



**Crescent  
Fibres**



**Quarterly Report  
March 31, 2024**



## COMPANY INFORMATION

<b>Board of Directors</b>	Nadeem Maqbool	(Chairman, Non-Executive Director)
	Imran Maqbool	(Chief Executive Officer, Executive Director)
	Humayun Maqbool	(Executive Director)
	Naila Humayun Maqbool	(Non-Executive Director)
	Mansoor Riaz	(Non-Executive Director)
	Syed Rizwan Husain	(Independent, Non-Executive Director)
	Sheikh Muhammad Ali Asif	(Independent, Non-Executive Director)
<b>Chief Financial Officer</b>	Kamran Rasheed	
<b>Company Secretary</b>	Javaid Hussain	
<b>Audit Committee</b>	Sheikh Muhammad Ali Asif	(Chairman)
	Nadeem Maqbool	(Member)
	Naila Humayun Maqbool	(Member)
<b>Human Resources &amp; Remuneration Committee</b>	Syed Rizwan Husain	(Chairman)
	Nadeem Maqbool	(Member)
	Naila Humayun Maqbool	(Member)
<b>Auditors</b>	BDO Ebrahim & Company Chartered Accountants	
<b>Legal Advisor</b>	Mohsin Tayebally & Sons	
<b>Share Registrar</b>	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: (042) 35916714, 35916719, 35839182 Email: shares@corplink.com.pk	
<b>Registered Office</b>	104 Shadman 1, Lahore - 54000 Tel : (042) 35960871-4 Lines	
<b>Head Office</b>	7th Floor, Lakson Square Building No. 3, Sarwar Shaheed Road, Karachi Tel : (021) 35682073-74	
<b>Project Locations</b>		
<b>Unit No. 1</b>	Plot No. B/123, Road No. D-7, Industrial Area Nooriabad, District Dadu Sindh	
<b>Unit No. 2</b>	17-Km, Faisalabad Road, Bhikhi, District Sheikhupura, Punjab	
<b>E-mail:</b>	lo@crescentfibres.com	
<b>Website:</b>	www.crescentfibres.com	

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## DIRECTORS' REPORT

The Company reported after tax loss of Rs. 400.4 million for the nine months ended March 31, 2024 as compared to a loss of Rs. 141 million for the nine months ended March 31, 2023. The earnings per share for the period under review was negative Rs. 32.2 as compared to negative Rs. 11.4 in the previous period.

Overall, sales increased by 7% as compared to the nine months ended March 31, 2023. Demand for products continued to be weak and the company had to resort to production curtailment which further added to cost pressures. The gross margin for the period was minus 1.7% as compared to 3.5% in the previous period. Distribution and administrative expenses at 2.9% were lower as compared to 3.0% in the previous period. The operating margin in the period under review was at negative 3.6% as compared to 0.9% for the nine months ended March 31, 2023. The financial charges were same as compared to sales due to the increase in interest rates and lower cash flows and negative margins. Overall, the net margin for the period was negative 7.1% as compared to negative 2.7% for the previous period.

Textile demand started to decline in the fourth quarter of the last fiscal year. This trend had worsened as a weakening global economy, rising interest rates and inflation and overall commodity and financial market volatility has led to severe demand destruction. In light of domestic and global challenges we expect this downward trend to continue.

Imprudent economic policies combined with recent global events have made Pakistan's economy particularly fragile, characterized by high balance of payment and fiscal deficits, a weakening and volatile currency, rising inflation and interest rates, high external indebtedness and uncompetitive energy pricing. Without meaningful reforms that boost economic competitiveness, direct investment toward productive sectors that promote exports and a sustained effort to end the regulatory quagmire, Pakistan's economic recovery will continue to falter.

Other than global and domestic economic issues, the textile industry faces other challenges including high cost of doing business, increased financial, exchange rate and commodity market volatility, low domestic cotton yield and quality and supply chain. The Government has promised supply of energy at regionally competitive rates, and this must be ensured to maintain viability. In addition, the Government must adopt a prudent monetary policy, and improve liquidity by releasing long delayed income tax and other rebates.

We expect the next year to be a very difficult one for the textile industry. In order to best utilize its resources, the Board of Directors had requested Management to explore options for investment property at Faisalabad including outright sale. This has been approved by the shareholders through EOGM and the Management is in contact with potential buyers.

In light of the negative outlook, the Management will continue to rely on sound, low risk decision making to protect the interests of the shareholders.

The Management wishes to place on record its appreciation for the hard work and devotion of its workers and the invaluable advice and support of the Company's Directors, shareholders and bankers.



