



**Crescent
Fibres**



**Quarterly Report
September 30, 2021**



COMPANY INFORMATION

Board of Directors	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)
	Jahanzeb Saeed Khan	(Independent, Non-Executive Director)
	S.M. Ali Asif	(Independent, Non-Executive Director)

Chief Financial Officer	Kamran Rasheed
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Company Secretary	Javaid Hussain
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Audit Committee	Jahanzeb Saeed Khan	(Chairman)
	Nadeem Maqbool	(Member)
	Naila Humayun Maqbool	(Member)

Human Resources & Remuneration Committee	S.M. Ali Asif	(Chairman)
	Nadeem Maqbool	(Member)
	Naila Humayun Maqbool	(Member)

Auditors	BDO Ebrahim & Company Chartered Accountants
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Legal Advisor	Mohsin Tayebally & Sons
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Share Registrar	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore.
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Registered Office	104 Shadman 1, Lahore - 54000 Tel : (042) 35960871-4 Lines Fax : (042) 35960004
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E-mail:	lo@crescentfibres.com
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Website:	www.crescentfibres.com
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DIRECTORS' REPORT

The Company reported after tax profit of Rs. 178.7 million for the quarter ended September 30, 2021 as compared to a profit of Rs. 48.0 million for the three months ended September 30, 2020. The earnings per share for the period under review was Rs. 14.39 as compared to Rs. 3.86 in the previous quarter.

Overall, sales increased by 29.5% as compared to the quarter ended September 2020 primarily due to improved end product prices. The gross margin for the period was 15.7% as compared to 9.0% in the previous period. Distribution and administrative expenses at 1.9% were lower as compared to 2.3% in the previous period primarily attributable to increased sales. The operating margin in the period under review was at 13.3% as compared to 6.5% for the quarter ended September 30, 2020. The financial charges were lower at 1.3% as compared to 1.9% for the corresponding period due to improved profitability and cash flows. Overall, the net margin for the quarter was 9.5% as compared to 3.3% for the previous quarter.

The past year has been a good one for Pakistan's textile industry which has seen a strong demand for its products due to shifting of orders from countries facing a more severe impact from COVID-19 and other geo-political issues. According to the data released by Pakistan Bureau of Statistics (PBS), textile exports for the months of July and August 2021 saw a growth of 28.7% year-on-year. However, the industry faces several challenges, both domestic and global, to maintain this momentum and profitability.

Pakistan's economy faces several challenges including growing domestic and external indebtedness, circular debt, losses at state owned enterprises, low tax base, high fiscal and current account deficits, and inflation. Despite improved exports and remittances, maintaining a stable exchange rate remains a problem in the face of rising current account deficits. 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 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 disruptions caused by COVID. 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 an expansionary monetary policy, immediately suspend the sales tax regime, and improve liquidity by releasing long delayed income tax and other rebates. We remain cautiously optimistic about future prospects and the Management will continue to rely on sound, low risk decision making to protect the interests of all stakeholders.

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 Officer

October 29, 2021



NADEEM MAQBOOL
Director



کمپنی نظم و انضام (ڈائریکٹران) کی رپورٹ:

کمپنی نے 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لیے ٹیکس ادا یگی کے بعد 178.7 ملین روپے منافع حاصل کیا جس کے مقابلے میں 30 ستمبر 2020 کو ختم ہونے والے تین ماہ کا منافع 48.0 ملین روپے تھا۔ زیر جائزہ مدت کے لئے فی حصص آمدنی 14.39 روپے رہی جو کہ پچھلی سہ ماہی میں 3.86 روپے تھی۔

