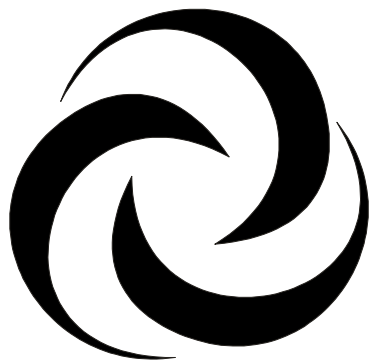


CRESCENT COTTON MILLS LIMITED



UNCONSOLIDATED
CONDENSED INTERIM FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
THIRD QUARTER ENDED 31 MARCH 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 third quarter and nine months ended March 31, 2023. During the period under review, your company has earned a pre-tax profit of Rs. 118.398 Million as compared to pre-tax profit of Rs. 350.744 Million in the comparative period of last year.

Total sales revenue of the company for the nine months stood at Rs. 4,494.266 Million, whereas, the turnover figures during the same period in year 2022 was Rs. 5,229.533 Million. The cost of sales in the period under review stood at 91.53% whereas up to March 31, 2022 it was around 87.03%.

Overview

Textile industry's performance declined during the nine months of financial year 2022-23 due to slump in global demand for textile products. The reasons for low demand are high inflation, increase in interest rates and reduction in Covid-19 subsidies that affected consumers' purchasing power. The cost of production has increased due to the energy crisis and shortage of raw materials, particularly cotton. The textile industry in Pakistan is also facing rapid currency fluctuations and unprecedented government taxation, which has resulted in capacity underutilization and the closure of several small to medium-sized units. Only the large and vertically integrated production facilities remained resilient and sustained in the face of unfavorable circumstances.

Pakistan economy was badly affected by flooding and heavy rains during July-September 2022. Most of agriculture crops in flooded areas have been destroyed. Cotton crop has been totally ruined in flooded areas and lint production is expected to be hardly 4.8 million bales against 7.4 million bales of last year which is less by 35% of last year's production. State Bank of Pakistan has increased policy rates to 21% which would result in high financial cost for remaining period of current financial year. Russian-Ukraine conflict is continuously threatening the global economy and conflict is badly slackening the global economies in view of slow demand, high inflation rate and increasing interest rates. Economists and all institutions are predicting a significant slowdown of global growth in year 2023 and are not expecting major recovery rebound in year 2023. The company is focusing efforts on minimizing cost and improving efficiencies to achieve favorable financial results of current financial year. The withdrawal of regionally competitive electricity rates from March 01, 2023 will have adverse effect on the profitability of the textile industry in total.

Acknowledgement

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



NAVEED GULZAR
DIRECTOR



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER

FAISALABAD
April 29, 2023

حصص یافتگان کے لیے ڈائریکٹرز کا جائزہ

عزیز ممبران!

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2023ء کو مختصر تیسری سہ ماہی اور نو ماہی کے لیے مختصر عیوری مالی معلومات آپ کی خدمت میں پیش کرتے ہیں۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے 118.398 ملین روپے کا قبل از ٹیکس منافع حاصل کیا جبکہ گزشتہ سال کی اسی مدت میں کمپنی کا قبل از ٹیکس منافع 350.744 ملین روپے تھا۔

تیسری سہ ماہی کے لیے کمپنی کی کل فروخت کی آمدنی 4,494.266 ملین روپے رہی جبکہ سال 2022ء میں اسی مدت کے دوران ٹرن اوور کی رقم 5,229.533 ملین روپے تھی۔ زیر جائزہ مدت میں فروخت کی لاگت 91.53 فیصد رہی جبکہ 31 مارچ 2022ء تک یہ 87.03 فیصد کے لگ بھگ تھی۔

جائزہ:

مالی سال 2022-23 کے نو ماہ کے دوران ٹیکسٹائل مصنوعات کی عالمی طلب میں کمی کی وجہ سے ٹیکسٹائل انڈسٹری کی کارکردگی میں کمی آئی۔ کم طلب کی وجوہات میں بلند افراط زر، شرح سود میں اضافہ اور کوویڈ 19 سبسڈی میں کمی ہے جس نے صارفین کی قوت خرید کو متاثر کیا۔ توانائی کے بحران اور خام مال بالخصوص کپاس کی کمی کی وجہ سے پیداواری لاگت میں اضافہ ہوا ہے۔ پاکستان میں ٹیکسٹائل کی صنعت کو بھی کرنسی میں تیزی سے اتار چڑھاؤ اور بے مثال حکومتی ٹیکسوں کا سامنا ہے، جس کے نتیجے میں صلاحیت کم ہو گئی ہے اور کئی چھوٹے سے درمیانے درجے کے یونٹس بند ہو گئے ہیں۔ صرف بڑی اور عمودی طور پر مربوط پیداواری سہولیات ناموافق حالات کے باوجود چلکدار اور پائیدار رہیں۔