**IMRAN MAQBOOL**  
Chief Executive

April 29, 2024



**NADEEM MAQBOOL**  
Director

## کمپنی نظام (ڈائریکٹران) کی رپورٹ:

کمپنی کو 31 مارچ 2024 کو ختم ہونے والے نو ماہ کے دوران ٹیکس ادا کیے گئے کے بعد 400 ملین روپے کا خسارہ ہوا جس کے مقابلے میں 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے دوران اسے 141 ملین روپے کا نقصان ہوا تھا۔ زیر جائزہ مدت کے لئے فی حصص آمدنی منفی 32.2 روپے رہی جو کہ پچھلی مدت میں منفی 11.4 روپے تھی۔

مجموعی طور پر، 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے مقابلے میں فروخت میں 7 فیصد اضافہ ہوا۔ مصنوعات کی مانگ مسلسل کمزور رہتی رہی اور کمپنی کو پیداوار میں کمی کا سہارا لینا پڑا جس سے لاگت کے دباؤ میں مزید اضافہ ہوا۔ اس مدت کے لئے مجموعی منافع گذشتہ مدت کے 3.5 فیصد کے مقابلے میں منفی 1.7 فیصد تھا۔ تقسیم اور انتظامی اخراجات گذشتہ مدت کے 3.0 فیصد کے مقابلے میں 2.9 فیصد کم تھے۔ زیر جائزہ مدت میں آپریٹنگ منافع 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے دوران 0.9 فیصد کے مقابلے میں منفی 3.6 فیصد تھا۔ شرح سود میں اضافے اور کم نقد بہاؤ اور منفی منافع ہونے کی وجہ سے مالیاتی اخراجات فروخت کے مقابلے میں یکساں تھے۔ مجموعی طور پر، اس مدت کے لئے خالص منافع منفی 7.1 فیصد رہا جبکہ پچھلی مدت میں یہ منفی 2.7 فیصد تھا۔

گذشتہ مالی سال کی چوتھی سہ ماہی میں ٹیکسٹائل کی طلب میں کمی آنا شروع ہوئی۔ یہ رجحان کمزور عالمی معیشت، بڑھتی ہوئی شرح سود اور افراط زر اور مجموعی طور پر اجناس اور مالیاتی منڈی کے اتار چڑھاؤ کی وجہ سے مانگ میں شدید تباہی کا باعث بنا ہے۔ ملکی اور عالمی چینلجوں کی روشنی میں ہمیں اندیشہ ہے کہ یہ منفی رجحان جاری رہے گا۔

حالیہ عالمی واقعات کے ساتھ مل کر غلط معاشی پالیسیوں نے پاکستان کی معیشت کو خاص طور پر کمزور بنا دیا ہے، جس کی بنیادی وجہ ادا کیے گئے بلنڈ توازن اور مالیاتی خسارے، گرتی ہوئی کرنسی، بڑھتی ہوئی افراط زر، شرح سود میں اضافہ، بلند بیرونی قرضہ جات اور توانائی کی قلت ہے۔ معاشی مسابقت کو فروغ دینے والی با معنی اصلاحات کے بغیر، برآمدات کو فروغ دینے والے پیداواری شعبوں میں براہ راست سرمایہ کاری اور ریگولیٹری دلدل کو ختم کرنے کے لئے مسلسل کوششوں کے بغیر پاکستان کی اقتصادی بحالی ناکام ہوتی رہے گی۔

عالمی اور ملکی معاشی مسائل کے علاوہ، ٹیکسٹائل انڈسٹری کو دیگر چینلجوں کا سامنا ہے جن میں کاروبار کرنے کی زیادہ لاگت، مالیاتی اضافہ، شرح مبادلہ اور اجناس کی منڈی میں اتار چڑھاؤ، ملکی کمپاس کی پیداوار میں کمی اور معیار اور فراہمی کے سلسلے میں رکاوٹیں شامل ہیں۔ حکومت نے علاقائی سطح پر مسابقتی زرخوں پر توانائی کی فراہمی کا وعدہ کیا ہے، اور اس عمل کو یقینی بنایا جائے، اس کے علاوہ حکومت کو ایک دانشمندانہ مالیاتی پالیسی اپنانی چاہیے، سبز ٹیکس کے نظام کو حکومت کو فوری طور پر معطل کرنا چاہیے اور طویل عرصہ سے تاخیر کا شکار آکرم ٹیکس اور دیگر رعایتیں جاری کر کے لیکویڈیٹی کو بہتر بنانا چاہیے۔

ہم توقع کرتے ہیں کہ اگلا سال ٹیکسٹائل انڈسٹری کے لئے بہت مشکل ہوگا۔ اپنے وسائل کو بہتر بنانے سے بروئے کار لانے کے لئے بورڈ آف ڈائریکٹرز نے انتظامیہ سے درخواست کی تھی کہ وہ فیصل آباد میں جائیداد کی براہ راست فروخت سمیت سرمایہ کاری کے مواقع تلاش کرے۔ اس کی منظوری غیر معمولی اجلاس عام (EOGM) کے ذریعے شیئر ہولڈرز نے دی ہے اور انتظامیہ ممکنہ خریداروں کے ساتھ رابطے میں ہے۔