مجموعی طور پر، ستمبر 2020 کو ختم ہونے والے سہ ماہی کے مقابلے میں فروخت میں 29.5 فیصد اضافہ ہوا جو بنیادی طور پر اختتامی مصنوعات کی قیمتوں میں بہتری کی وجہ سے ہے۔ اس مدت کے لیے مجموعی منافع گزشتہ مدت کے 9.0 فیصد کے مقابلے میں 15.7 فیصد تھا۔ تقسیم کار اور انتظامی اخراجات 1.9 فیصد کم تھے جو کہ گزشتہ مدت میں 2.3 فیصد تھے جس کی بنیادی وجہ زیادہ فروخت تھی۔ زیر جائزہ مدت میں آپریٹنگ مارجن 30 ستمبر 2020 کو ختم ہونے والے سہ ماہی کے 6.5 فیصد کے مقابلے میں 13.3 فیصد رہا۔ بہتر منافع اور نقد بہاؤ کی وجہ سے مالیاتی اخراجات اسی مدت کے 1.9 فیصد کے مقابلے میں 1.3 فیصد کم تھے۔ مجموعی طور پر، سہ ماہی کے لیے خالص منافع گزشتہ سہ ماہی کے 3.3 فیصد کے مقابلے میں 9.5 فیصد تھا۔

گذشتہ سال پاکستان کی ٹیکسٹائل انڈسٹری کے لئے اچھا رہا جس نے COVID-19 اور دیگر جغرافیائی سیاسی مسائل سے زیادہ شدید اثرات کا سامنے کرنے والے ممالک سے آرڈر کی منتقلی کی وجہ سے اپنی مصنوعات کی مضبوط مانگ دیکھی ہے۔ پاکستان بورڈ آف سٹینڈنگس (پی بی ایس) کے جاری کردہ اعداد و شمار کے مطابق، جولائی اور اگست 2021 کے مہینوں کے لئے ٹیکسٹائل کی برآمدات میں سالانہ 28.7 فیصد اضافہ دیکھا گیا۔ تاہم، اس رفتار اور منافع کو برقرار رکھنے کے لئے صنعت کو ملکی اور عالمی دونوں سطح پر کئی چیلنجز کا سامنا ہے۔

پاکستان کی معیشت کو کئی چیلنجز کا سامنا ہے جن میں بڑھتا ہوا ملکی اور بیرونی قرضہ جات، گردش قرضہ، ریاستی ملکیتی اداروں کا نقصان، کم ٹیکس کی بنیاد، زیادہ مالی اور کرنٹ اکاؤنٹ خسارہ اور افراط زر شامل ہیں۔ بہتر برآمدات اور ترسیلات زر کے باوجود کرنٹ اکاؤنٹ کے بڑھتے ہوئے خسارے کی وجہ سے مستحکم شرح مبادلہ کو برقرار رکھنا ایک مسئلہ بنا ہوا ہے۔ معاشی مسابقت کو بڑھانے والی باعینی اصلاحات کے بغیر، برآمدات کو فروغ دینے والے پیداواری شعبوں میں براہ راست سرمایہ کاری اور ریگولیٹری دلدل کو ختم کرنے کی مسلسل کوششوں کے بغیر، پاکستان کی معاشی بحالی رک جائے گی۔

عالمی اور ملکی معاشی مسائل کے علاوہ، ٹیکسٹائل انڈسٹری کو دیگر چیلنجز کا سامنا ہے جن میں کاروبار کرنے کی زیادہ قیمت، معاشی اضافہ، زر مبادلہ کی شرح اور اجناس کی مارکیٹ میں اتار چڑھاؤ، ملکی کپاس کی پیداوار اور کوالٹی اور COVID-19 کی وجہ سے فراہمی کے سلسلے میں رکاوٹیں شامل ہیں۔ حکومت نے علاقائی مسابقتی شرحوں پر توانائی کی فراہمی کا وعدہ کیا ہے، اور اس کو قابل عمل بنانے کے لئے یقینی بنایا جانا چاہیے۔ اس کے علاوہ، حکومت کو ایک توسیعی مالیاتی پالیسی اپنانی چاہیے، کیلنڈر ٹیکس نظام حکومت کو فوری طور پر معطل کرنا چاہیے اور طویل تاخیر سے انکم ٹیکس اور دیگر چھوٹ جاری کر کے لیکویڈیٹی کو بہتر بنانا چاہیے۔ ہم مستقبل کے امکانات کے بارے میں محتاط طور پر پر امید ہیں اور جیمنٹ تمام اسٹیک ہولڈرز کے مفادات کے تحفظ کے لئے درست، کم خطرے والے فیصلے پر انحصار کرتی رہے گی۔