جولائی تا ستمبر 2022 کے دوران سیلاب اور شدید بارشوں سے پاکستانی معیشت بری طرح متاثر ہوئی۔ سیلاب زدہ علاقوں میں زیادہ تر زرعی فصلیں تباہ ہو چکی ہیں۔ سیلاب زدہ علاقوں میں کپاس کی فصل مکمل طور پر تباہ ہو گئی ہے اور روئی کی پیداوار بشکل 4.8 ملین گانٹھیں ہونے کی توقع ہے جو گزشتہ سال کی 7.4 ملین گانٹھوں کے مقابلے میں 35 فیصد کم ہے۔ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ بڑھا کر 21 فیصد کر دیا ہے جس کے نتیجے میں رواں مالی سال کی بقیہ مدت کے لیے زیادہ مالی لاگت آئے گی۔ روس اور یوکرین تنازعہ عالمی معیشت کے لیے مسلسل خطرہ بنا ہوا ہے اور یہ تنازعہ سست مانگ، مہنگائی کی بلند شرح اور شرح سود میں اضافے کے پیش نظر عالمی معیشتوں کو بری طرح سست کر رہا ہے۔ ماہرین اقتصادیات اور تمام ادارے سال 2023 میں عالمی نمومیں نمایاں کمی کی پیش گوئی کر رہے ہیں اور سال 2023 میں بڑی بحالی کی توقع نہیں کر رہے ہیں۔ کمپنی موجودہ مالی سال کے سازگار مالی نتائج حاصل کرنے کے لیے لاگت کو کم کرنے اور استعداد کار کو بہتر بنانے پر توجہ مرکوز کر رہی ہے۔ 01 مارچ 2023 سے علاقائی طور پر مسابقتی بجلی کی نرخوں کو واپس لینے سے ٹیکسٹائل انڈسٹری کے مجموعی منافع پر منفی اثر پڑے گا۔

اعترا ف:

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 پر انہیں خراج تحسین بھی پیش کرتے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز



عابد محمود چیف ایگزیکٹو آفیسر

فیصل آباد

29 اپریل 2023ء



نویڈ گلزار ڈائریکٹر

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF

	NOTE	UN-AUDITED	AUDITED
		31 March 2023	30 June 2022
(RUPEES IN THOUSAND)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
30 000 000 (30 June 2022: 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		47,373	86,738
Surplus on revaluation of freehold land and investment properties		4,283,308	4,283,308
		4,348,177	4,387,542
Revenue reserves		810,294	759,843
Total reserves		5,158,471	5,147,385
		5,385,072	5,373,986
TOTAL EQUITY			
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	3	60,754	110,989
Employees' retirement benefit		111,122	160,669
		171,876	271,658
CURRENT LIABILITIES			
Trade and other payables		884,519	803,446
Unclaimed dividend		4,177	3,970
Accrued mark-up		33,073	20,236
Short term borrowings		802,424	674,053
Current portion of non-current liabilities		70,399	153,927
Provision for taxation		61,387	80,263
		1,855,979	1,735,895
TOTAL LIABILITIES		2,027,855	2,007,553
CONTINGENCIES AND COMMITMENTS			
	4		
TOTAL EQUITY AND LIABILITIES		7,412,927	7,381,539

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



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR

FINANCIAL POSITION AS AT 31 MARCH 2023

	NOTE	UN-AUDITED	AUDITED
		31 March 2023	30 June 2022
(RUPEES IN THOUSAND)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	4,996,741	5,052,394
Investment properties		260,018	260,018
Long term investments		9,788	9,326
Long term deposits		3,383	3,383
Long term advances		-	156
Deferred income tax asset		55,518	44,667
		5,325,448	5,369,944
CURRENT ASSETS			
Stores, spare parts and loose tools		63,076	74,982
Stock-in-trade		771,662	657,889
Trade debts		404,572	513,765
Loans and advances		135,767	44,201
Prepayments		6,648	1,891
Other receivables		343,021	317,321
Income tax		188,508	201,597
Short term investments		116,483	156,312
Cash and bank balances		57,742	43,637
		2,087,479	2,011,595
TOTAL ASSETS		7,412,927	7,381,539



SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	4,494,266	5,229,533	1,355,638	1,679,334
COST OF SALES	(4,113,704)	(4,551,451)	(1,235,680)	(1,468,064)
GROSS PROFIT	380,562	678,082	119,958	211,270
DISTRIBUTION COST	(57,728)	(128,445)	(14,496)	(36,887)
ADMINISTRATIVE EXPENSES	(159,446)	(144,617)	(49,936)	(42,633)
OTHER EXPENSES	(6,231)	(18,460)	2,013	10,096
OTHER INCOME	48,484	34,872	4,378	7,393
FINANCE COST	(87,243)	(70,688)	(31,336)	(31,128)
PROFIT BEFORE TAXATION	118,398	350,744	30,581	118,111
TAXATION	(50,952)	(67,471)	(14,418)	(31,643)
PROFIT AFTER TAXATION	67,446	283,273	16,163	86,468
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	2.98	12.50	0.71	3.82

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 NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)			
PROFIT AFTER TAXATION	67,446	283,273	16,163	86,468
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified to profit or loss in subsequent periods:				
Deficit arising on remeasurement of investments at fair value through other comprehensive income	(39,365)	(19,763)	(31,981)	(3,352)
Deferred income tax relating to investments at fair value through other comprehensive income	-	-	-	1,645
	(39,365)	(19,763)	(31,981)	(1,707)
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive loss for the period - net of tax	(39,365)	(19,763)	(31,981)	(1,707)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	28,081	263,510	(15,818)	84,761