منفی نقطہ نظر کی روشنی میں، انتظامیہ شیئر ہولڈرز کے مفادات کے تحفظ کے لئے درست، کم خطرے والے فیصلے پر انحصار کرتی رہے گی۔

کمپنی کی انتظامیہ عملے کی مسلسل محنت اور جذبے پر اچھے تعلقات کا اعتراف کرتی ہے اور کمپنی ڈائریکٹرز، بینکرز اور حصہ داران کا بھی مسلسل حمایت پر شکر ادا کرتی ہے۔

Naamunagp

ندیم مقبول

ڈائریکٹر

Imra Maqool

عمران مقبول

چیف ایگزیکٹو آفیسر

29 اپریل 2024ء

Quarterly Report

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	6	1,845,815,478	1,191,009,114
Capital work-in-progress	7	4,882,454	720,366,422
		1,850,697,932	1,911,375,536
Intangible asset	8	6,794,412	8,430,500
Investment property	9	-	-
Investment in equity accounted associate	10	-	-
Long term deposits		34,539,313	27,056,805
		1,892,031,657	1,946,862,841
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	11	112,915,898	110,512,114
Stock in trade	12	663,473,688	687,933,993
Trade debts	13	1,591,433,132	1,945,149,699
Loans and advances		51,939,199	25,886,548
Trade deposits and short term prepayments		17,861,811	9,882,962
Other receivables		3,144,556	3,253,340
Short term investments	14	120,219,999	69,426,885
Tax refunds due from Government		157,964,639	105,638,469
Taxation - net		25,735,600	40,355,400
Cash and bank balances	15	95,965,716	204,350,417
		2,840,654,238	3,202,389,827
Assets classified as held for sale	16	2,538,897,200	2,538,897,200
<b>TOTAL ASSETS</b>		<b>7,271,583,095</b>	<b>7,688,149,868</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
15,000,000 (June 30, 2023: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital			
12,417,876 (June 30, 2023: 12,417,876) ordinary shares of Rs. 10/- each		124,178,760	124,178,760
Capital reserves			
Surplus on revaluation of property, plant and equipment		1,996,280,568	1,996,280,568
Unrealised gain on investments at fair value through other comprehensive income		58,703,380	32,688,266
		2,054,983,948	2,028,968,834
Revenue reserves			
Unappropriated profit		2,156,813,089	2,557,189,191
		4,335,975,797	4,710,336,785
<b>NON CURRENT LIABILITIES</b>			
Long term financing	17	257,151,632	286,442,241
Lease liabilities	18	145,851,935	135,463,672
Deferred capital grant	19	115,010,259	121,804,419
GlDC payable		-	2,843,217
Deferred taxation		153,068	86,452,523
		518,166,894	633,006,072
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	1,760,835,267	1,597,496,291
Unclaimed dividend		3,038,460	3,038,460
Interest and mark-up accrued		45,106,770	50,289,757
Short term borrowings	21	515,091,368	628,106,241
Current portion of long term liabilities	17	55,634,553	39,298,664
Current portion of lease liabilities	18	21,922,255	11,092,700
Current portion of deferred government grant	19	15,811,731	15,484,898
		2,417,440,404	2,344,807,011
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,271,583,095</b>	<b>7,688,149,868</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	22		

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**IMRAN MAQBOOL**  
Chief Executive

  
**NADEEM MAQBOOL**  
Director


  
**KAMRAN RASHEED**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Note	Nine months ended		Quarter ended	
		March 31,	March 31,	March 31,	March 31,
		2024	2023	2024	2023
		Rupees	Rupees	Rupees	Rupees
Sales - net		5,633,013,330	5,247,846,702	1,646,061,325	1,691,784,972
Cost of sales	23	(5,726,731,069)	(5,063,585,922)	(1,798,335,776)	(1,715,604,324)
Gross profit		(93,717,739)	184,260,780	(152,274,451)	(23,819,352)
General and administrative expenses		(164,889,781)	(159,516,408)	(53,557,494)	(42,937,834)
Distribution cost		(16,092,725)	(16,422,003)	(4,497,264)	(6,194,000)
Other operating income		75,166,832	40,327,379	13,209,800	14,166,383
Other operating expenses		(975,000)	(504,375)	(325,000)	-
		(106,790,674)	(136,115,407)	(45,169,958)	(34,965,451)
Operating (loss) / profit		(200,508,413)	48,145,373	(197,444,409)	(58,784,803)
Financial charges		(201,747,999)	(203,477,200)	(62,612,953)	(71,907,001)
Loss before taxation		(402,256,412)	(155,331,827)	(260,057,362)	(130,691,804)
Taxation	24	1,880,310	14,301,846	(33,102,899)	(17,192,724)
(Loss) / profit for the period		(400,376,102)	(141,029,981)	(293,160,261)	(147,884,528)
(Loss) / Earnings per share - basic and diluted	25	(32.24)	(11.36)	(23.61)	(11.91)