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

Naamunagp
ندیم مقبول
ڈائریکٹر

Imra Maq.-1
عمران مقبول
چیف ایگزیکٹو آفیسر
کراچی: 29 اکتوبر 2021


Quarterly Report

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021 (UN-AUDITED)

		September 30, 2021 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
Note			
ASSETS			
NON CURRENT ASSETS			
	Property, plant and equipment		
	Operating fixed assets	5 1,317,376,801	1,349,149,824
	Capital work-in-progress	6 19,158,929	8,872,286
	Investment property	1,752,738,250	1,752,738,250
	Investment in equity accounted associate	185,564	196,063
	Long term deposits	23,024,948	34,166,748
		<u>3,112,484,492</u>	<u>3,145,123,171</u>
CURRENT ASSETS			
	Stores, spares and loose tools	7 88,378,242	82,525,721
	Stock in trade	8 727,616,887	349,327,257
	Trade debts	1,622,116,358	1,514,688,864
	Loans and advances	79,449,683	17,081,881
	Trade deposits and short term prepayments	27,631,013	10,661,068
	Other receivables	2,523,293	2,539,638
	Short term investments	9 170,804,533	94,939,218
	Tax refunds due from Government	10 79,385,188	8,026,640
	Taxation - net	-	6,674,826
	Cash and bank balances	11 293,699,847	221,423,239
		<u>3,091,605,044</u>	<u>2,307,888,352</u>
		<u>6,204,089,536</u>	<u>5,453,011,524</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
	Authorized share capital		
	15,000,000 (June 30, 2021: 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, 2021: 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	57,065,913	58,200,599
		<u>2,053,346,481</u>	<u>2,054,481,167</u>
	Revenue reserves		
	Unappropriated profit	1,723,936,691	1,545,188,198
		<u>3,901,461,932</u>	<u>3,723,848,125</u>
NON CURRENT LIABILITIES			
	Long term financing	12 99,968,901	164,035,855
	Lease liabilities	13 28,629,220	32,952,510
	Deferred taxation	126,663,541	143,668,760
	Deferred capital grant	14 347,428	1,034,419
	GIDC payable	15 76,072,990	88,395,561
		<u>331,682,080</u>	<u>430,087,105</u>
CURRENT LIABILITIES			
	Trade and other payables	16 1,007,110,531	885,225,484
	Unclaimed dividend	2,423,134	2,423,134
	Mark-up accrued	12,319,159	8,214,710
	Short term borrowings	17 709,656,490	206,910,135
	Taxation - net	35,149,739	-
	Current portion of long term liabilities	204,286,471	196,302,830
		<u>1,970,945,524</u>	<u>1,299,076,293</u>
		<u>6,204,089,536</u>	<u>5,453,011,523</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.


IMRAN MAQBOOL
Chief Executive Officer


NADEEM MAQBOOL
Director


KAMRAN RASHEED
Chief Financial Officer

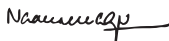
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

		Quarter ended	
		September 30, 2021	September 30, 2020
	Note	Rupees	Rupees
Sales - net		1,876,941,641	1,448,951,016
Cost of sales	19	(1,581,678,511)	(1,317,888,760)
Gross profit		295,263,130	131,062,256
General and administrative expenses		(35,114,153)	(32,993,466)
Distribution cost		(4,987,116)	(5,227,047)
Other operating income		12,208,690	6,451,699
Other operating expenses		(17,150,361)	(5,389,700)
		(45,042,940)	(37,158,514)
Operating profit		250,220,190	93,903,742
Financial charges		(23,679,025)	(26,955,191)
Share of loss from associate		(10,500)	(15,300)
		(23,689,525)	(26,970,491)
Profit before taxation		226,530,665	66,933,251
Taxation	20	(47,782,172)	(18,943,334)
Profit for the period		178,748,493	47,989,917
Earnings per share - basic and diluted	21	14.39	3.86

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.