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 NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

	RESERVES										TOTAL EQUITY
	SHARE CAPITAL			CAPITAL RESERVES		REVENUE RESERVES		REVENUE RESERVES		TOTAL	
	Premium on issue of shares	Plant Modernisation	Fair value investments at FVOCI	Surplus on revaluation of investment properties	Sub Total	General	unappropriated profit	Sub Total			
Balance as at 30 June 2021 - (Audited)	5,496	12,000	129,771	4,136,711	4,283,978	100,988	412,062	513,050	4,797,028	5,023,629	
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	(1,735)	-	(1,735)	-	1,735	1,735	-	-	
Profit for the period	-	-	(19,763)	-	(19,763)	-	283,273	283,273	(19,763)	(19,763)	
Other comprehensive income for the period	-	-	(19,763)	-	(19,763)	-	283,273	283,273	263,510	263,510	
Balance as at 31 March 2022 - (Un-audited)	5,496	12,000	108,273	4,136,711	4,262,480	100,988	697,070	798,058	5,060,538	5,287,139	
Profit for the period	-	-	-	-	-	-	(34,269)	(34,269)	(34,269)	(34,269)	
Other comprehensive income for the period	-	-	(21,535)	146,597	125,062	-	(3,946)	67,446	(3,946)	67,446	
Total comprehensive income for the period	-	-	(21,535)	146,597	125,062	-	(38,215)	(38,215)	86,847	86,847	
Balance as at 30 June 2022 - (Audited)	5,496	12,000	86,738	4,283,308	4,387,542	100,988	658,855	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	-	-	-	-	-	-	67,446	67,446	67,446	67,446	
Other comprehensive loss for the period	-	-	(39,365)	-	(39,365)	-	-	-	(39,365)	(39,365)	
Total comprehensive income for the period	-	-	(39,365)	-	(39,365)	-	67,446	67,446	28,081	28,081	
Balance as at 31 March 2023 - (Un-audited)	5,496	12,000	47,373	4,283,308	4,348,177	100,988	709,306	810,294	5,158,471	5,385,072	

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

	NOTE	(Nine months ended)	
		31 March 2023	31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES (RUPEES IN THOUSAND)			
Cash used in operations	7	187,285	(516,224)
Finance cost paid		(74,406)	(51,729)
Employees' retirement benefit paid		(87,103)	(25,420)
Income tax paid		(46,805)	(46,986)
Decrease in long term deposits		-	-
Long term advances		156	115
Net cash used in operating activities		(20,873)	(640,244)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,789)	(47,029)
Proceeds from sale of property, plant and equipment		-	2,872
Investment made		-	(16,399)
Proceeds from sale of investments		-	3,081
Net cash used in investing activities		(4,789)	(57,475)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(71,816)	(85,944)
Proceeds from long term financing		-	9,743
Short term borrowings - net		128,371	684,516
Dividend paid		(16,788)	-
Net cash from financing activities		39,767	608,315
NET DECREASE IN CASH AND CASH EQUIVALENTS		14,105	(89,404)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		43,637	142,717
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		57,742	53,313

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 NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)**
1. THE COMPANY AND ITS OPERATIONS

1.1 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. The Company also operates an embroidery unit.

1.2 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in subsidiary company has been accounted for at cost less accumulated impairment loss.

2. BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND JUDGEMENTS
2.1 Basis of preparation
a) Statement of compliance

i) These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

ii) These unconsolidated condensed interim financial statements do not include all the information and disclosures as required for unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated annual financial statements of the Company for the year ended 30 June 2022.

b) Accounting policies and computation methods

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 financial statements of the Company for the year ended 30 June 2022.

2.2 Critical accounting estimates, judgments and financial risk management

The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting and reporting standards requires management to make estimates, assumptions 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, assumptions and judgments.

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 on those that applied to the unconsolidated annual financial statements of the Company for the year ended 30 June 2022.

UN-AUDITED	AUDITED
31 March 2023	30 June 2022

(RUPEES IN THOUSAND)

3. LONG TERM FINANCING
Financing from banking company - secured

Opening balance	202,671	307,047
Add:		
Obtained during the period / year	-	9,742
Amortization during the period / year	298	2,861
	202,969	319,650
Less: Repaid during the period / year	71,816	116,979
	131,153	202,671
Less: Current portion shown under current liabilities	70,399	91,682
	60,754	110,989

4. CONTINGENCIES AND COMMITMENTS
a) Contingencies:

i) There are no significant changes in the status of other contingencies as disclosed in Note 14(a) to the unconsolidated annual financial statements of the Company for the year ended 30 June 2022, except as disclosed below:

ii) Guarantees of Rupees 62.738 million (30 June 2022: Rupees 74.998 million) are given by the Bank of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Lahore Electric Supply Company Limited against electricity connections.

(b): Commitments:

i) There was no commitment in respect of capital expenditure as at 31 December 2022 (30 June 2022: Rupees Nil).

ii) Letters of credit other than for capital expenditure are of Rupees Nil (30 June 2022: Rupees 133.276 million).

