parts and loose tools consumed	150,652	111,488	76,481	49,065
Fuel and power	1,012,030	546,587	522,678	285,455
Outside weaving charges	136,641	31,089	75,936	22,835
Other manufacturing overheads	16,314	14,261	7,717	6,715
Insurance	7,506	5,788	1,244	2,893
Repair and maintenance	4,763	2,059	1,349	946
Depreciation	34,830	38,809	17,369	19,404
	3,931,600	3,076,962	1,855,116	1,482,773
Work-in-process:				
Opening stock	66,011	77,012	85,330	66,386
Closing stock	(95,970)	(57,208)	(95,970)	(57,208)
	(29,959)	19,804	(10,640)	9,178
Cost of goods manufactured	3,901,641	3,096,766	1,844,476	1,491,951
Finished goods:				
Opening stock	341,006	264,109	590,233	350,522
Closing stock	(828,796)	(482,851)	(828,796)	(482,851)
	(487,790)	(218,742)	(72,818)	(72,818)
	3,413,851	2,878,024	1,771,658	1,419,133
Cost of goods purchased	17,477	100,504	-	100,504
	3,431,328	2,978,528	1,771,658	1,519,637

UN-AUDITED

31 December 2023	31 December 2022
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(RUPEES IN THOUSAND)

10. CASH UTILIZED IN OPERATIONS

Profit before taxation	106,934	74,135
Adjustments for non-cash charges and other items:		
Depreciation	38,989	41,136
Provision for staff retirement gratuity	17,378	27,881
Gain on sale of property, plant and equipment	-	(1,213)
Share of (profit) / loss from associated companies	229	(36,611)
Finance cost	70,286	56,848
Working capital changes (Note 10.1)	(508,501)	(235,859)
	(274,685)	(73,683)

10.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	(23,932)	(1,098)
Stock in trade	(502,277)	(106,524)
Trade debts	(135,562)	(14,634)
Loans and advances	(104,645)	(128,649)
Deposits, prepayments and other receivables	(130,249)	(25,752)
	(896,665)	(276,657)
(Decrease) / increase in trade and other payables	388,164	40,798
	(508,501)	(235,859)

11. 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)

Description	Half year ended		Quarter ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022

(RUPEES IN THOUSAND)

i) Transactions

Associated companies

Insurance premium	15,287	15,280	4,739	10,429
Expenses paid on behalf of associated company	309	449	-	447
Dividend paid	-	159	-	159

Other related parties

Loans received from/(repaid to) Chief Executive Officer, Directors, Executives and Sponsors - Net	4,717	10,976	(3,591)	4,426
Remuneration paid to Chief Executive Officer, Directors, and Executives	42,419	32,921	22,376	16,420
Dividend paid to Chief Executive Officer, Directors, and Executives	-	7,252	-	7,252

12. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2023.

13. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on February 29, 2024 by the Board of Directors of the Group.

14. CORRESPONDING FIGURES

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

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

15. GENERAL

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



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