IMRAN MAQBOOL
Chief Executive Officer



NADEEM MAQBOOL
Director



KAMRAN RASHEED
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

		September 30, 2021	September 30, 2020
	Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	22	(260,890,401)	363,186,133
Financial charges paid		(19,574,577)	(44,641,763)
Taxes paid		(22,962,825)	(11,547,180)
Net cash generated from operating activities		(303,427,802)	306,997,190
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(51,572,902)	(453,900)
Proceeds from disposal of operating fixed assets		49,511,800	-
Short term investments		(77,000,000)	36,339,037
Long term deposits		11,141,800	453,900
Net cash generated from / (used in) investing activities		(67,919,302)	36,339,037
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term financing		(55,244,156)	(536,968)
Principal paid on lease liabilities		(3,878,486)	(4,475,310)
Short term borrowings - net		502,746,355	(341,654,052)
Net cash used in financing activities		443,623,713	(346,666,330)
Net increase in cash and cash equivalents		72,276,608	(3,330,102)
Cash and cash equivalents at the beginning of the period		221,423,239	152,371,268
Cash and cash equivalents at the end of the period		293,699,847	149,041,166

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	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, 2020	124,178,760	53,077,963	1,993,825,768	1,090,948,939	3,262,031,430
Total comprehensive income for the period					
Profit for the period	-	-	-	47,989,917	47,989,917
Other comprehensive income					
Unrealised loss on revaluation of investments classified as 'fair value through other comprehensive income'	-	(13,968,297)	-	-	(13,968,297)
	-	(13,968,297)	-	47,989,917	34,021,620
Balance as at September 30, 2020	124,178,760	39,109,666	1,993,825,768	1,138,938,856	3,296,053,050
Balance as at July 1, 2021	124,178,760	58,200,599	1,996,280,568	1,545,188,198	3,723,848,125
Total comprehensive income for the period					
Profit for the period	-	-	-	178,748,493	178,748,493
other comprehensive income					
Unrealised gain on revaluation of investments classified as 'fair value through other comprehensive income'	-	(1,134,686)	-	-	(1,134,686)
	-	(1,134,686)	-	178,748,493	177,613,807
Balance as at September 30, 2021	124,178,760	57,065,913	1,996,280,568	1,723,936,691	3,901,461,932

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Quarter ended	
	September 30, 2021 Rupees	September 30, 2020 Rupees
Profit for the period	178,748,493	47,989,917
Other comprehensive income		
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'	(1,134,686)	(13,968,297)
Total comprehensive income for the period	177,613,807	34,021,620

The annexed notes from 1 to 29 form an integral part of these condensed interim financial statements.

Imran Maqbool
IMRAN MAQBOOL
Chief Executive Officer

Naadeem Maqbool
NADEEM MAQBOOL
Director

Kamran Rasheed
KAMRAN RASHEED
Chief Financial Officer



Quarterly Report

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

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 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. 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 Sheikhupura in the Province of Punjab.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements are unaudited and is being posted on the Company's website for information of its members as required under section 237 of the Companies Act, 2017.

These condensed interim financial statements of the Company for the quarter ended September 30, 2021 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.

2.2 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, 2021, 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, 2021, 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 quarter ended September 30, 2021.

2.3 Basis of measurement

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

These condensed interim financial statements are prepared following accrual basis of accounting except for cash flow information.

2.4 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.

3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the annual financial statements for the year ended June 30, 2021.

There are certain standards, interpretations and amendments to approved accounting and reporting standards as applicable in Pakistan, effective for the first time in these condensed interim financial statements and are mandatory for the Company's accounting period beginning on or after July 01, 2021. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have a significant effect on these condensed interim financial statements.