UN-AUDITED	AUDITED
31 March 2023	30 June 2022

(RUPEES IN THOUSAND)

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 5.1)	4,996,741	5,051,753
Capital work-in-progress	-	641

4,996,741	5,052,394
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5.1 Operating fixed assets

Opening book value	5,051,753	4,871,119
Add:		

Cost of additions during the period / year (Note 5.1.1)	4,789	121,709
Effects of surplus on revaluation during the period / year	-	146,597

5,056,542	5,139,425
------------------	------------------

Less: Book value of deletions during the period / year	-	2,633
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5,056,542	5,136,792
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Less: Depreciation charged during the period / year	59,801	85,039
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4,996,741	5,051,753
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5.1.1 Cost of additions during the period / year

Plant and machinery	-	48,361
Stand-by equipment	-	68,940
Electric installations	-	691
Furniture and fixtures	-	1,348
Vehicles	4,789	2,369

4,789	121,709
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(Un-audited)

Half year ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022

(RUPEES IN THOUSAND)

6. COST OF SALES

Raw materials consumed	2,837,086	3,252,868	735,033	1,046,863
Cost of raw materials sold	38,970	-	-	-
Salaries, wages and other benefits	260,950	312,748	75,092	85,407
Stores, spare parts and loose tools consumed	164,714	172,348	53,226	74,328
Fuel and power	876,273	648,230	329,686	229,455
Outside weaving / processing / stitching charges	61,173	201,438	30,084	32,894
Other manufacturing overheads	19,670	39,027	5,409	2,071
Insurance	8,718	7,729	2,930	2,556
Repair and maintenance	3,875	3,218	1,816	205
Depreciation	57,792	60,696	18,983	20,554
	4,329,221	4,698,302	1,252,259	1,494,333

Work-in-process

Opening stock	77,012	30,777	57,208	118,154
Closing stock	(70,955)	(164,632)	(70,955)	(164,632)

Cost of goods manufactured	4,335,278	4,564,447	1,238,512	1,447,855
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Finished goods

Opening stock	264,109	161,872	482,851	267,102
Closing stock	(485,683)	(246,893)	(485,683)	(246,893)
	(221,574)	(85,021)	(2,832)	20,209

	4,113,704	4,479,426	1,235,680	1,468,064
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Cost of goods purchased for resale

	-	72,025	-	-
	4,113,704	4,551,451	1,235,680	1,468,064

	UN-AUDITED	
	31 March 2023	31 March 2022
7. CASH USED IN OPERATIONS	(RUPEES IN THOUSAND)	
Profit before taxation	118,398	350,744
Adjustments for non-cash charges and other items:		
Depreciation	59,801	62,927
Provision for employees' retirement benefit	37,555	35,168
Gain on sale of property, plant and equipment	-	(1,985)
Finance cost	87,243	70,688
Old capital work-in-progress expensed out	641	-
Amortization of deferred grant	(298)	-
Gain on remeasurement of deferred liability	-	(2,237)
Provision for doubtful loans and advances	-	-
Allowance for expected credit losses - net	-	-
Working capital changes (Note 7.1)	(116,055)	(1,031,529)
	187,285	(516,224)
7.1 Working capital changes		
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	11,906	5,953
Stock-in-trade	(113,773)	(1,057,523)
Trade debts	109,193	(49,737)
Loans and advances	(91,566)	(17,636)
Short term deposit and prepayments	(4,757)	(1,110)
Other receivables	(25,700)	(103,193)
	(114,697)	(1,223,246)
Increase in trade and other payables	(1,358)	191,717
	(116,055)	(1,031,529)

	UN-AUDITED		UN-AUDITED	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
8. SEGMENT INFORMATION - UNCONSOLIDATED	(RUPEES IN THOUSAND)			
8.1				
			(UN-AUDITED)	
			TOTAL-COMPANY	
			Nine months ended	
			31 March	
			2023	
			2022	
			(RUPEES IN THOUSAND)	
			Elimination of Inter-segment transactions	
			Nine months ended	
			31 March	
			2023	
			2022	
			(RUPEES IN THOUSAND)	
			Trading	
			Nine months ended	
			31 March	
			2023	
			2022	
			(RUPEES IN THOUSAND)	
			Textiles	
			Nine months ended	
			31 March	
			2023	
			2022	
			(RUPEES IN THOUSAND)	
			CONTINUING OPERATIONS:	
			Revenue from contracts with customers	
			External	
			Intersegment	
			Cost of sales	
			Gross profit	
			Distribution cost	
			Administrative expenses	
			Other income	
			Finance cost	
			Profit before taxation and unallocated expenses	
			Unallocated expenses:	
			Other expenses	
			Taxation	
			Profit after taxation	

8.2 Reconciliation of reportable segment assets and liabilities:

	Textiles		Trading		TOTAL-COMPANY	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)					
Total assets for reportable segments	7,356,724	7,286,647	685	50,225	7,357,409	7,336,872
Unallocated asset:						
Deferred income tax asset					55,518	44,667
Total assets as per unconsolidated condensed interim statement of financial position					7,412,927	7,381,539
Total liabilities for reportable segments	1,942,737	1,921,616	5,495	5,674	1,948,232	1,927,290
Unallocated liabilities:						
Workers' profit participation fund					6,231	-
Workers' welfare fund					12,005	-
Provision for taxation					61,387	80,263
Total liabilities as per unconsolidated condensed interim statement of financial position					2,027,855	2,007,553