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**IMRAN MAQBOOL**  
Chief Executive

  
**NADEEM MAQBOOL**  
Director

  
**KAMRAN RASHEED**  
Chief Financial Officer


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**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Note	March 31, 2024 Rupees	March 31, 2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	26	320,612,680	76,935,341
Financial charges paid		(199,115,151)	(184,866,725)
Taxes paid		(69,799,346)	(90,842,357)
Net cash used in operating activities		51,698,183	(198,773,741)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition in capital expenditure		(15,254,766)	(169,236,484)
Addition in intangible		-	(1,667,071)
Proceeds from disposal of operating fixed assets		43,099,999	9,827,799
Short term investments		(24,778,000)	-
Long term deposits		(7,482,508)	15,944,724
Net cash used in investing activities		(4,415,275)	(145,131,032)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of long term financing		(20,770,555)	(66,604,611)
Proceeds from long term financing		-	181,221,756
Principal paid on lease liabilities		(21,882,182)	(14,723,770)
Dividend paid		-	(1,916)
Short term borrowings - net		(113,014,872)	192,152,307
Net cash generated from financing activities		(155,667,609)	292,043,766
Net (decrease) / increase in cash and cash equivalents		(108,384,701)	(51,861,007)
Cash and cash equivalents at the beginning of the period		204,350,417	247,809,755
Cash and cash equivalents at the end of the period		95,965,716	195,948,748

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**IMRAN MAQBOOL**  
Chief Executive

  
**NADEEM MAQBOOL**  
Director

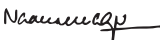
  
**KAMRAN RASHEED**  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Capital Reserves		Revenue Reserves	Total	
	Issued, subscribed and paid-up capital	Unrealised gain on investments at fair value through other comprehensive income	Surplus on revaluation of property, plant and equipment		Unappropriated profit
Balance as at July 1, 2022 (audited)	124,178,760	37,512,961	1,996,280,568	2,181,283,944	4,339,256,233
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	(141,029,981)	(141,029,981)
Other comprehensive income					
Unrealised loss on revaluation of investments classified as 'fair value through other comprehensive income'	-	(17,759,087)	-	-	(17,759,087)
	-	(17,759,087)	-	(141,029,981)	(158,789,068)
Balance as at March 31, 2023 (unaudited)	124,178,760	19,753,874	1,996,280,568	2,040,253,963	4,180,467,165
Balance as at July 1, 2023 (audited)	124,178,760	32,688,266	1,996,280,568	2,557,189,191	4,710,336,785
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(400,376,102)	(400,376,102)
Other comprehensive income					
Unrealised gain on revaluation of investments classified as 'fair value through other comprehensive income'	-	26,015,114	-	-	26,015,114
	-	26,015,114	-	(400,376,102)	(374,360,988)
Balance as at March 31, 2024 (unaudited)	124,178,760	58,703,380	1,996,280,568	2,156,813,089	4,335,975,797

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

  
**IMRAN MAQBOOL**  
Chief Executive

  
**NADEEM MAQBOOL**  
Director

  
**KAMRAN RASHEED**  
Chief Financial Officer

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

	Nine months ended		Quarter ended	
	March 31, 2024 Rupees	March 31, 2023 Rupees	March 31, 2024 Rupees	March 31, 2023 Rupees
(Loss) / profit for the period	(400,376,102)	(141,029,981)	(293,160,261)	(147,884,528)
Other comprehensive income / (loss)				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised gain/ (loss) on revaluation of investments classified as 'fair value through other comprehensive income'	26,015,114	(17,759,087)	6,989,246	(8,522,537)
Total comprehensive loss for the period	<u>(374,360,988)</u>	<u>(158,789,068)</u>	<u>(286,171,015)</u>	<u>(156,407,065)</u>

The annexed notes from 1 to 31 form an integral part of these condensed interim financial statements.

Quarterly Report

  
**IMRAN MAQBOOL**  
Chief Executive

  
**NADEEM MAQBOOL**  
Director

  
**KAMRAN RASHEED**  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024

## 1 STATUS AND NATURE OF BUSINESS

Crescent Fibres Limited ("the Company") was incorporated in Pakistan on August 06, 1977 under the Companies Act, 1913 (now the Companies Act, 2017) as a public limited company. The Company's shares are listed on the Pakistan Stock Exchange. The principal business of the Company is manufacture and sale of yarn.

## 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 104 Shadman 1, Lahore. The Company's manufacturing facilities are located at Plot No. B/123, Road No. D-7, Industrial Area Nooriabad, District Dadu, in the Province of Sindh and at 17-KM, Faisalabad Road, Bhikhi, District Sheikhpura in the Province of Punjab. The other office of the Company is located at the 7th Floor, Lakson Square Building No.3 Karachi, Pakistan.