4 ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements requires management to make certain judgments, 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, 2021.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)**

		September 30, 2021 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
5 OPERATING FIXED ASSETS	Note		
Fixed assets	5.1	1,245,710,252	1,275,574,442
Right-of-use assets	5.2	71,666,549	73,575,382
		<u>1,317,376,801</u>	<u>1,349,149,824</u>
5.1 Fixed assets			
Opening net book value (NBV)		1,275,574,442	1,332,919,322
Transfer (at NBV) from right-of-use assets during the period / year		-	9,360,000
Additions (at cost) during the period / year	5.1.1	41,286,259	32,349,364
		<u>1,316,860,701</u>	<u>1,374,628,686</u>
Disposals (at NBV) during the period / year		47,978,286	198,079
Depreciation charged during the period / year		23,172,163	98,856,165
		<u>71,150,449</u>	<u>99,054,244</u>
Closing net book value (NBV)		<u>1,245,710,252</u>	<u>1,275,574,442</u>
5.1.1 Details of additions (at cost) during the period / year are as follows:			
Owned			
Revaluation Surplus		-	2,454,801
Plant and machinery		30,244,459	28,386,663
Vehicles		11,041,800	1,507,900
		<u>41,286,259</u>	<u>32,349,364</u>
5.1.2 Details of disposals (at NBV) during the period / year are as follows:			
Owned			
Land - Freehold		42,000,000	-
Vehicles		5,978,286	198,079
		<u>47,978,286</u>	<u>198,079</u>
5.2 Right-of-use assets			
Opening net book value (NBV)		73,575,382	88,023,850
Transfer from leased assets to own assets (NBV)		-	(9,360,000)
Additions (at cost) during the period / year		-	2,825,000
Depreciation charged during the period / year		(1,908,833)	(7,913,468)
		<u>71,666,549</u>	<u>73,575,382</u>
6 CAPITAL WORK-IN-PROGRESS			
Intangible Assets		3,091,248	-
Building		8,872,286	8,872,286
Plant & Machinery		7,195,395	-
		<u>19,158,929</u>	<u>8,872,286</u>
7 STORES, SPARES AND LOOSE TOOLS			
Stores		90,571,451	71,633,488
Spares		8,284,655	21,390,047
Loose tools		66,133	46,183
		<u>98,922,239</u>	<u>93,069,718</u>
Less: Provision for slow moving items		(10,543,997)	(10,543,997)
		<u>88,378,242</u>	<u>82,525,721</u>
8 STOCK IN TRADE			
Raw material in hand		543,236,881	194,938,050
Work-in-process		101,037,955	72,961,942
Finished goods		83,342,051	81,427,265
		<u>727,616,887</u>	<u>349,327,257</u>
9 SHORT TERM INVESTMENTS			
At fair value through other comprehensive income	9.1	92,604,533	93,739,218
Term Deposit			
At amortised cost	9.2	78,200,000	1,200,000
		<u>170,804,533</u>	<u>94,939,218</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