8.3 Geographical information:

The Company's revenue from external customers by geographical location is detailed below:

	Textiles		Trading		TOTAL-COMPANY	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)					
Africa	47,552	-	-	234,399	47,552	234,399
Europe	195,992	576,059	-	-	195,992	576,059
Australia	-	5,563	-	-	-	5,563
North America	119,647	111,838	-	-	119,647	111,838
Pakistan	4,131,075	4,301,674	-	-	4,131,075	4,301,674
	4,494,266	4,995,134	-	234,399	4,494,266	5,229,533

8.4 The Company's revenue from external customers in respect of product is detailed below:

	Textiles		Trading		TOTAL-COMPANY	
	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)	(UN-AUDITED)	(AUDITED)
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)					
Major products/service lines						
Yarn / others	4,086,979	4,278,038	-	22,855	4,086,979	4,300,893
Cloth	-	-	-	211,544	-	211,544
Hosiery	123,743	111,837	-	-	123,743	111,837
Made-ups	249,244	581,622	-	-	249,244	581,622
Waste	34,300	23,637	-	-	34,300	23,637
	4,494,266	4,995,134	-	234,399	4,494,266	5,229,533

9. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(Un-audited)			
	(RUPEES IN THOUSAND)			

i) Transactions
Subsidiary company

Purchase of goods	145,094	34,012	45,942	6,108
Expenses paid on behalf of subsidiary company	6	22	-	4

Associated companies

Insurance premium	15,280	12,723	-	-
Expenses paid on behalf of associated company	449	-	-	-
Dividend paid	159	-	-	-

Other related parties

Loans received / (repaid to) from Chief Executive Officer, directors and executives - net	16,190	(7,915)	5,214	(1,438)
Remuneration and meeting fee paid to Chief Executive Officer, directors and executives	65,522	41,940	32,601	20,970
Dividend paid to Chief Executive Officer, directors, spouses and executives	7,252	-	-	-

(Un-audited)	(Audited)
31 March 2022	30 June 2021

(RUPEES IN THOUSAND)

ii) Period end balances
Subsidiary company

Trade and other payables	2,198	1,095
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Associated companies

Trade and other payables	1,655	570
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Other related parties

Short term borrowings	302,807	281,757
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10. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS
10.1 Fair value hierarchy

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 March 2023 - (Un-audited)				
At fair value through other comprehensive income	123,771	-	2,500	126,271
Total financial assets	123,771	-	2,500	126,271
At 30 June 2022 - (Audited)				
At fair value through other comprehensive income	163,138	-	2,500	165,638
Total financial assets	163,138	-	2,500	165,638

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 (such as equity securities) is based on quoted market prices at the end of the reporting period.

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

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

11. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

(Un-audited)	(Audited)
31 March 2023	30 June 2022

(RUPEES IN THOUSAND)

Shariah compliant bank deposits and bank balances

Bank balances	5,488	2,150
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Loans / advances obtained as per Islamic mode

Contract liabilities - unsecured	179,003	135,636
Short term borrowings	302,807	345,830

	UN-AUDITED	
	31 March 2023	31 March 2022
(RUPEES IN THOUSAND)		
Revenue earned from shariah compliant business	4,494,266	5,229,533
Exchange gain	15,531	4,363
Gain or dividend earned from shariah compliant investments		
Dividend income	-	1,660
Profits earned or interest paid on any conventional loan / advance		
Mark-up on long term financing	17,357	17,455
Mark-up on short term borrowings	65,410	43,565

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 balances
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 financial statements of the Company for the year ended 30 June 2022.

13. DATE OF AUTHORIZATION

These unconsolidated condensed interim financial statements have been approved by the Board of Directors and authorized for issue on April 29, 2023.


14. 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 annual audited 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-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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF

NOTE	UN-AUDITED	AUDITED
	31 March	30 June
	2023	2022
	(RUPEES IN THOUSAND)	

EQUITY AND LIABILITIES
SHARE CAPITAL AND RESERVES
Authorized share capital

30 000 000 (30 June 2022: 30 000 000)
ordinary shares of Rupees 10 each

300,000	300,000
----------------	----------------

Issued, subscribed and paid up share capital
Reserves

226,601	226,601
5,708,863	5,642,701

Total equity

5,935,464	5,869,302
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LIABILITIES
NON-CURRENT LIABILITIES

Long term financing
Employees' retirement benefits

60,754	110,989
114,547	162,319
175,301	273,308

CURRENT LIABILITIES

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

860,495	804,733
4,177	3,970
47,275	34,438
807,424	679,053
70,399	153,927
74,478	88,675
1,864,248	1,764,796
2,039,549	2,038,104

TOTAL LIABILITIES

CONTINGENCIES AND COMMITMENTS

5

TOTAL EQUITY AND LIABILITIES

7,975,013	7,907,406
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The annexed notes form an integral part of this condensed interim financial information.