## 3 BASIS OF PREPARATION

### 3.1 Statement of compliance

These condensed interim financial statements are unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

These condensed interim financial statements of the Company for the period ended March 31, 2024 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 Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by The Institute of Chartered Accountants of Pakistan.

Where the provisions of and directives issued under the Companies Act, 2017 and IFAS-2 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and IFAS-2 have been followed.

- 3.2 These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2023, which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the nine months ended March 31, 2023.

### 3.3 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention unless stated otherwise.

### 3.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2023.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024

### 4.1 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

### 5 ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgements, estimates and assumptions 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 judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

		March 31, 2024 (Un-audited) Rupees	June 30, 2023 (Audited) Rupees	
		Note		
<b>6</b>	<b>OPERATING FIXED ASSETS</b>			
	Operating fixed assets	6.1 & 6.1.3	1,672,234,091	
	Right-of-use assets	6.2	65,540,320	
			1,845,815,478	
<b>6.1</b>	<b>Fixed assets</b>			
	Opening net book value (NBV)		1,125,468,794	
	Transfer from right of use asset (NBV)		57,345,947	
	Transfer from Capital Work in progress		591,292,007	
	Additions (at cost) during the period / year	6.1.1	5,756,000	
			1,779,862,748	
	Disposals (at NBV) during the period / year	6.1.2	(15,751,847)	
	Depreciation charged during the period / year	6.1.2	(91,876,810)	
			(107,628,657)	
			1,672,234,091	
	Closing net book value (NBV)		1,125,468,794	
<b>6.1.1</b>	Details of additions (at cost) during the period / year are as follows:			
	Owned			
	Plant and machinery		11,391,934	
	Vehicles		19,413,620	
	Electric installation		2,842,600	
			5,756,000	
<b>6.1.2</b>	Details of deletion (NBV) during the period / year are as follows:			
	Owned			
	Vehicles		9,793,207	
			15,751,847	
<b>6.1.3</b>	Fair value of freehold land is considered to be based on level 2 in the fair value hierarchy due to significant observable input used in the valuation.			
<b>6.2</b>	<b>Right-of-use assets</b>			
	Opening net book value (NBV)		65,540,320	
	Additions (at cost) during the period / year		176,790,727	
	Transfer from leased assets to own assets (NBV)		(57,345,947)	
	Depreciation charged during the period / year		(11,403,713)	
			173,581,387	
			65,540,320	
<b>7</b>	<b>CAPITAL WORK-IN-PROGRESS</b>			
Cost				
Description	As at July 01, 2023	Additions during the period	Transferred to operating fixed assets	As at March 31, 2024
Rupees				
Enhancement in Unit 2	720,366,422	9,498,766	724,982,734	4,882,454
<b>Total - June 30, 2023</b>	103,987,733	616,378,689	-	720,366,422

### 7 CAPITAL WORK-IN-PROGRESS

7.1 This represents enhancement of Yarn winding facility and installation of autocone machine at Unit 2.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

		March 31, 2024 (Un-audited) Rupees	June 30, 2023 (Audited) Rupees
<b>8 INTANGIBLE ASSETS</b>	<b>Note</b>		
Computer software		6,794,412	8,430,500
<b>Movement in intangible assets</b>			
Opening net book value		8,430,500	8,778,168
Additions (at cost)		-	1,667,074
Amortisation charged		(1,636,088)	(2,014,742)
Closing net book value		6,794,412	8,430,500
<b>9 INVESTMENT PROPERTY</b>			
Opening balance		-	1,756,577,720
Fair value adjustment		-	782,319,480
		-	2,538,897,200
Assets classified as held for sale	16	-	(2,538,897,200)
		-	-
<b>10 INVESTMENT IN EQUITY ACCOUNTED ASSOCIATE</b>			
Investment in equity accounted associate	10.1	-	-
<b>10.1 Investment in equity accounted associate</b>			
Premier Insurance Limited			
69,621 shares of Rs. 10 each ( June 30, 2023 : 69,621 shares of Rs.10/- each)			
Cost of investment		930	930
Accumulated share of post acquisition profit - net of dividend received		88,077	284,140
Accumulated impairment		(89,007)	(89,007)
Share of loss for the period / year		-	(196,063)
		(930)	(930)
		-	-
Market value of investment in equity accounted associate was Rs. 0.477 million (June 30, 2023: Rs. 0.348 million).			
<b>11 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		124,160,196	121,756,412
Less: provision for slow moving items		(11,244,298)	(11,244,298)
		112,915,898	110,512,114
<b>12 STOCK IN TRADE</b>			
Raw material in hand		495,833,286	458,254,047
Work-in-process		58,191,220	129,395,154
Finished goods		109,449,182	100,284,792
		663,473,688	687,933,993
<b>13 TRADE DEBTS</b>			
Unsecured - considered good			
Due from associated companies	13.1	7,874,298	27,891,583
Others		1,583,558,834	1,917,258,116
		1,591,433,132	1,945,149,699
Considered doubtful		116,762,432	98,588,659
		1,708,195,564	2,043,738,358
Less: Allowance for expected credit loss	13.2	(116,762,432)	(98,588,659)
		1,591,433,132	1,945,149,699
<b>13.1 This represents due from Suraj Cotton Mills Limited, an associated company.</b>			
<b>13.2 Allowance for expected credit loss</b>			
Opening balance		98,588,659	63,414,906
Written-off during the period / year		-	-
Allowance recognized during the period / year		18,173,773	35,173,753
Closing balance		116,762,432	98,588,659