		September 30, 2021 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
9.1	Fair value through other comprehensive income		
	Cost	48,187,534	48,187,534
	Unrealized gain on revaluation of investments	57,065,914	58,200,599
	Impairment loss	(12,648,915)	(12,648,915)
		<u>92,604,533</u>	<u>93,739,218</u>
9.2	Amortised cost		
	Term deposit	9.2.1 <u>78,200,000</u>	<u>1,200,000</u>
9.2.1	These term deposit certificates carry mark-up at rates ranging from 6.00% to 6.75% per annum (June 30, 2021: 6.00% to 6.75% per annum).		
10	TAX REFUNDS DUE FROM GOVERNMENT		
	Income tax refundable	8,026,640	8,026,640
	Sales Tax refundable	71,358,548	-
		<u>79,385,188</u>	<u>8,026,640</u>
11	CASH AND BANK BALANCES		
	Cash in hand	2,135,547	849,755
	Cash with banks		
	In current accounts	63,343,127	120,062,646
	In savings accounts	11.1 <u>228,221,173</u>	<u>100,510,838</u>
		<u>291,564,300</u>	<u>220,573,484</u>
		<u>293,699,847</u>	<u>221,423,239</u>
11.1	The balance in savings accounts carry mark-up at the rates ranging from 5.00% to 5.50% per annum (June 30, 2021: 5.00% to 5.50% per annum).		
12	LONG TERM FINANCING		
	From banking companies - secured		
	Conventional mode		
	United Bank Limited-Term finance - 1	54,555,466	54,555,466
	MCB Bank Limited - Term finance - 2	-	3,659,700
	MCB Bank Limited - Term finance - 3	6,595,448	13,190,892
	United Bank Limited -Term finance - 4	10,444,446	15,666,668
	MCB Bank Limited - Term finance - 5	26,527,000	26,527,000
	MCB Bank Limited - Term finance - 6	16,676,000	16,676,000
	MCB Bank Limited - Term finance - 7	13,170,667	13,170,667
	MCB Bank Limited - Term finance - 8	42,666,000	42,666,000
	MCB Bank Limited - Term finance - 9	27,000,000	27,000,000
	Bank Of Punjab -Term finance - 10	<u>84,537,096</u>	<u>123,766,916</u>
		<u>282,172,123</u>	<u>336,879,309</u>
	Islamic mode		
	Orix Modaraba - Term finance - 11	242,901	485,802
	Orix Modaraba - Term finance - 12	95,794	191,605
	Orix Modaraba - Term finance - 13	<u>462,604</u>	<u>660,862</u>
		<u>801,299</u>	<u>1,338,269</u>
		<u>282,973,422</u>	<u>338,217,578</u>
	Less: Current portion shown under current liabilities	12.1 <u>(183,004,521)</u>	<u>(174,181,723)</u>
		<u>99,968,901</u>	<u>164,035,855</u>
12.1	CURRENT PORTION OF LONG TERM LIABILITIES		
	Long term financing	183,004,521	174,181,723
	Lease liabilities	16,610,875	16,166,070
	Deferred capital grant BOP	4,671,075	5,955,037
		<u>204,286,471</u>	<u>196,302,830</u>



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

		September 30, 2021 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
13	LEASE LIABILITIES		
	Lease liabilities	45,240,095	49,118,581
	Less: Current portion	(16,610,875)	(16,166,071)
		<u>28,629,220</u>	<u>32,952,510</u>
	Maturity analysis-contractual discounted cashflow:		
	Less than one year	16,610,875	16,166,071
	One to five years	<u>28,629,220</u>	<u>32,952,510</u>
	Total discounted lease liability	<u>45,240,095</u>	<u>49,118,581</u>
13.1	When measuring the lease liabilities, the Company discounted the lease payments using financing rates ranging from 8.15% to 15.86% per annum (June 30, 2021: 8.15% to 15.86% per annum).		
14	DEFERRED CAPITAL GRANT		
	Capital grant	5,018,503	6,989,457
	Current portion shown under current liability	(4,671,075)	(5,955,037)
		<u>347,428</u>	<u>1,034,420</u>
14.1	Following is the movement in government grant during the period / year:		
	Opening balance	6,989,446	-
	Addition during the period	-	13,537,453
	Amortized during the period	(1,970,943)	(6,547,996)
	Closing balance	<u>5,018,503</u>	<u>6,989,457</u>
15	GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE		
	GIDC payable	16.2 76,072,990	88,395,560
16	TRADE AND OTHER PAYABLES		
	Creditors	16.1 362,011,641	235,111,931
	Accrued liabilities	16.2 549,944,951	535,427,990
	Sales Tax Payable	-	20,949,381
	Advance from customers	10,197,735	10,882,496
	Payable to Provident Fund	15,759,448	2,472,897
	Workers' Profit Participation Fund	14,606,255	31,748,275
	Due to related party	16.3 23,706,548	23,679,715
	Withholding tax payable	2,565,547	2,136,039
	Workers' Welfare Fund	25,793,512	21,170,436
	Other liabilities	<u>2,524,894</u>	<u>1,646,324</u>
		<u>1,007,110,531</u>	<u>885,225,484</u>
16.1	This includes balance amounting to Rs. 18.549 million (June 30, 2021: Rs. 2.352 million) due to an associated company.		
16.2	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.		
16.3	This includes due to Chief Executive Officer, Directors and other related party amounting to Rs. 5.170 million (June 30, 2021: Rs. 5.170 million), Rs. 1.210 million (June 30, 2021: Rs. 1.220 million) and Rs. 17.300 million (June 30, 2021: Rs. 17.300 million) respectively. These balances do not carry any interest and are repayable on demand.		
17	SHORT TERM BORROWINGS		
	From banking companies - secured		
	Running / cash finance		
	Islamic mode	108,815,410	120,000,000
	Conventional mode	<u>600,841,080</u>	<u>86,910,135</u>
		<u>709,656,490</u>	<u>206,910,135</u>
18	CONTINGENCIES AND COMMITMENTS		
18.1	Contingencies		
a)	There is a contingent liability in respect of bank guarantees issued by the Company's bankers in the ordinary course of business aggregating to Rs. 95.285 million (June 30, 2021 : Rs. 95.285 million).		
b)	Crescent Cotton Mills Limited has filed a case against Company for an amount of Rs. 53.850 million on the basis of case documents filed. The Company has recorded a liability of Rs. 17.542 million as the best estimate of amounts owed. No provision for the difference amount has been made as management is of the view that the basis is frivolous and in view of counter claims available with the Company, management is confident that the balance amount shall not be payable.		