ABID MEHMOOD
CHIEF EXECUTIVE OFFICER



NAVEED GULZAR
DIRECTOR

FINANCIAL POSITION AS AT 31 MARCH 2023

NOTE	UN-AUDITED	AUDITED
	31 March	30 June
	2023	2022
	(RUPEES IN THOUSAND)	

ASSETS
NON-CURRENT ASSETS

Property, plant and equipment	6	5,005,673	5,071,774
Investment properties		496,171	496,171
Long term investments	7	113,870	88,531
Long term deposits		5,704	4,185
Long term advances		-	189
Deferred income tax - asset		55,518	40,302
		5,676,936	5,701,152

CURRENT ASSETS

Stores, spare parts and loose tools		63,076	74,982
Stock in trade		771,662	695,647
Trade debts		410,683	513,765
Loans and advances		170,760	50,060
Deposits, prepayments and other receivables		353,020	332,936
Income tax		202,658	210,696
Short term investments	8	146,410	165,444
Cash and bank balances		179,808	162,724
		2,298,077	2,206,254

TOTAL ASSETS

7,975,013	7,907,406
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SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

NOTE	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)			
REVENUE FROM CONTRACTS WITH CUSTOMERS	4,723,521	5,397,238	3,123,501	1,764,206
COST OF SALES	<u>(4,317,246)</u>	<u>(4,703,897)</u>	<u>(1,338,718)</u>	<u>(1,543,671)</u>
GROSS PROFIT	406,275	693,341	1,784,783	220,535
DISTRIBUTION COST	(58,028)	(128,699)	(16,394)	(36,930)
ADMINISTRATIVE EXPENSES	(183,583)	(157,454)	(122,549)	(47,337)
OTHER OPERATING EXPENSES	(6,231)	(18,460)	(5,190)	10,096
	<u>(247,842)</u>	<u>(304,613)</u>	<u>(144,133)</u>	<u>(74,171)</u>
	158,433	388,728	1,640,650	146,364
OTHER OPERATING INCOME	61,474	51,802	48,061	9,931
(LOSS)/PROFIT FROM OPERATIONS	219,907	440,530	1,688,711	156,295
FINANCE COST	<u>(88,442)</u>	<u>(70,959)</u>	<u>(61,354)</u>	<u>(31,260)</u>
	131,465	369,571	1,627,357	125,035
SHARE OF PROFIT / (LOSS) FROM ASSOCIATED COMPANIES	294	(202)	-	97
PROFIT/(LOSS) BEFORE TAXATION	131,759	369,369	1,627,357	125,132
TAXATION	(55,631)	(70,011)	(34,889)	(32,024)
PROFIT / (LOSS) AFTER TAXATION	<u>76,128</u>	<u>299,358</u>	<u>1,592,468</u>	<u>93,108</u>
EARNINGS PER SHARE - BASIC AND DILUTED	<u>3.36</u>	<u>13.21</u>	<u>70.28</u>	<u>4.11</u>

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)			
PROFIT/(LOSS) AFTER TAXATION	76,128	299,358	1,592,468	93,108
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	663	(24,353)	8,040	(3,834)
Other comprehensive income / (loss) for the period	663	(24,353)	8,040	(3,834)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>76,791</u>	<u>275,005</u>	<u>1,600,508</u>	<u>89,274</u>

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

NOTE	(Nine months ended)	
	31 March 2023	31 March 2022
	(RUPEES IN THOUSAND)	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash (utilized in) / generated from operations	10	195,833	(533,099)
Finance cost paid		(75,605)	(52,000)
Staff retirement gratuity paid		(74,406)	(25,420)
Income tax paid		(72,642)	(52,645)
Long term deposits		(1,519)	(1,862)
Long term advances		189	115
		(223,983)	(131,812)
Net cash (utilized in) / generated from operating activities		(28,150)	(664,911)

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure on property, plant and equipment		(4,789)	(382,879)
Proceeds from sale of property, plant and equipment		10,256	2,872
Investment made		-	(16,399)
Proceeds from sale of investments		-	3,081
Net cash from investing activities		5,467	(393,325)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term financing		(71,816)	(85,944)
Proceeds from long term financing		-	9,743
Short term borrowings - net		128,371	684,516
Dividend paid		(16,788)	-
Net cash (used in) / from financing activities		39,767	608,315

NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS **17,084** (449,921)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD **162,724** 639,180

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD **179,808** 189,259

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 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 Associate reserves	General Reserve	Sub Total	Sub Total	TOTAL EQUITY
Balance as at 30 June 2021 - Audited	226,601	5,496	12,000	60,924	4,136,711	4,215,131	48,975	4,978	1,008,926	5,504,611
Gain realized on disposal of equity investments at fair value through other comprehensive income	-	-	-	(1,735)	-	(1,735)	-	-	1,735	-
Profit for the period	-	-	-	-	-	-	-	-	299,358	299,358
Other comprehensive income for the period	-	-	-	(24,353)	-	(24,353)	4,596	4,596	-	(19,757)
Total comprehensive income for the period	-	-	-	(24,353)	-	(24,353)	4,596	4,596	299,358	279,601
Balance as at 31 March 2022 - Unaudited	226,601	5,496	12,000	34,836	4,136,711	4,189,043	48,975	9,574	1,310,019	5,784,212
Profit for the period	-	-	-	-	-	-	-	-	(37,984)	(37,984)
Other comprehensive income for the period	-	-	-	(19,075)	146,597	127,522	(4,448)	(4,448)	-	123,074
Total comprehensive income for the period	-	-	-	(19,075)	146,597	127,522	(4,448)	(4,448)	(37,984)	85,090
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
Transaction with owners - Final dividend for the year ended 30 June 2022 at the rate of Rupees 0.75 per share	-	-	-	-	-	-	-	-	(16,995)	(16,995)
Profit for the period	-	-	-	-	-	-	-	-	76,128	76,128
Other comprehensive income for the period	-	-	-	663	-	663	-	6,366	-	7,029
Total comprehensive income for the period	-	-	-	663	-	663	-	6,366	76,128	83,157
Balance as at 31 March 2023 - Un-audited	226,601	5,496	12,000	16,424	4,283,308	4,317,228	48,975	11,492	1,331,168	5,935,464

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 NINE MONTHS ENDED 31 MARCH 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 2022.