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

		March 31, 2024 (Un-audited) Rupees	June 30, 2023 (Audited) Rupees
<b>14</b>	<b>SHORT TERM INVESTMENTS</b>		
	At fair value through other comprehensive income	14.1 94,241,999	68,226,885
	At amortised cost	14.2 25,978,000	1,200,000
		<u>120,219,999</u>	<u>69,426,885</u>
<b>14.1</b>	<b>Fair value through other comprehensive income</b>		
	Listed Equity Securities		
	Cost	48,187,534	48,187,534
	Unrealized gain on revaluation of investments	58,703,380	32,688,266
	Impairment loss	(12,648,915)	(12,648,915)
		<u>94,241,999</u>	<u>68,226,885</u>
<b>14.2</b>	<b>Amortised cost</b>		
	Term deposit certificates	14.2.1 25,978,000	1,200,000
14.2.1	These term deposit certificates carry mark-up at rates ranging from 11.00% to 19.50% per annum (June 30, 2023: 9.0% to 19.50% per annum).		
<b>15</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	47,260	1,196,401
	Cash with banks		
	Current accounts	42,925,935	89,857,320
	PLS saving accounts	15.1 52,043,842	112,913,759
		94,969,777	202,771,079
	Islamic current accounts	948,679	382,937
		<u>95,965,716</u>	<u>204,350,417</u>
15.1	The balance in savings accounts carry mark-up at the rates ranging from 14.50% to 20.50% per annum (June 30, 2023: 12.25% to 14.50% per annum).		
<b>16</b>	<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>		
	Investment property classified as held for sale 16.1	<u>2,538,897,200</u>	<u>2,538,897,200</u>
16.1	The management has an active plan to sell the investment property located at Nishatabad, Faisalabad in view of the available market opportunities. The board of directors have approved the management plan and authorized the CEO to assess the available opportunities and fulfill all corporate formalities in this regard. The management is in the process of evaluating different bids received.		
<b>17</b>	<b>LONG TERM FINANCING</b>		
	<b>Secured</b>		
	Conventional mode	312,786,185	325,740,905
	Less: Current portion shown under current liabilities	(55,634,553)	(39,298,664)
		<u>257,151,632</u>	<u>286,442,241</u>
<b>18</b>	<b>LEASE LIABILITIES</b>		
	Lease liabilities	167,774,190	146,556,372
	Less: current portion	(21,922,255)	(11,092,700)
		<u>145,851,935</u>	<u>135,463,672</u>
	Maturity analysis-contractual discounted cash flow:		
	Less than one year	21,922,255	11,092,700
	One to five years	145,851,935	135,463,672
	Total discounted lease liability	<u>167,774,190</u>	<u>146,556,372</u>
18.1	When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 21.61% to 28.27% (June 30, 2023: 14.43% to 23.26%) per annum.		
<b>19</b>	<b>DEFERRED CAPITAL GRANT</b>		
	Deferred government grant against Temporary Economic Refinance Facility	19.1 & 19.2 130,821,990	137,289,317
	Less: Current portion of government grant	(15,811,731)	(15,484,898)
		<u>115,010,259</u>	<u>121,804,419</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

		March 31, 2024 (Un-audited) Rupees	June 30, 2023 (Audited) Rupees
19.1	Following is the movement in capital grant during the period / year:		
	Opening balance	137,289,317	1,034,420
	Addition during the period	-	140,084,247
	Amortised during the period	<u>(6,467,327)</u>	<u>(3,829,350)</u>
	Closing balance	<u>130,821,990</u>	<u>137,289,317</u>

19.2 This represents government grant recognized on long term financing facilities obtained under Temporary Economic Refinance (TERF) schemes of State Bank of Pakistan.

**20 TRADE AND OTHER PAYABLES**

Creditors	20.1	812,543,223	760,770,164
Accrued liabilities	20.2	766,520,703	731,275,941
Advance from customers		27,775,660	16,536,429
Payable to Provident Fund		5,084,990	4,145,816
Due to related party	20.3	86,997,889	23,696,548
Withholding tax payable		5,660,398	3,655,554
Workers' Welfare Fund		46,079,959	46,079,959
Other liabilities		<u>10,172,445</u>	<u>11,335,880</u>
		<u>1,760,835,267</u>	<u>1,597,496,291</u>

20.1 This includes balance amounting to Rs. 14.386 million (June 30, 2023: Rs. 3.328 million) due to an associated company.