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

- c) The Company has filed a Constitutional Petition No. D-8408 along with other companies, dated December 12, 2017, in the High Court of Sindh challenging the levy of the Infrastructure Cess introduced through Sindh Finance Act 1994 and various amendments introduced through Sindh Finance (Amendment) Act 2008, Sindh Finance (Amendment) Act 2009, inter alia, seeking declaration that Sindh Development and Maintenance of Infrastructure Cess Act 2017 and the rule made thereunder through which a customs duty in the guise of infrastructure fee / cess has been imposed is unconstitutional. Based on legal advice dated September 17, 2020 on aforementioned litigation, the Company has good arguable grounds and there is no likelihood of unfavorable outcome against the company.

18.2 Commitments

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

- a) The Company is committed as at the reporting date in respect of letters of credit against import of raw cotton and spare parts amounting to Rs. 913.833 million (June 30, 2021: Rs. 276.118 million).

19 COST OF SALES

	Quarter ended	
	September 30, 2021	September 30, 2020
	(Un-audited)	
	-----Rupees-----	
Materials consumed	1,254,075,422	829,680,512
Stores, spares and loose tools consumed	31,259,047	26,436,280
Packing material consumed	23,069,451	18,676,712
Salaries, wages and other benefits	124,349,549	114,743,033
Fuel and power	143,608,762	133,715,944
Insurance	3,468,854	3,058,440
Repairs and maintenance	1,462,574	2,769,962
Depreciation	23,046,676	24,443,842
Other manufacturing overheads	7,328,975	6,483,299
	1,611,669,310	1,160,008,022
Opening work in process	72,961,942	78,313,474
Closing work in process	(101,037,955)	(70,883,776)
	(28,076,013)	7,429,698
Cost of goods manufactured	1,583,593,297	1,167,437,720
Cost of goods purchased for trading	-	110,830,182
Opening stock of finished goods	81,427,265	106,132,191
Closing stock of finished goods	(83,342,051)	(66,511,333)
	(1,914,786)	39,620,858
	1,581,678,511	1,317,888,760

	September 30, 2021	September 30, 2020
	(Un-audited)	(Un-audited)
	Rupees	Rupees
20 TAXATION		
Current	64,787,392	61,952,661
Deferred	(17,005,220)	(1,793,778)
	47,782,172	60,158,883

21 EARNINGS PER SHARE - BASIC AND DILUTED

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

	Quarter ended	
	September 30, 2021	September 30, 2020
	(Un-audited)	
	-----Rupees-----	
Profit for the period (Rupees)	178,748,493	47,989,917
Weighted average number of ordinary shares	12,417,876	12,417,876
Earnings per share - basic and diluted (Rupees)	14.39	3.86