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 2022.

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 condensed interim financial information from the date control commences until the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Intragroup balances and transactions have been eliminated

Proportionate share of accumulated losses relating to the non-controlling interest is more than their respective share capital. Therefore, losses in excess of share capital of non-controlling interest are absorbed by the Group.

b) Associates

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of this consolidated condensed interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2022.

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

Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 5.635 million (30 June 2022: Rupees 5.635 million). The Company, being aggrieved, has filed appeals with the Honourable High Court and with Supreme Court of Pakistan which are still pending. No provision has been made in the books of account against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.

The Holding Company filed a suit against Crescent Fibres Limited for the recovery of Rupees 23.000 million (30 June 2022: Rupees 23.000 million) along with mark-up in Civil Court, Lahore. No provision against doubtful receivables has been made in this condensed interim financial information as the management is hopeful that the case will be decided in favour of the Company and all the outstanding dues will be recovered.

Letters of guarantee of Rupees 62.738 million (30 June 2022: Rupees 74.998 million) are given by the banks of the Company to Sui Northern Gas Pipeline Limited, Sui Southern Gas Company Limited and Lahore Electric Supply Company Limited against gas and electricity connections.

The Company has filed appeal in Lahore High Court, Lahore, dated 15 October 2018 against the levy of cotton cess. However the related provision of Rupees 1.696 million (30 June 2022 : Rupees 1.696 million) is not accounted for in these condensed interim financial statements in view of favorable outcome of the appeal.

Cheques of Rupees 32.485 million (30 June 2022: Rupees 32.485 million) are issued to Nazir of Sindh High Court as security against impugned gas rate difference suit. If the outcome of the suit comes against the company, cheques issued as security shall be encashable.

Subsidiary Company:

There is no contingency as at 31 March 2023 (30 June 2022 Rs. Nil)

Commitments:

Letters of credit for capital expenditure are of Rs. Nil (30 June 2022: Rupees Nil).

Letters of credit for other than capital expenditure are of Rupees Nil (30 June 2022: Rupees 133.276 million).

6. PROPERTY, PLANT AND EQUIPMENT

	UN-AUDITED 31 March 2023	AUDITED 30 June 2022
(RUPEES IN THOUSAND)		
Operating fixed assets (Note 6.1)	5,005,673	5,071,133
Capital work-in-progress	-	641
	5,005,673	5,071,774
6.1 Operating fixed assets		
Opening book value	5,071,133	4,873,696
Add : Effects on surplus on revaluation	-	146,597
Add : Cost of additions during the period / year (Note 6.1.1)	4,789	139,624
	5,075,922	5,159,917
Less:		
Book value of deletions during the period / year (Note 6.1.2)	9,043	2,633
Depreciation charged during the period / year	61,206	86,151
Transferred to investment property	-	-
	70,249	88,784
Book value at the end of the period / year	5,005,673	5,071,133

UN-AUDITED 31 March 2023	AUDITED 30 June 2022
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(RUPEES IN THOUSAND)

6.1.1 Cost of additions during the period / year

Plant and machinery	-	48,361
Stand-by equipment	-	69,167
Electric installations	-	691
Furniture and fixtures	-	1,369
Vehicles	4,789	19,881
Office equipment	-	155
	4,789	139,624

6.1.2 Book value of deletions during the period / year

Vehicles	9,043	2,633
	9,043	2,633

UN-AUDITED 31 March 2023	AUDITED 30 June 2022
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(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	3,039
Share of profit/(loss) during the period / year	294	(89)
Adjustment of carrying amount	-	148
	3,392	3,098
	3,894	3,600
Available for sale:		
Quoted - Others	616	616
Unquoted - Others	1,158	1,158
	1,774	1,774
Add :- Deposit for shares	104,698	80,000
Add: Fair value adjustment	3,504	3,157
	109,976	84,931
	113,870	88,531

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 March 2023	AUDITED 30 June 2022
(RUPEES IN THOUSAND)		
8. SHORT TERM INVESTMENTS – Available for sale		
Quoted - Others	133,490	138,243
Add: At fair value through profit or loss	-	9,132
Add/(Less): Fair value adjustment	12,920	18,069
	<u>146,410</u>	<u>165,444</u>

(Un-audited)			
Nine months ended		Quarter ended	
31 March 2023	31 March 2022	31 March 2023	31 March 2022
(RUPEES IN THOUSAND)			