20.2 This includes the amount payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. In November 2020, the Supreme Court dismissed the review petition seeking review of its order issued in favor of recovery for GIDC arrears. Accordingly, the Company is paying GIDC installments as per monthly billing by Sui Northern Gas Pipeline Limited (SNGPL), however, the matter with respect to GIDC billing by Sui Southern Gas Company (SSGC) is under litigation in High Court of Sindh. The liability is recognized as per the guidelines issued by Institute of Chartered Accountants of Pakistan dated January 21, 2021.

20.3 This includes due to Chief Executive Officer, Directors and other related party amounting to Rs. 82.204 million (June 30, 2023: Rs.18.877 million) , Rs. 1.210 million ( June 30, 2023: Rs. 1.210), Rs. 3.583 million ( June 30, 2023: Rs.3.583 million) and respectively. These balances do not carry any interest and are repayable on demand.

**21 SHORT TERM BORROWINGS**

From banking companies - secured

Running / cash finance

Islamic mode	21.1	91,109,777	47,770,723
Conventional mode	21.1	423,981,591	580,335,518
		<u>515,091,368</u>	<u>628,106,241</u>

21.1 The Company has obtained short term finance facilities from various commercial banks. The aggregate facilities under mark-up arrangements amounted to Rs. 1,605 million (June 30, 2023: Rs. 2,105 million). The rate of mark up on these finance facilities ranges between 1 month to 6 months KIBOR plus 1.25% to 2.5% per annum (June 30, 2023: 1 month to 6 months KIBOR plus 1.25% to 2.5% per annum) and is payable quarterly.

The Company has a facility for opening letters of credit under mark-up arrangements amounting to Rs.300 million (June 30, 2023: Rs. 300 million) from a commercial bank. The unutilized balance at the end of the year was Rs. Nil (June 30, 2023: Rs. Nil).

These financing facilities are secured by way of pledge and floating charge over the current assets and personal guarantee of Directors and lien on import documents.

**22 CONTINGENCIES AND COMMITMENTS**

**22.1 Contingencies**

The contingencies are same as disclosed in preceding annual financial statements for the year ended June 30, 2023.

**22.2 Commitments**

The Company is committed as at the reporting date as follows:

- Guarantees have been issued by banking companies in normal course of business amounting to Rs. 106.96 million (June 30, 2023 : Rs. 106.96 million).
- Letters of credit against import of raw cotton and spare parts amounting to Rs. Nil (June 30, 2023: Rs. Nil) and Rs. Nil (June 30, 2023: Rs. 19.066 million) respectively.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED MARCH 31, 2024**

**23 COST OF SALES**

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Un-audited)			
	----- Rupees -----			
Materials consumed	3,957,378,671	3,818,531,565	1,101,152,315	1,265,033,907
Stores, spares and loose tools consumed	92,409,347	94,642,811	29,546,660	34,559,112
Packing material consumed	73,474,621	61,300,258	20,526,611	19,727,351
Salaries, wages and other benefits	412,658,888	379,164,547	136,613,317	118,690,407
Fuel and power	981,547,486	525,307,221	328,438,473	164,501,421
Insurance	18,579,188	17,178,424	6,090,234	5,744,730
Repairs and maintenance	7,990,484	12,659,576	747,459	2,574,019
Depreciation	92,322,802	65,042,908	36,352,394	21,689,532
Other manufacturing overheads	28,330,038	23,471,041	8,113,928	7,665,369
	5,664,691,525	4,997,298,351	1,667,581,391	1,640,185,848
Opening work in process	129,395,154	120,809,946	118,262,198	142,952,342
Closing work in process	(58,191,220)	(140,191,228)	(58,191,220)	(140,191,228)
	71,203,934	(19,381,282)	60,070,978	2,761,114
Cost of goods manufactured	5,735,895,459	4,977,917,069	1,727,652,369	1,642,946,962
Opening stock of finished goods	100,284,792	203,275,105	180,132,589	190,263,614
Closing stock of finished goods	(109,449,182)	(117,606,252)	(109,449,182)	(117,606,252)
	(9,164,390)	85,668,853	70,683,407	72,657,362
	5,726,731,069	5,063,585,922	1,798,335,776	1,715,604,324

**24 TAXATION**

	March 31, 2024 (Un-audited) Rupees	March 31, 2023 (Un-audited) Rupees
Current	85,575,242	66,504,657
Prior	(1,156,096)	(80,806,503)
	84,419,146	(14,301,846)
Deferred	(86,299,456)	-
	(1,880,310)	(14,301,846)