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

	Note	September 30, 2021 (Un-audited) Rupees	September 30, 2020 (Un-audited) Rupees
22 CASH GENERATED FROM OPERATIONS			
Profit before taxation		226,530,665	66,933,251
Adjustment for non-cash charges and other items:			
Depreciation		25,080,996	26,438,307
Deferred income		(1,970,953)	-
Gain on disposal of operating fixed assets		(1,533,514)	-
Unrealised gain on revaluation of investments classified as 'fair value through profit or loss'		-	(113,400)
Share of loss from associate		10,500	15,300
Financial charges		23,679,025	26,955,191
		45,266,054	53,295,398
Profit before working capital changes		271,796,718	120,228,649
Working capital changes	22.1	(532,687,119)	242,957,484
		(260,890,401)	363,186,133
22.1 Working capital changes			
Decrease / (increase) in current assets:			
Stores, spares and loose tools		(5,852,521)	(3,107,721)
Stock in trade		(378,289,630)	213,168,783
Trade debts		(107,427,494)	20,077,448
Loans and advances		(62,367,802)	5,596,409
Trade deposits and short term prepayments		(16,969,945)	(12,796,546)
Other receivables		16,345	(1,159,213)
Tax refunds due from the Government		(71,358,548)	-
		(642,249,595)	221,779,159
(Decrease) / increase in current liabilities			
Trade and other payables		109,562,476	21,178,325
		(532,687,119)	242,957,484

23 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the company	Nature of transaction	Name of the related party	Quarter ended	
			September 30, 2021	September 30, 2020
			(Un-audited) Rupees	
Associated companies	Sales of goods and services	Suraj Cotton Mills Limited	60,924,240	2,436,600
	Insurance premium	Premier Insurance Limited	22,899,383	19,155,970
	Donation paid	Maqbool Trust	-	-
	Rent received	Amil Exports (Private) Limited	194,700	169,035
Retirement benefit plans	Contribution to staff retirement benefit plans	Provident Fund	4,651,171	4,310,225
Director	Rent paid	Mr. Imran Maqbool	225,000	225,000
	Rent paid	Mr. Humayun Maqbool	225,000	225,000
Others	Rent paid	Mrs. Khawar Maqbool	645,000	645,000
Chief Executive	Remuneration and benefits	Mr. Imran Maqbool	2,885,113	2,629,932
Director	Remuneration and benefits	Mr. Humayun Maqbool	2,886,379	2,622,831
Key management personnel	Remuneration and benefits	Key management personnel	6,337,971	5,117,241

	September 30, 2021 (Un-audited) Rupees	June 30, 2021 (Audited) Rupees
23.1 Period / year end balances		
Receivable from associated company - Suraj Cotton Mills Limited	22,443,254	3,533
Payable to associated company - Premier Insurance Limited	18,549,194	2,352,331
Payable to provident fund	2,720,291	2,472,895
Due to Chief Executive and Directors	23,679,715	23,679,715

23.2 There are no transactions with key management personnel other than under their terms of employment.

24 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 asset 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

As at September 30, 2021, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through other comprehensive income				
Short term investments	92,604,533	-	-	92,604,533

As at June 30, 2021, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
At fair value through other comprehensive income				
Short term investments	94,939,218	-	-	94,939,218

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.

There were no transfers between Level 1, Level 2 & Level 3 fair value measurements during the period.

25 NUMBER OF EMPLOYEES

	September 30, 2021 (Un-audited)	June 30, 2021 (Audited)
a) Number of employees as at	1070	1062
Average number of employees	1063	1059

26 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on October 29, 2021 by the Board of Directors of the Company.

27 IMPACT OF COVID-19

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Company for the year ended June 30, 2021 due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Company, government have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021 (UN-AUDITED)

The management of the Company is closely monitoring the situation, and in response to the developments, taking all possible precaution and measures to safeguard health and safety of employees and other stakeholders. The management has evaluated and concluded that there is no material implication of COVID-19 on assets, liabilities, income and expenses of the Company.

28 CORRESPONDING FIGURES

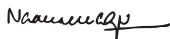
Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

29 GENERAL

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



IMRAN MAQBOOL
Chief Executive Officer



NADEEM MAQBOOL
Director



KAMRAN RASHEED
Chief Financial Officer

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