9. COST OF SALES

Raw material consumed	2,837,086	3,218,856	735,033	1,048,882
Cost of raw material sold	38,970	-	-	-
Salaries, wages and other benefits	260,950	312,748	75,092	85,407
Stores, spare parts and loose tools consumed	164,714	172,348	53,226	74,328
Fuel and power	876,273	648,230	329,686	229,455
Outside weaving charges	61,173	201,438	30,084	32,894
Other manufacturing overheads	19,670	39,027	5,409	2,071
Insurance	8,718	7,729	2,930	2,556
Repair and maintenance	3,875	3,218	1,816	205
Depreciation	57,792	60,696	18,983	20,554
	<u>4,329,221</u>	<u>4,664,290</u>	<u>1,252,259</u>	<u>1,496,352</u>

Work-in-process:

Opening stock	77,012	30,777	57,208	118,154
Closing stock	(70,955)	(164,632)	(70,955)	(164,632)
	6,057	(133,855)	(13,747)	(46,478)
Cost of goods manufactured	<u>4,335,278</u>	<u>4,530,435</u>	<u>1,238,512</u>	<u>1,449,874</u>

Finished goods:

Opening stock	264,109	161,872	482,851	267,102
Closing stock	(485,683)	(246,893)	(485,683)	(246,893)
	(221,574)	(85,021)	(2,832)	20,209
	<u>4,113,704</u>	<u>4,445,414</u>	<u>1,235,680</u>	<u>1,470,083</u>
Cost of goods purchased	203,542	258,483	103,038	73,588
	<u>4,317,246</u>	<u>4,703,897</u>	<u>1,338,718</u>	<u>1,543,671</u>

	UN-AUDITED	
	31 March 2023	31 March 2022
(RUPEES IN THOUSAND)		
10. CASH UTILIZED IN OPERATIONS		
Profit before taxation	131,759	369,312
Adjustments for non-cash charges and other items:		
Depreciation	61,206	63,075
Provision for staff retirement gratuity	39,331	36,332
Gain on sale of property, plant and equipment	(1,213)	(1,985)
Share of (profit) / loss from associated companies	(294)	202
Finance cost	88,442	70,959
Working capital changes (Note 10.1)	(123,398)	(1,070,994)
	<u>195,833</u>	<u>(533,099)</u>

10.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	11,906	(26,947)
Stock in trade	(76,015)	(1,057,523)
Trade debts	103,082	(49,771)
Loans and advances	(120,700)	(18,229)
Deposits, prepayments and other receivables	(20,084)	(107,793)

(101,811) (1,260,263)

(Decrease) / increase in trade and other payables

(21,587) 189,269

(123,398) (1,070,994)

11. SEGMENT INFORMATION - CONSOLIDATED

	(UN-AUDITED)							
	Textiles		Trading		Elimination of inter-segment transactions		CONSOLIDATED	
	Nine months ended 31 March 2023	31 March 2022	Nine months ended 31 March 2023	31 March 2022	Nine months ended 31 March 2023	31 March 2022	Nine months ended 31 March 2023	31 March 2022
(RUPEES IN THOUSAND)								
CONTINUING OPERATIONS								
Sales	4,723,521	5,290,551	-	234,399	(127,712)	4,723,521	5,397,238	
Cost of sales	(4,317,246)	(4,624,956)	-	(206,653)	127,712	(4,317,246)	(4,703,897)	
Gross profit	406,275	665,595	-	27,746	-	406,275	693,341	
Distribution cost	(58,028)	(116,090)	-	(12,609)	-	(58,028)	(128,699)	
Administrative expenses	(183,583)	(157,112)	-	(342)	-	(183,583)	(157,454)	
Other operating expenses	(247,842)	(291,662)	-	(12,951)	-	(247,842)	(18,460)	(304,613)
Other operating income	158,433	373,933	-	14,795	-	158,433	388,728	
Profit from operations	61,474	51,802	-	-	-	61,474	51,802	
Finance cost	(88,442)	(69,407)	-	(1,552)	-	(88,442)	(70,959)	
Profit/(loss) before taxation and unallocated income and expenses	131,465	356,328	-	13,243	-	131,465	369,571	
Unallocated income and expenses:								
Share of profit / (loss) from associated companies						294	(202)	
Taxation						(55,631)	(70,011)	
Profit/(loss) after taxation						76,128	299,358	

12. TRANSACTIONS WITH RELATED PARTIES

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

i) Transactions	(Un-audited)			
	Nine months ended		Quarter ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(RUPEES IN THOUSAND)				
Associated companies				
Insurance premium	15,280	12,723	-	-
Expenses paid on behalf of associated company	449	-	-	-
Dividend paid	159	-	-	-
Other related parties				
Loans received from/(repaid to) Chief Executive Officer, Directors, Executives and Sponsors - Net	16,190	(7,915)	5,214	(1,438)
Remuneration paid to Chief Executive Officer, Directors, and Executives	65,522	41,940	32,601	20,970
Dividend paid to Chief Executive Officer, Directors, and Executives	7,252	-	-	-

13. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2022.

14. DATE OF AUTHORIZATION

This consolidated condensed interim financial information was approved and authorized for issue on April 29, 2023 by the Board of Directors of the Group.

15. CORRESPONDING FIGURES

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

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

16. GENERAL

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


ABID MEHMOOD
CHIEF EXECUTIVE OFFICER


NAVEED GULZAR
DIRECTOR


SAMI ULLAH CH.
CHIEF FINANCIAL OFFICER



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