**25 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Un-audited)			
	----- Rupees -----			
Loss for the period (Rupees)	(400,376,102)	(141,029,981)	(293,160,261)	(147,884,528)
Weighted average number of ordinary shares	12,417,876	12,417,876	12,417,876	12,417,876
Loss per share - basic and diluted (Rupees)	(32.24)	(11.36)	(23.61)	(11.91)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024

	March 31, 2024 (Un-audited) Rupees	March 31, 2023 (Un-audited) Rupees
<b>26 CASH GENERATED FROM OPERATIONS</b>		
Loss before taxation	(402,256,412)	(155,331,827)
Adjustment for non-cash charges and other items:		
Depreciation	103,280,523	(62,127,215)
Amortization	1,636,088	1,469,376
Gain on revaluation of held for sale investment	-	-
Gain on disposal of operating fixed assets	(27,348,152)	(2,286,490)
Deferred income	(6,467,327)	(1,034,420)
Financial charges	201,747,999	203,477,200
Allowance for expected credit loss	18,173,773	23,824,093
	<u>291,022,904</u>	<u>163,322,544</u>
Profit before working capital changes	(111,233,508)	7,990,717
Working capital changes	26.1 431,846,188	68,944,624
	<u>320,612,680</u>	<u>76,935,341</u>

### 26.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spares and loose tools	(2,403,784)	(14,712,614)
Stock in trade	24,460,305	(296,581,068)
Trade debts	335,542,794	126,443,799
Loans and advances	(26,052,651)	84,440,924
Trade deposits and short term prepayments	(7,978,849)	(7,786,837)
Other receivables	108,784	(4,359,541)
Tax refunds due from the Government	(52,326,170)	(108,912,798)
	<u>271,350,429</u>	<u>(221,468,135)</u>

(Decrease) / increase in current liabilities

Trade and other payables	160,495,759	290,412,759
	<u>431,846,188</u>	<u>68,944,624</u>

### 27 TRANSACTIONS WITH RELATED PARTIES

Related parties of the company comprise the companies with common directorship, retirement funds, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of directors of the company. Detail of transactions with related parties during the year, other than disclosed elsewhere in the unconsolidated financial statements, are as follows:

Relation with the company	Nature of transaction	Name of the related party	Nine months ended		Quarter ended	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
			(Un-audited) Rupees			
Associated companies	Sales of goods and services	Suraj Cotton Mills Limited	172,772,414	107,541,720	85,158,004	23,433,930
	Insurance premium	Premier Insurance Limited	28,057,575	31,011,785	129,850	481,619
	Rent received	Aml Exports (Private) Limited	706,761	428,340	235,587	214,170
Retirement benefit plans	Contribution to staff retirement benefit plans	Provident Fund	15,704,612	10,592,590	5,703,613	5,150,707
	Director	Rent paid	Mr. Imran Maqbool	675,000	450,000	225,000
	Rent paid	Mr. Humayun Maqbool	675,000	450,000	225,000	225,000
Others	Rent paid	Ms. Khawar Maqbool	1,935,000	1,290,000	645,000	645,000
Chief executive	Remuneration and benefits	Mr. Imran Maqbool	10,092,083	6,794,535	3,364,028	3,405,496
Director	Remuneration and benefits	Mr. Humayun Maqbool	10,364,487	6,855,336	3,304,317	3,437,278
Key management personnel	Remuneration and benefits	Key management personnel	25,321,379	14,418,177	9,139,352	7,209,091

	March 31, 2024 (Un-audited) Rupees	June 30, 2023 (Audited) Rupees
<b>27.1 Period / year end balances</b>		
Receivable from associated company-Suraj Cotton Mills Limited	18,249,584	9,963,174
Payable to associated company-Premier Insurance Limited	14,385,700	3,273,442
Payable to provident fund	5,084,988	5,054,015
Due to Chief Executive, Directors and close relative	86,707,889	23,262,445

Quarterly Report



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2024

### 28 FINANCIAL RISK MANAGEMENT

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

### 29 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in this condensed interim financial information approximate their fair values. Fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at March 31, 2024, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	----- Rupees -----			
<b>At fair value through other comprehensive income</b>				
Short term investments	94,241,999	-	-	94,241,999

As at June 30, 2023, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	(Audited)			
	----- Rupees -----			
<b>At fair value through other comprehensive income</b>				
Short term investments	68,226,885	-	-	68,226,885

#### Valuation techniques

For Level 3 fair value through other comprehensive income investments, the Company values the investment at lower of carrying value and breakup value.

Transfers between the levels of fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

#### Transfers during the period

During the period ended March 31, 2024, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

### 30 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

### 31 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on April 29, 2024 by the Board of Directors of the Company.



**IMRAN MAQBOOL**  
Chief Executive



**NADEEM MAQBOOL**  
Director



**KAMRAN RASHEED**  
Chief Financial Officer



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